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HER MAJESTY QUEEN ELIZABETH II

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THE PARLIAMENTARY DEBATES

OFFICIAL REPORT

IN THE FIRST SESSION OF THE FIFTY-FIRST PARLIAMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
[WHICH OPENED 27 APRIL 1992]

FORTY-SECOND YEAR OF THE REIGN OF HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES — VOLUME 221

FIFTEENTH VOLUME OF SESSION 1992-93

House of Commons

Monday 15 March 1993

The House met at half-past Two o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Oral Answers to Questions

SOCIAL SECURITY

Private Pensions

1. **Mr. Dunn:** To ask the Secretary of State for Social Security what were the number and percentage of individuals over official retirement age in receipt of one or more occupational or private pensions as at *(a)* 1 January 1978 and *(b)* 1 January 1993; and if he will make a statement.

The Secretary of State for Social Security (Mr. Peter Lilley): The number of people receiving occupational pensions increased from approximately 3 million in 1979 to 4·5 million in 1989. That represents an increase from a third to nearly one half of that age group in 10 years.

Mr. Dunn: Will the Secretary of State please confirm that pensioners' average income from occupational pensions has nearly doubled since 1979? Is not that strong evidence of the Conservative party's determination to continue to improve the living standards of those who are retired?

Mr. Lilley: My hon. Friend makes a powerful point. We have increased the number of people receiving occupational pensions and the size of the occupational pensions that they receive. Overall, during the past decade or so in which we have been in power, we have increased the living standards of pensioners on average every year by more than they increased in the entire five years under the previous Labour Government.

Mrs. Golding: The Minister is, as ever, concerned to speak about the haves, not the have nots. How many times does he need to be asked before he much gives needed help to the pensioners who are refused additional benefits because they receive only tiny occupational pensions? When will he speak about helping them? Would it not have been better to have used the £2,600 that it cost to install a satellite television in benefit offices in Nottingham to show golden oldie films to claimants, to help those pensioners who are in such desperate need?

Mr. Lilley: My reference to the improvement in living standards of pensioners covered all categories of pensioners, not only those in receipt of an occupational pension, welcome though it is that now; among those reaching retirement, two thirds have occupational pensions. However, in addition, we have increased provision for the least well-off pensioners as I was able to confirm in the uprating statement last autumn. I confirmed that an extra £½ billion was to be channelled to pensioners through the pensioners' premium on income support, which was additional to the increase to compensate for inflation.

The hon. Lady may not want appropriate facilities in our benefit offices, but I believe that they should be good and appropriate to the needs of claimants.

Mr. Jenkin: Does my right hon. Friend agree that the worst possible pensions policy, which seems to be advoated or toyed with by the Labour party's social justice commission, would be to means-test the state pension while at the same time do nothing to encourage—or perhaps even discouraging—the alternative methods of private pensions provision?

Mr. Lilley: My hon. Friend is correct. There is an extraordinary new twist to the Labour party's policy. In the past, it undermined pensions by allowing inflation to

be rampant and now it appears that it is to consider means-testing pensions while, at the same time, discouraging private provision. One wonders whether it wants to help pensioners or to harm them.

Water and Sewerage Charges

3. **Mr. Madden:** To ask the Secretary of State for Social Security if he will make it his policy to increase that proportion of income support paid to contribute towards water and sewerage charges.

The Parliamentary Under-Secretary for Social Security (Mr. Alistair Burt): Water and sewerage charges are treated similarly to electricity and gas in that there is no separate identifiable proportion of income support.

Mr. Madden: Is it not about time that there was a specific, and substantial, amount? Is not the Minister worried that water disconnections are now running at the rate of 400 a week nationally, 50 a week in Yorkshire and 40 a week in the Minister's area? Is he not aware that, as water charges rocket, a large number of people on income support are having deductions made from their benefit to pay those charges? Is it not time for a ban on water disconnections in homes and an end to compulsory water metering?

Mr. Burt: In fact, the number of deductions made is about 3 per cent. of the total income support load, which shows that the vast majority of people are able to manage water charges. Water charges are analogous to electricity and gas charges rather than to anything else. It is up to the water companies to make provision for low-income customers. Over the years, the electricity and gas companies have developed a variety of methods—often frequent payment methods—to help those on low incomes who might otherwise get into difficulties. The best way to prevent disconnections is for the water companies to follow that lead.

Mr. Jacques Arnold: Is not the important point the overall amount available to low-income families? Is not it a fact that income support for low-income families has gone well ahead of inflation in recent years?

Mr. Burt: Yes. The changes to income support made in the late 1980s enabled extra money to be channelled to low-income families. An extra £1 billion will have been spent by the end of the current year. The income support system, by providing premiums for disability and for families, tries to ensure that those who use more of a particular commodity, such as water, receive more money.

Mr. Kirkwood: The improvements made by the Government are welcome, as far as they go. However, does the Minister accept that water charges in the year to January 1993 went up by 10 per cent. compared with a 1·7 per cent. increase in the retail prices index? That position is set to worsen in the next 10 to 15 years as water authorities and local authorities in Scotland plan future capital investment in the water industry. Will the Minister at least consider the possibility of a formula or mechanism to take account of the drastic increases so that people who can hardly afford to buy food can at least afford water?

Mr. Burt: I am not sure that I can help the hon. Gentleman. As he knows, income support is not based on specific amounts for particular goods, simply because people on low incomes want the opportunity that everyone else has to spend what they want on different commodities. A change to that system would be a massive administrative change and I am not convinced that it would work to the benefit of low-income families. The national proportion of deductions for water charges remains at about 3 per cent. which suggests that the majority can manage.

The difficulties that the hon. Gentleman mentioned with the increasing investment in water must be covered by the water companies and by their charging policies. The electricity and gas companies do that far better than the water companies. The Office of Water Services has recommended that all water companies should provide at least one frequent payment method. That would go some way towards alleviating the concern, which I share, expressed by the hon. Gentleman and others about disconnections.

Mr. John Marshall: Can my hon. Friend confirm that those on income support can look forward to an increase in their living standards in April because income support rates will rise by more than the rate of inflation? Can he also confirm that the introduction of the council tax will benefit those who are on community charge benefit and in receipt of income support?

Mr. Burt: Yes. The amount that was previously in income support to cover the 20 per cent. payment of community charge has not been clawed back. It will provide £750 million for low-income families—*[Interruption.]* Opposition Members may scoff; it shows what they think about amounts such as £750 million. Once again, large amounts are like water to them.

Mr. Spearing: In so far as there is support for the rapidly rising water charges, is not the Minister aware that those charges cover potential losses incurred by the water companies in any business in virtually any part of the world? Will he look into the matter and will he confirm, or otherwise, that those charges and public money will defray the possible losses incurred by the companies virtually anywhere?

Mr. Burt: The hon. Gentleman is straying somewhat from my responsibilities. As I said, responsibility for water charges rests with the water companies. There are different ways in which the companies can help low-income customers.

Unemployment

4. **Mr. Bayley:** To ask the Secretary of State for Social Security what percentage of his Department's budget in 1992-93 can be accounted for by unemployment.

5. **Mr. Wicks:** To ask the Secretary of State for Social Security what is the total amount spent in the course of a year on benefits for those who have been unemployed for more than 12 months.

Mr. Burt: The estimated cost of unemployment benefit, housing benefit and social fund payments to unemployed people represents some 12 per cent. of my Department's budget. It is not possible to provide separate figures for benefit expenditure in respect of people who have been unemployed for more than 12 months.

Mr. Bayley: Does the Minister accept that that amounts to billions and billions of pounds a year, and that

that goes a long way to explain why the proportion of national wealth taken in taxation by the Conservative Government now is higher than the proportion taken by the Labour Government in 1979? Will he guarantee that the Government will try to cut that sum—[HON. MEMBERS: "Oh!"]—by reducing the number of unemployed and not by cutting the scope or value of benefits for the unemployed?

Mr. Burt: The hon. Gentleman almost dug a trap for himself but tried to extricate himself from it. The Government share the view of everyone that the best way to deal with unemployment benefit costs is to reduce the number of unemployed. The Government intend to provide practical help for those who are unemployed and we are, indeed, providing more practical help and advice than ever before for those who are looking for work.

It should also be recognised that the employment market is never static. In January, there were 180,000 vacancies in jobcentres—the highest figure for two years—and the Department of Employment and the Employment Service are constantly working to put people back into work. Last year they placed 1·3 million people and this year they hope to place 1·5 million people. I persist in saying that the best way to ensure that more people are employed is to ensure that interest rates and inflation are low. Those are precisely the policies which the Government are pursuing, and we shall see more jobs as a result.

Mr. Wicks: Does the Minister agree that his answers—and I am being generous—further illustrate the substantial impact that mass unemployment is making on his Department's budget and priorities and the fact that it is distorting the way in which we meet need? Does he agree that that is further evidence that Britain cannot afford unemployment, and that what the unemployed need is not income support but jobs—not workfare but fair work?

Mr. Burt: I do not disagree with the sentiment behind the hon. Gentleman's question; I am happy to agree with it. Despite the recession, Britain has the highest percentage of people in work of any country in the European Community apart from Luxembourg and Denmark. Vacancies at jobcentres are at a two-year high and confidence among the business community has increased. The hon. Gentleman and his colleagues may have a vested interest in reducing confidence, but he should remember that he does not speak for the nation. We are determined to come through a very deep world recession with confidence, and to emerge from it with jobs, industry, dignity and success.

Mr. Evennett: Can my hon. Friend confirm that,, since the Government came to office in 1979, social security expenditure has increased by two thirds in real terms? Will he reaffirm the Conservative party's, and the Government's, belief in channelling benefits to those in the greatest need and confirm that we will continue to do that until we ensure that everyone has a decent standard of living?

Mr. Burt: My hon. Friend is quite correct. The Government place the highest priority on ensuring that benefits go to those most in need, while making sure that the economy works so that there are fewer unemployed in future. What the unemployed need, more than benefit, is jobs.

Mr. Congdon: Will my hon. Friend confirm that now that base rates are down to 6 per cent., they are the lowest in Europe and that that provides the best basis for future growth and hence a reduction in unemployment?

Mr. Burt: My hon. Friend is quite right. Such statistics provide the basis for jobs in the future to which I referred.

Mr. Dewar: But will the Minister confirm that the 12 per cent. of his budget that goes on unemployment amounts to the frightening figure of £10·4 billion in the coming year? Is not that a condemnation of the destructive policies that the Government are following? If the Minister recognises that the real cure is to reduce the number in the dole queues, does not he have a duty to back policies designed to achieve that end, rather than holding to the rather primitive view of the Secretary of State that Governments should do nothing? Specifically, does he agree with his colleagues in the Department of Employment that the principle of workfare must be rejected because it would lead to
"a low wage, low productivity economy"?

Mr. Burt: The Government have no intention of introducing a workfare model in the manner described by the hon. Gentleman. The Government have been providing as much practical help for the unemployed as possible and the Department of Employment is doing just that. At the start of the hon. Gentleman's comments, he persisted in trying to suggest that unemployment and the recession are purely British phenomena. I suggest that the hon. Gentleman spends some of his spare time visiting his socialist friends in France who will very shortly be spending rather more time with their families because they are about to be thrown out of office. The hon. Gentleman and his colleagues do not have the distinction of being thrown out of office—simply because they were too awful to gain office in the first place.

Pensioners

7. **Mr. Hawkins:** To ask the Secretary of State for Social Security what extra help has been directed to lower income pensioners in the last three years.

The Parliamentary Under-Secretary of State for Social Security (Miss Ann Widdecombe): Poorer pensioners received extra help worth £70 million in April 1991, £60 million in April 1992, £315 million in October 1992 and they will gain a further £260 million this year because although income support recipients will no longer have to pay local taxes, their benefit will not be reduced.

Mr. Hawkins: Does my hon. Friend agree that pensioners' average income from savings has more than doubled since 1979 while between 1974 and 1979 pensioners' average income from savings in real terms fell by 16 per cent? Does my hon. Friend agree that that is powerful evidence of the poverty that socialism brings for those on fixed incomes in comparison with the success of Conservative policies?

Miss Widdecombe: Indeed. My hon. Friend put it extremely well.

Mr. Olner: The Minister could not have put it better herself.

Miss Widdecombe: I could hardly have put it better, but I will now supplement my hon. Friend's comments by

saying that inflation is the single biggest evil facing pensioners in their endeavours to save for their od age. The Labour Government managed so successfully to wipe out pensioners' savings in the inflation years of the 1970s that the net result was that many of the older pensioners who can no longer rely on their savings have had instead to be rescued by our package of help for poorer pensioners. We have much to be proud of and Opposition Members should hang their heads in shame.

Mr. Winnick: If anyone should hang their heads in shame Government Ministers should. Do they not realise that millions of pensioners, especially pensioners who rely on the state pension and supplementary benefit or who perhaps have a small occupational pension, are in a desperate state because of low incomes? Why do so many pensioners ask Members of Parliament—they have certainly asked me this and I am sure that they have asked Conservative Members the same question—who won the last war? They ask that when they compare their plight with that of people in other European countries like Germany.

Miss Widdecombe: What they do know is that the pensioners won the last election. Our policies are such that pensioners are very much better off than they would have been if we had had a resurgence of Labour's policies which is all that Labour promised at the last election. As for pensioners having to rely on the state pension, very few people in this country have to manage on the state pension alone. It should not be forgotten that those who receive income support to supplement their state pensions can have 100 per cent. of their rent paid; 100 per cent. of their council tax paid and, in many cases, they can double the value of their state pensions.

Mr. Ward: Does my hon. Friend agree that on average, pensioners' income increased by 30 per cent. between 1979 and 1993? My hon. Friend might like to contrast that with what happened under the Labour Government. Is it not important to continue to ensure that any funds available from the taxpayer go to those in greatest need rather than to increases across the board?

Miss Widdecombe: Yes, indeed. That is why our support plan for pensioners in the greatest need is worth about £1 billion a year. It is quite true that pensioners' incomes from all sources have risen by 30 per cent. since the Government have been in power. That is because, among other things, of our policy of encouraging occupational pensions, which was so deeply scorned by the Opposition, and of creating personal pensions. The Opposition fought against the incentives that enabled people to take up those pensions.

The Government are wholly committed to the pensioner and to pensioners' incomes. We are not blinkered in believing that the only source of income is the state pension. [HON. MEMBERS: "Boring."] As Opposition Members are shouting, "Boring", they obviously find the problems of pensioners boring because they do nothing about them.

Mr. Skinner: Will the Minister confirm that the pension is now equivalent to about 15 per cent. of the average weekly wage and that it has fallen dramatically in the past 14 years? Widows of retired miners in my constituency get £10 or £11 from British Coal, as a result of which they are disqualified from many of the benefits that the Minister mentioned. Pensioners in many other countries throughout the world, including some in the so-called Common Market countries, receive pensions that equate to 50 or 60 per cent. of average weekly earnings. Those retired miners' widows get nowhere near that, and if they surrender their coal allowance and take money for gas in lieu they lose every penny of housing benefit that they receive.

Miss Widdecombe: The hon. Member for Bolsover (Mr. Skinner) was most unwise to mention other countries in the Common Market, because we do better by pensioners on half average earnings than do most of our European neighbours. The hon. Gentleman is quite wrong, because in, for example, Germany and France there is no basic pension. The pensions that he mentioned are for higher earners and are earnings related, whereas Britain has a flat basic-rate pension available to all who have paid national insurance contributions. The value of the state pension has been more than maintained since 1979, and those whose entitlement to coal takes them slightly above the income support level can still, in certain circumstances, get help with other income-related benefits.

Family Credit

8. **Mr. Lidington:** To ask the Secretary of State for Social Security what is the current size of the family credit caseload.

Mr. Lilley: At the end of October 1992, there were 450,000 families receiving family credit.

Mr. Lidington: Will my right hon. Friend confirm that his Department expects to spend more than £850 million on family credit in the forthcoming financial year? Does he agree that that is a sensible way of channelling Government resources to ensure that people are better off in work than out of it and are not caught in a poverty trap when they take on employment?

Mr. Lilley: I confirm my hon. Friend's point. We expect to spend £864 million in 1992-93—13 times the real value of expenditure on family income supplement, which this benefit replaced. It does an excellent job in enabling people to return to work without loss of income.

Mr. Rooney: Does the Secretary of State accept that, in many ways, family credit is a taxpayers' subsidy to the bad employer, and does he recognise the poverty trap in which people on family credit find themselves, with a claw-back rate of 93 per cent?

Mr. Lilley: I do not accept that, because pay levels are set according to a range of people who are in and are seeking employment, not just those with families. It is not surprising that the Opposition try to snipe at this benefit because it was introduced by this Government. The Labour party has never done anything to deal with the problem and it should turn its mind constructively to doing so, not destructively.

Mrs. Angela Knight: Will my right hon. Friend confirm that the number of hours that have to be worked to be eligible for the benefit have recently been reduced from 24 a week to 16? Is not the impact of this change that more families will be eligible and helped by the benefit?

Mr. Lilley: Yes, my hon. Friend points to an important development. As a result of this change in the hours rule,

60,000 extra families are already in receipt of this benefit and it is open to a wider number of people. I am sure that improvement in benefit will be widely welcomed by Conservative Members, even though Opposition Members do not seem to welcome it.

Mr. Bradley: Does the Secretary of State acknowledge that a large proportion of the increase in family credit claimants is due to the change in the definition for income support of full-time work? Is he aware that many people who would have been entitled to income support from April 1992 onwards are now worse off because they cannot get help with their mortgage costs? Will he give an estimate of the number of people who have lost their entitlement to help with their mortgage interest charges as a result of the change in the hours rule, and will he urgently consider helping people on low incomes with their mortgage costs to ensure that no one is disadvantaged from taking up a job because they cannot afford to do so following the change in the hours rule?

Mr. Lilley: The number of people on this benefit has increased by 100,000 over the past year. As I said, about 60,000 of that is due to the improvement of the hours rule in respect of eligibility for the benefit.

I shall look into the hon. Gentleman's question to see whether I can give him figures for the impact on income support and I shall write to him.

Pensioners (Telephones)

9. **Mrs. Roe:** To ask the Secretary of State for Social Security how many pensioner households had a telephone in 1979 and in 1990.

Miss Widdecombe: Only half all pensioner households had a telephone in 1979. This had risen to 87 per cent. in 1990 and 89 per cent. in 1991. This of course reflects the general improvement in pensioners' living standards since we took office in 1979.

Mrs. Roe: I am grateful to my hon. Friend for that reply. Will she confirm that there has been not only an enormous increase in telephone ownership among pensioners, but a vast increase in the number of pensioner households with central heating? Does she agree that that is striking evidence of how the Government's economic policies have enormously benefited millions of pensioners?

Miss Widdecombe: Yes, indeed, I am pleased to confirm that, whereas in 1979, when we got rid of the Opposition, about 43 per cent. of pensioners had central heating, today 76 per cent.—*[Interruption.]*

Madam Speaker: Order. This has been remiss of me. The question relates to telephones and I should be glad if questioners and those who answer would relate their remarks directly to the question on the Order Paper.

Miss Widdecombe: I am sorry, Madam Speaker, if I am out of order. A telephone is a consumable durable, as is central heating——

Madam Speaker: Order. In my book, there are two lines to this question, which asks

"how many pensioner households had a telephone in 1979 and in 1990."

That is the question to answer.

Mrs. Helen Jackson: Given the Minister's reply, will she acknowledge that any suggestion tomorrow that VAT should be added to the cost of public utilities, such as telephone charges and other public utility charges, would have an extremely detrimental effect on pensioners' living standards?

Miss Widdecombe: The hon. Lady does not seem to understand what VAT is already charged on.

Mr. Thurnham: Is my hon. Friend aware that many pensioners in Bolton are using their telephones to ring the hotline run by Bolton hospital to seek counselling and advice on the problem of the doctor who had AIDS? Will she ask the Department of Health to give the hotline a little more information——

Madam Speaker: Order. The hon. Gentleman is now trying my patience. The question relates to the number of telephones. It has nothing to do with passing on information to Health Ministers. Does the hon. Gentleman have a direct question related to the question on the Order Paper? [HON. MEMBERS: "No."] Leave it to me.

Young People (Benefits)

10. **Miss Lestor:** To ask the Secretary of State for Social Security how many people between the ages of 16 and 21 years are in receipt of benefits.

Mr. Lilley: It is not possible to give a single figure since some young people receive more than one benefit. But in 1991 there were 490,000 claiming income support, 143,000 claiming either housing benefit or community charge benefit, 49,000 claiming unemployment benefit, 34,200 on severe disablement allowance and 9,200 receiving family credit, plus small numbers on other benefits.

Miss Lestor: When does the Minister intend to do something about what amounts to a penalty on education and training for the large number of young people who are trying to continue in some form of education? They cannot find a job, yet they are penalised because they cannot get benefits. I remind him of the case in my constituency—I am sure that it has been repeated all over the country—of two young men serving apprenticeships who, when their firm went bust, tried to continue a college course to gain qualifications over a period of a year or two. They were denied benefits and thus became a burden on their families. Surely that is a penalty on education and training.

Mr. Lilley: As the hon. Lady knows, there is an allowance for those aged 16 to 17 on training schemes, but benefit has never been paid to those in school or further education. If there is a choice between spending money on maintenance or on increasing and improving education, we have opted for the latter. I am pleased to say that the number of people staying on at school and going on to further and higher education has increased enormously. If the hon. Lady thinks that there is a penalty, happily the vast majority of people are ignoring it and recognising the benefits of education, which is the important thing to get across.

Mr. Willetts: Does my right hon. Friend accept that since 1979 the number of people in the 16 to 21-year-old age group going into higher education has more than doubled and that there has been an enormous expansion in

the number of training places? Was not the story of the 1980s a significant extension of public responsibility for people in that age group?

Mr. Lilley: My hon. Friend puts it clearly and that is the case. On training alone, nearly 300,000 people are on youth training courses provided by the Government, compared with only 7,000 in 1978 when the Labour Government were in power.

Mr. Frank Field: As the Government's cuts in benefits for young people have directly resulted in large numbers of them sleeping rough on the streets, what are the Government going to do about it?

Mr. Lilley: I do not accept the premise of the hon. Gentleman's question. Far from cutting expenditure on that age group, we have substantially increased it through our increased spending on youth training. It was right to move away from a system in which people automatically had access to income support on leaving school and to replace it with the opportunity to stay on at school or to go to further or higher education or on a youth training course. The important thing is to activate and implement the guarantee. My right hon. Friend the Secretary of State for Employment has seen to it that every training and enterprise council has the money to implement that guarantee and see is vigorously ensuring that they do so. If young people do not have a place on a guaranteed training scheme, income support is available, even though they are aged only 16 or 17.

Mr. Brazier: Does my right hon. Friend agree that millions of taxpayers think that it is absolutely right that 16 and 17-year-olds who are not at school or in a job should be required to do youth training if they want to get assistance from the state? It is right that benefits are available only in the most exceptional circumstances to people in that age group.

Mr. Lilley: I am sure that that is the widely held view of the majority of people, especially of parents and young people, who want to make productive use of their lives rather than go straight on to benefit. I believe that 7,000 people are having to wait more than eight weeks for a place on a youth training scheme and that 3,000 have been offered a place, but it was not satisfactory.

Disability Allowances

11. **Mr. Flynn:** To ask the Secretary of State for Social Security what was the cost of advertising the disability living allowance and disability working allowance in 1991-92; and what is his estimate of the total expenditure on such advertising for 1992-93.

The Minister for Social Security and Disabled People (Mr. Nicholas Scott): The answer is £6·4 million and £1·9 million respectively.

Mr. Flynn: Was the £2·5 million spent at this time last year on advertising those benefits an act of incompetence or something worse, as 94 per cent. of applicants for disability working allowance did not qualify because they were cruelly misled by Government advertising, which was targeted on winning the election for the Tories? Will the Government repay that £2·5 million in taxpayers' money and tell us where the £17 million donated anonymously to the Tory party's election chest by foreign millionaires came from? The Italians have confessed that their electoral——

Madam Speaker: Order. The hon. Gentleman is straying a long way from the question. He was perfectly in order at the beginning.

Mr. Scott: Our advertising for disability living allowance, which formed part of the hon. Gentleman's question, was spectacularly successful in attracting claimants for that allowance and has resulted in more than 400,000 awards in the intervening period. I, too, am disappointed in the take-up of disability working allowance, but it is a new concept and many people confused the two allowances and claimed for the wrong one. I am anxious to ensure that as many people as possible can take advantage of disability working allowance, which, for the first time and almost uniquely in the world, will provide disabled people who wish to work and who are able to do so with the option of having their earnings topped up by a Government benefit.

Mr. Clifton-Brown: Can my right hon. Friend quantify the total increase in expenditure on the disabled since 1979?

Mr. Scott: In broad terms and in real terms, expenditure has trebled since the Labour Government left office and we assumed responsibility for such matters.

Ms Eagle: If the disability working allowance is such a success, how many people are receiving it?

Mr. Scott: Perhaps the hon. Lady was rehearsing her supplementary question rather than listening to what I said. I said that I was disappointed with the take-up of disability working allowance and was anxious to see— [HON. MEMBERS: "How many?"] About 2,500 people receive disability working allowance and I am anxious that that is increased as quickly as possible. A little bit of help, instead of those sort of remarks from Opposition Members, would help us to spread knowledge of this benefit. They could help in that way.

Pensioners

12. **Mr. Harris:** To ask the Secretary of State for Social Security what is the total value of extra help which has been directed to less well-off pensioners since 1989.

Miss Widdecombe: My hon. Friend will be pleased to hear that, by April, the total extra help given to pensioners on income-related benefits since October 1989 will be worth around £1 billion a year.

Mr. Harris: I thank my hon. Friend for that answer and congratulate her on it. However, does she accept that difficulties arise increasingly among people who are just above the general benefit level? For example, someone in my constituency wrote to me only last week to say that he was facing a bill of £500 from South West Water, on an income of just under £6,000. Can anything be done to help such people, who qualify for no benefit at all?

Miss Widdecombe: Those who do not qualify for income support can qualify for housing benefit or council tax benefit and to be eliminated from receiving those, people must have savings of £16,000 a year or an income that is substantially above the income support rate.

Although we always have those limits under review and although we have raised them each year and more than in line with inflation recently, as has been pointed out, we believe that the system strikes a fair balance between those who have resources and savings and those who do not.

CHURCH COMMISSIONERS

Investment Policy

30. **Mr. Tony Banks:** To ask the right hon. Member for Selby, representing the Church Commissioners, what discussions they have had with their counterparts in the Roman Catholic Church on investment policy.

Mr. Michael Alison (Second Church Estates Commissioner, representing the Church Commissioners): Although the Commissioners have no exactly comparable counterpart in the Roman Catholic Church, they discuss a wide range of investment issues with representatives from other denominations, including the Roman Catholics, at regular Church investors' meetings.

Mr. Banks: I am delighted to hear it. May I suggest that next time that the Church Commissioners meet representatives of the Roman Catholic Church, they discuss investment possibilities in child care facilities in Bosnia, in view of the grotesque advice offered by the Pope to Bosnian women who have been raped by sub-human Serbian scum that they should have the babies? If the Pope has no better advice to offer women who have been subjected to rape, I suggest that he stays inside the Vatican and contemplates the evils being perpetrated on women in this world.

Mr. Alison: As a fellow Church Commissioner, Madam Speaker, no doubt you appreciate the significance of the church-state link, as demonstrated by the hon. Gentleman, but I am afraid that his observations lie somewhat outside the scope of the Church Commissioners, whose finances are regulated and controlled by statute and have to be directed according to certain specific conditions. I am sure that the hon. Gentleman will appreciate that a large number of lay people in all the Churches dip into their pockets privately to contribute towards the relief of the Bosnian crisis.

Archbishop of York (Palace)

31. **Mr. Bates:** To ask the right hon. Member for Selby, representing the Church Commissioners, what are the annual running costs of the Archbishop of York's palace at Bishopsthorpe; what the accommodation comprises; and what is its latest valuation.

Mr. Alison: In 1992, maintenance costs at Bishopsthorpe were £20,600. The accommodation includes domestic living quarters, state rooms—hall and drawing room—a chapel and offices. The value of such a piece of our historic heritage is incalculable. The Commissioners have it insured for £4·6 million.

Mr. Bates: I am grateful for that answer. Does my right hon. Friend agree that it may be of some considerable interest to my constituents who heard His Grace the Archbishop recently on BBC television taking the Government to task for the measures that they were taking for alleviating poverty and homelessness? Given that the Church Commissioners administer a portfolio of equities to the value of £0·8 billion and a property portfolio worth £1·2 billion, may not the message from my constituents to their Archbishop in future be that Archbishops in expensive glass palaces should not throw stones?

Mr. Alison: My hon. Friend criticises the attacks made by the Archbishop of York, from his palace, on the Government. If the Commissioners or the Government were to make the Archbishop homeless, I fear that his attacks would be likely to be exacerbated and not moderated.

Mr. Frank Field: When is the report of the inquiry into the Commissioners' assets expected and will it be published?

Mr. Alison: It will be published. I cannot give the exact date when it will be available.

Marriages (Fees)

32. **Mr. Madden:** To ask the right hon. Member for Selby, representing the Church Commissioners, what assessment the Church Commissioners have made of the level of clergy income from fees for performing marriages.

Mr. Alison: In the year to 31 March 1992, church and churchyard fees received by clergy totalled about £5 million, but no central records are held of the amount specifically attributable to marriage services.

Mr. Madden: I am most grateful to the right hon. Gentleman for that reply. Does he accept that any cleric who was dependent on fees from marriages performed in the Chapel would have an extremely lean time? Will he do what he can, with the Church Commissioners and perhaps the Archbishop of Canterbury, to have discussions with the Lord Great Chamberlain, the Lord Chancellor and Madam Speaker to see whether the Chapel can be registered for marriages so that a wider range of marriages than hitherto could be conducted in the Crypt?

Mr. Alison: I shall make representations——

Madam Speaker: Order.

Ordination of Women

33. **Mr. John Marshall:** To ask the right hon. Member for Selby, representing the Church Commissioners, what is the estimated financial effect on the Church Commissioners of the introduction of women priests.

Mr. Alison: Any direct additional stipends' costs will be met by dioceses rather than the Commissioners. However, the cost of financial provision for those who leave on conscience grounds will be a statutory charge upon the Commissioners' general fund and will reduce the amount available for other purposes. The gross cost per 100 men is estimated to total £4·6 million of income spread over a period of up to 20 years.

Mr. Marshall: Does my right hon. Friend accept that while we are pleased to serve under the first woman Speaker, we are looking forward to women priests and the first woman bishop in the Church of England and many of us would regard the sum to which my hon. Friend referred as a price worth paying to get women as fully fledged priests and bishops?

Mr. Alison: I voted in the General Synod for the ordination of women measure and I shall be responsible for piloting the measure through the House. I echo the views expressed by my hon. Friend. I hope that he will be prepared to stay up late and, if necessary, vote on the issue when the measure is debated on the Floor of the House.

LORD CHANCELLOR'S DEPARTMENT

Commercial Court

39. **Mr. Ottaway:** To ask the Parliamentary Secretary, Lord Chancellor's Department what steps he is taking to reduce delays in the commercial court.

The Parliamentary Secretary, Lord Chancellor's Department (Mr. John M. Taylor): Plans to appoint 10 additional High Court judges were announced recently, together with plans to establish management information systems to enable long-term decisions on the size of the judiciary to be based on proper management information about workload and throughput and on consideration of other ways of handling the load.

The Lord Chancellor and the Lord Chief Justice have agreed that some of the additional judge power will be available to address any continuing problems in the commercial court.

Mr. Ottaway: May I congratulate my hon. Friend on his response to the matter, which I first raised in my recent Adjournment debate? Will he accept the congratulations of the business community, which has been most concerned about delays in the commercial court? Does he agree that a further way of taking pressure off the judicial system would be to give some support to an alternative disputes resolution service, which, again, would be warmly welcomed by the business community?

Mr. Taylor: I am grateful to my hon. Friend for his gracious remarks. The Lord Chancellor welcomes initiatives in alternative disputes resolution services in the widest sense. I have no doubt that some of my hon. Friend's professional connections will have helpful contributions to make, based on their considerable experience.

Courts (Dress)

40. **Mr. David Martin:** To ask the Parliamentary Secretary, Lord Chancellor's Department if he will make a statement on standards of dress in courts of justice.

Mr. John M. Taylor: The Lord Chancellor and the Lord Chief Justice issued a consultation paper on court dress last summer, inviting the views of the public, the judiciary and the professions. The period for submission of responses ended on 31 December 1992 and an analysis of them is now under way. It is hoped that the outcome of the analysis will be available next month.

Mr. Martin: May I thank my hon. Friend for his reply. As for the wearing of wigs, I would not wish to suggest to my hon. Friend in particular that lack of hair on the head implies any less competence or wisdom. Will he confirm that he will not give any undue encouragement to those who wish to prevent barristers, both male and female, from wearing wigs in courts where it is now customary to do so?

Mr. Taylor: I think that my hon. Friend seeks to imply that I am bald, which is fine and also true. However, had he even hinted that I was follicly challenged, I would have had something to say about it. I am not disposed to tell others not to wear wigs, but I certainly will not be wearing one myself.

Mr. Enright: Is the Parliamentary Secretary aware that the wearing of hats even funnier than those worn in the House and the putting on of what appear to be nighties outrages the sensibilities of many people in Yorkshire?

Mr. Taylor: I did not know that this was a specifically Yorkshire question, but I defer to the hon. Gentleman's knowledge of Yorkshire. No doubt he speaks heartily for all his constituents.

Women Judges

41. **Mrs. Gorman:** To ask the Parliamentary Secretary, Lord Chancellor's Department what steps he is taking to increase the number of women judges.

Mr. John M. Taylor: The Lord Chancellor's policy is to appoint to judicial office those best qualified, regardless of gender, ethnic origin, political affiliation or religion. Without prejudice to that overriding principle, the Lord Chancellor has repeatedly stressed that he would like to see more suitably qualified female legal practitioners appointed to the judiciary.

Mrs. Gorman: I am sure that my hon. Friend is aware of the massive imbalance between men and women judges. Of about 1,000 judges in Britain, only 61 are women. There is not a single woman out of 10 Lords of Appeal; only two women out of 13 judges in the family division; and only 24 women out of 463 circuit judges.

Does my hon. Friend agree that, as women are very good when put on the bench as magistrates, it is time to reconsider the criteria for appointing judges? Is not it terribly important, as so many elderly gentlemen judges hand out wholly inadequate sentences in cases of abuse of women, especially rape—judgments which I think would be different if the judge were a woman?

Mr. Taylor: I sympathise with a great deal of what my hon. Friend has said——

Mr. Corbyn: What is the Parliamentary Secretary going to do about it?

Mr. Taylor: As I have said previously, the Lord Chancellor can appoint only from the recruiting ground, by age and experience——

Mr. Corbyn: Change the recruiting ground.

Hon. Members: Hear, hear.

Mr. Taylor: The recruiting ground is, to a degree, self selecting because it is necessary for members of the professions to offer themselves for part-time judicial office. *[Interruption.]* Quite clearly, the mood of the House is not sympathetic to my answer.

Hon. Members might be more sympathetic if I point out that the number of women joining the professions has increased greatly during recent times. Therefore, when they have a little more experience and are of a suitable age for judicial appointment, a great number of them will be available for appointment. The House should be aware

that that is already beginning to show through. At the lower rungs of the ladder, women assistant recorders represent 12 per cent. of the judicial community and, among assistant recorders in training, 14 per cent. are women. I am quite prepared to admit that there should be more, but the trend is in the right direction.

Mrs. Dunwoody: Is the Parliamentary Secretary aware that as the average woman has had to deal with male children and a male husband, she is perfectly capable of judging the behaviour of even the strangest of people who come before her? Will the hon. Gentleman be more positive in his efforts? Frankly, although we are delighted by the number of women now entering the profession, to wait another 30 years for the millenium would be simply to repeat the position in the House, where all the men tell us that if we wait long enough, something will happen.

Mr. Taylor: I am asked to say what, perhaps, has already taken place. The Lord Chancellor has operated age limits flexibly in respect of women candidates. He has asked that women be included wherever possible in the list of those under consideration for appointment. Specific reviews of female candidates are carried out from time to time. The Lord Chancellor has co-operated with the bar in research into sex equality at the bar and in the judiciary and he is considering the findings of that research.

In 1992, two more women were appointed to the High Court Bench and both assigned to the Queen's Bench division—the first women to be so assigned.

Lay Magistrates

43. **Mr. Hawkins:** To ask the Parliamentary Secretary, Lord Chancellor's Department if he will give the figures for the number of lay magistrates in office in England and Wales in 1992.

Mr. John M. Taylor: At 31 December 1992 the number of active justices in office in England and Wales, including those within the area of responsibility of the Chancellor of the Duchy of Lancaster, was 29,686. This compares with 29,441 for the previous year and 27,926 at the end of 1987. In short, the number of magistrates is going up.

Mr. Hawkins: My hon. Friend will be aware that considerable concern has been expressed publicly among the magistracy about the effects of the Criminal Justice Act 1991. What is his response?

Mr. Taylor: I am endeavouring to travel widely throughout the country to talk to magistrates, not least about the White Paper, "A New Framework for Local Justice". They tell me of their concerns, which I pass on to the Government. I remind my hon. Friend that questions of changing criminal law are for the Home Office.

Mr. Corbyn: Will the Minister give consideration to the low numbers of black and women lay magistrates appointed? Will he also examine carefully the problem that too many magistrates do not in any way reflect the communities over which they are asked to make judgments?

Mr. Taylor: The number of women magistrates is rising and is now 46 per cent. of all magistrates. The number of ethnic minority representatives varies between 4 and 5·4 per cent., which reflects their numbers in our society generally. As to the policial orientation of magistrates, I remind the hon. Gentleman and the House that they are drawn from among those who apply. One cannot appoint people who do not apply.

Mr. Boateng: We know that lay magistrates and their clerks spend time informing the Minister and the Lord Chancellor of their concerns in relation to the administration of justice. Will the Minister and the Lord Chancellor show some indication that they are listening? Lay magistrates throughout the country are sick and tired of receiving diktats from the Lord Chancellor's Department which show it to be much more informed and influenced by market policy and the Government's obsession with their own ideology than it is with the interests of justice.

Mr. Taylor: That criticism lies unfairly on the head of my noble and learned Friend the Lord Chancellor, who has been an exceptional supporter and proponent of the lay magistracy. He supports it on all occasions and I seek to do the same. I do not know a man to whom applying the word "diktat" would be less appropriate than my noble and learned Friend.

Female Magistrates

44. **Mr. Barry Jones:** To ask the Parliamentary Secretary, Lord Chancellor's Department what efforts his Department are making to obtain the appointment of more female magistrates.

Mr. John M. Taylor: The Lord Chancellor, through his advisory committees, seeks to achieve a balance in the appointment of men and women. At 31 December 1992, 46 per cent. of magistrates were women, compared with 43 per cent. at the end of 1987 and 34 per cent. at the end of 1970. The Lord Chancellor also aims to achieve equality of sittings and he is very near achieving that. The percentage of women on the bench is rising consistently.

Mr. Jones: Is not it true that many working women find it hard to get time off and that many employers are paring back to the point where females who could serve as magistrates cannot entertain the prospect? In many homes in which the male partner is unemployed, the female partner must go out to work. That is certainly the case in Wales. Many people feel that the junior Minister should do more to emphasise the need for female magis trates—and that if he did, he would have far better courts with which to work.

Mr. Taylor: I am glad to hear the hon. Gentleman challenge me in his customary friendly way. My next magistrates visit will be to Cardiff and I shall bear the hon. Gentleman's remarks very much in mind when I am there.

Mr. Burns: Does my hon. Friend agree that although more female magistrates and judges would be welcome, provided that they are appointed on merit, he should not be tempted positively to discriminate in favour of women if that is done simply for the sake of appointing more women, when they might not be as well qualified as men? That would be dangerous for the cause of women and for the judiciary.

Mr. Taylor: I understand my hon. Friend's warning.

Land Registry Offices (Staff)

45. **Mr. Ian Bruce:** To ask the Parliamentary Secretary, Lord Chancellor's Department if he will make a statement of staffing levels at Land Registry offices; and what increase in work he expects in the medium term.

Mr. John M. Taylor: A contracting workload has meant that, since 1989, staffing levels have been reduced by over 2,300 posts, but the registry retains the capacity to respond to recovery in the property market. The registry is planning for a workload increase of 20 per cent. between 1993 and 1998.

Mr. Bruce: I thank my hon. Friend for that answer. I wonder whether he will be able to fit into his busy schedule a visit to Weymouth Land Registry office, where I am sure that he will have a warm welcome from the very efficient staff there. I know that they are very keen to see the Chancellor's Budget tomorrow, which I am sure will increase the number of houses being bought and therefore registered and hence the number of jobs in Weymouth in my constituency.

Mr. Taylor: I am pleased to accept my hon. Friend's invitation. It is my intention to go to Weymouth to see the Land Registry and I hope that for some part of that visit my hon. Friend will be able to join me.

Hong Kong

3.30 pm

The Secretary of State for Foreign and Commonwealth Affairs (Mr. Douglas Hurd): With permission, Madam Speaker, I should like to make a statement about political development in Hong Kong.

There is widespread support in the House and elsewhere for the proposals put forward by the Governor last October. We sought to respond to the wish of the Hong Kong people for a greater say in their own affairs while staying within the terms of the Sino-British joint declaration, the Basic Law and other relevant exchanges with the Chinese side.

The Governor's proposals represent our judgment of the right way forward for Hong Kong, but we have said from the start that we are open to alternative ideas, from the people of Hong Kong or from the Chinese side. We have had a wide range of suggestions from people in Hong Kong. The Chinese side have opposed the proposals without offering anything in their place. Since last October, we and the Governor have been urging the Chinese side to discuss these electoral issues with us in order to reach an understanding. We are ready to enter such discussions without preconditions. We want to see as much continuity as possible in Hong Kong's electoral arrangements before and after 1997.

Some two months ago, we renewed our efforts to get talks under way with China, and since then there have been intensive diplomatic contacts in Peking. It may be useful for the House if I set out briefly the basis on which we were prepared to hold discussions.

First, we accepted that the talks should be on the basis of the joint declaration—which I have mentioned—the principle of convergence with the Basic Law and the relevant understandings and agreements reached between Britain and China. The Governor's proposals are wholly compatible with those.

Second, as I made plain to the House on 10 March, we told the Chinese side that the British team in these discussions would include representatives of the Hong Kong Government on the same basis as other officials taking part in the talks. Hong Kong officials have joined over the past 10 years in discussions with the Chinese side as members of the British team, including during the negotiations on the joint declaration and later as members of the Joint Liaison Group. We cannot and do not accept what some Chinese officials have said in the past few days —that the role of people from Hong Kong in discussions about Hong Kong's future should be downgraded.

We received a positive response on the principle of talks from the Chinese side in early February. To help get the talks started, we and the Governor therefore decided, with the advice of the Executive Council in Hong Kong, to postpone the original plan to publish the draft electoral legislation in Hong Kong's Official Gazette on 12 February. As the diplomatic contacts proceeded, we held up publication for four further weeks; but we told the Chinese that it was not possible to delay indefinitely, given the need to pass legislation before the Legislative Council rose for its summer recess in July.

It is disappointing that, despite all those efforts, the Chinese side were still not able to agree by 12 March to a date for talks—or even to a date on which an announcement of talks could be made. As we had forewarned them, the Governor therefore published his proposals on that day, 12 March. A copy has been placed in the Library of the House.

Publication in the Official Gazette is only the first step in the legislative process. Introduction of the Bill into the Legislative Council would be a separate step. As the Governor has said, we will have to judge, in the light of developments, when to take that step. Thereafter, I am sure that Members of the Legislative Council would want to discuss the draft legislation in great detail, in the light of the various alternatives put forward, before they reached a decision.

Publication of the legislation therefore should not make it more difficult to begin talks with China. The Bill sets out the Governor's proposals, which have been public since October, in legislative form. This does not affect the basis for talks with China, the need for such talks, or our wish to hold them. We have said that if we reached an understanding with the Chinese side we would recommend this to the Legislative Council.

So we remain ready for talks at any time and I hope that the Chinese side will be prepared to settle quickly on arrangements for such talks. We in Britain have responsibility for the administration of Hong Kong until 1997, and part of that responsibility is to maintain steady progress towards democracy in Hong Kong. We are open to discussion about how to achieve that, but the key point is that the electoral arrangements in Hong Kong should be fair, open and acceptable to the people of Hong Kong.

The Chinese side also have responsibilities and interests as the future sovereign power. Britain and China have every incentive to work together to ensure the future success of Hong Kong. We will continue to the greatest extent possible to pursue steadily the path of co-operation with China, and we look to the Chinese side to do the same.

Dr. John Cunningham (Copeland): I welcome the right hon. Gentleman's decision to make a statement about the circumstances in Hong Kong and on relations between the People's Republic of China and Her Majesty's Government. We had asked for such a statement, and I think that the whole House will be grateful to the right hon. Gentleman for making one. There is much in the statement with which to agree. It is conciliatory in tone and continues to offer open discussions without preconditions to the Government of the People's Republic of China. That, too, is welcome. It safeguards the legitimate interests and the right to make final decisions of the people of Hong Kong themselves whose future is the most important aspect of all in these matters. I congratulate the right hon. Gentleman on all those issues.

However, the central question remains unanswered. Why is it that, in the face of long discussions over many months with the apparent openness and willingness of Her Majesty's Government to meet without preconditions, the talks have broken down? Why is progress not being made? Is the right hon. Gentleman aware that in my meetings with Vice Premier Zhu Rongji and in several discussions with the ambassador of the People's Republic of China in London I have made it clear that we would always support proposals to extend democracy to the people of Hong Kong?

Is the right hon. Gentleman also aware that we urged the representatives of the People's Republic of China to return to the negotiating table with counter proposals, if

[Dr. John Cunningham]

they have any? It is regrettable that they have failed either in private discussions or apparently in public to present any counter proposals as a basis for discussions to resolve this deadlock.

The deadlock is serious for a number of reasons. For example, why are the Chinese now apparently objecting —I say "apparently objecting"—to the involvement of representatives of the people of Hong Kong when those representatives have taken part over many years in discussions about the future of Hong Kong? What has caused that apparent change of mind in Beijing? Will the right hon. Gentleman assure us and the people of Hong Kong that their legitimate right to be represented in any talks about their future will not be given away but will be safeguarded by Her Majesty's Government and the Governor? For example, what is to happen to the very important economic development of the new airport for Hong Kong? How will those proposals be affected by this continuing breakdown in the talks?

Will the right hon. Gentleman make it clear that he will continue, in line with the Governor, to make it clear to the Government of the People's Republic of China that delay cannot be endured indefinitely: that if legislation is to pass through Legco—I say "if legislation is to pass through Legco", because it remains for the members of Legco themselves to decide whether the proposals are acceptable to them, which will be a debate that we shall all watch with interest—that legislation cannot be delayed indefinitely, even though, and I agree with the right hon. Gentleman on this point, he insists that it is not too late for talks on alternative proposals to develop.

May I say to the right hon. Gentleman and, through him, to the people of Hong Kong and, for that matter, to the Governor that proposals to widen and deepen democracy in Hong Kong have had and retain our complete support, without any equivocation at all, but we want to see a resumption of talks between Her Majesty's Government and the Governor and the People's Republic of China in the interests, above all, of the future well-being of the people of Hong Kong.

Mr. Hurd: I am grateful to the right hon. Gentleman for his support. That is a great help. He questioned me in particular on two points. His first question—why the talks about talks did not succeed—is one which he must address to the Chinese Government. I was reasonably hopeful a week ago, even a shorter time ago, that the different procedural obstacles that had come up were being resolved and that we would be able to start substantial talks. At the end, the difficulty focused on something that I mentioned in my statement. Representatives of the Hong Kong Government have taken part in this kind of discussion often before, without any difficulty. There was a suggestion from the Chinese side that their role and their designation should be, in some way, lessened or degraded. The implications of that are not ones which we could accept. It was really on that point that the talks about talks stalled.

On the right hon. Gentleman's second point, it is agreed between us and the Chinese and virtually everybody in Hong Kong that Hong Kong needs a new airport if it is to remain a first class international trade and financial centre. We went out of our way last year, as the House will recall, to take account of Chinese problems over the financing of these arrangements. The result is the memorandum of understanding which the Prime Minister entered into. I believe that agreement could be reached quickly on these airport matters if the financial issues, in which the Chinese have a legitimate interest, were tackled on their merits. We shall seek to do that.

Mr. Robert Adley (Christchurch): Is not the answer to the question of the right hon. Member for Copeland (Dr. Cunningham) about why the Chinese are not responding as, I am sure, we would all hope, that the Governor produced his October proposals, which were supposed to be the basis of negotiation, unilaterally? That is what has caused offence in Beijing. Can my right hon. Friend confirm, lest there be any doubt, that the 1984 agreement remains the basis of our policy towards Hong Kong? In order to find a way in which both sides, or all three sides, can get themselves off the hook, would it not at least be worth while contemplating the proposition that an independent panel of lawyers should look at the simple, central question whether the Governor's proposals, made unilaterally last October, did or did not break both the 1984 agreement and, more importantly, the 1990 and 1991 discussions?

Mr. Hurd: I am not sure what my hon. Friend meant when he said that the Governor put forward unilateral proposals. As Governor, it is his duty—a duty that he does not share with anyone else at present—to put forward proposals for the conduct of the legislative elections in Hong Kong in 1995.

On 25 September, some time before the Governor published his proposals, I gave the Chinese Foreign Minister the text of what the Governor proposed to say. At all times, before and after the Governor announced his proposals, he, I and everyone made it clear that they were proposals and that we were perfectly ready to discuss them with the Chinese, just as they are open for discussion in Hong Kong.

As for my hon. Friend's suggestion, it is of course the Chinese who have most strongly opposed any internationalisation of the discussion on these issues. On the legal points, the documents are in the Library and hon. Members can make their own decisions and conclusions, but we are perfectly clear that we are justified in saying, as I did, that the Governor's proposals are entirely compatible with the joint declaration—I confirm that that remains the basis of our policy—and that they are compatible with the Basic Law and with understandings reached in the context of the last Legislative Council elections. We are confident about that, but the talks that we seek should concentrate on the arrangements for the future, and I hope that they can be arranged on that basis.

Sir David Steel (Tweeddale, Ettrick and Lauderdale): Is the Foreign Secretary aware that the Chinese Premier's statement this morning that the Government's proposals appear to be designed to create disorder—if that is the correct translation—in the colony are viewed with total astonishment by members of all parties as it is perfectly obvious that the interest of Britain, as well as that of China and the people of Hong Kong, is to secure a smooth transition in 1997? Will he reaffirm that the Government of China still have some way to go to regain the confidence of the people of Hong Kong, which it lost in the events of two or three years ago?

If China is so convinced that the Governor's proposals in some way as yet unexplained transgress the joint declaration or the Basic Law, will he not rule out the possibility of asking whether it would agree to refer the matter for an advisory opinion to the International Court of Justice?

Mr. Hurd: I think that I have already answered the latter point. It is important to have sensible arrangements for the future which meet the criteria set out in my statement but which could be continued after 1997 in what is called the through-train. That should be the objective, but it has not yet been possible to reach it.

As for what the right hon. Gentleman said about the Chinese Prime Minister's statement this morning, it follows the line that has been taken before. There is nothing especially dramatic or unexpected in it, but it represents the continuation of a stalemate on a matter which it is in the practical interests of Britain, China and Hong Kong for the stalemate to be broken. That is the essence of the matter, and I hope that after gazetting, as before gazetting, it will be possible to start, continue and succeed in a dialogue that reflects those real interests.

Sir Cranley Onslow (Woking): As my right hon. Friend has confirmed, contrary to what my hon. Friend the Member for Christchurch (Mr. Adley) suggested, that he gave the Chinese Government advance notice of the Governor's proposals in good time, and as he emphasised the fact that they were consistent with the Basic Law and the joint declaration, will he say whether the Chinese have given any indication of why they appear to want to seek confrontation?

Mr. Hurd: No; the Chinese have not given us any alternatives to the Governor's proposals. They said for a long time that they were not prepared to discuss the matter until the proposals were withdrawn. Recently that has not been their position. That is one reason why, as I told the House a few minutes ago, I was reasonably hopeful until quite recently about managing to get into talks. In the end, for the reasons I have given, that was not possible. My right hon. Friend is right. During the almost six months in which the Chinese Government have had the Governor's proposals, we have had no alternatives to the proposals from the Chinese side.

Mr. Gerald Kaufman (Manchester, Gorton): Is not this deplorable situation the direct consequence of the Government's spinelessness on the whole issue of democracy in Hong Kong? Is not it a fact that the consensus from the Office of the Members of the Legislative and Executive Councils should have been confirmed by the Government long ago? Is not it a fact that the Patten proposals, inadequate and belated though they certainly are, are the minimum that should now be introduced? The Foreign Secretary is now saying that these inadequate and belated proposals, only four years before China takes over in Hong Kong, can be subject to further whittling away and further reduction. What kind of democracy will be handed over to the Chinese in 1997 if the Government do a Munich on Hong Kong?

Mr. Hurd: The right hon. Gentleman is back in his old form. I do not think that he recognises the realities of the situation any more than he did when he was a Front-Bench spokesman. Most right hon. and hon. Members, including the right hon. Gentleman in calmer moments, know that the political demand for democracy in Hong Kong is of reasonably recent date. It is now strong—[HON. MEMBERS: "Oh come on!"] That is true. When I first knew Hong Kong many years ago, it would have been hard for anybody to say that there was a demand in Hong Kong for political democracy. It simply was not so. Recent events, which I need not specify, have created that demand out of anxiety. It is now a real demand. It is no longer possible to treat or to handle Hong Kong as if it were simply a commercial city. The political demand is there and the political community is now there. The Governor, the British Government and the Chinese Government must take account of that reality.

We can argue, as the right hon. Gentleman and I did at the time, about the OMELCO consensus, although I do not agree with his conclusion. The conclusion we reached last time was about right and worked. I always said that we would go back to the Chinese to see whether we could improve on it. I was thinking of an increase in the number of directly elected seats. What the Governor has done is not that. He has sought to improve democracy by other means compatible with the Basic Law. The Governor has made a shrewd set of proposals.

Mr. David Howell (Guildford): Will my right hon. Friend accept that the principle of more democracy in Hong Kong is not really at issue? That principle was accepted long ago by the Chinese in the 1984 accord and is enshrined in the basic agreement, in which the Chinese also talked about the need for a high degree of local autonomy. All that the Governor and my right hon. Friend are trying to do now is to bring forward proposals to make a reality of those earlier demands, agreed to by the Chinese, that there should be a high degree of autonomy.

Will my right hon. Friend accept that it is entirely right that we should persist with these modest proposals to make a reality of points to which the Chinese have already agreed? Will my right hon. Friend also bear in mind that the whole of Asia, including Hong Kong, is now in transition and that there is quite a degree of transition in Beijing as well? It may well be right to persist with our line and not to abandon ourselves to passing pressures.

Mr. Hurd: I am grateful to my right hon. Friend; he is right. The phrase "two systems in one country" is not a British phrase. It is a Chinese phrase to embody the principles of the 1984 joint declaration. That is right. The principle of two systems in one country after 1997 is the only practical principle under which Hong Kong can be successful after the change of sovereignty. It is, therefore, in the practical interests of Britain, of China and of Hong Kong that that principle should be turned into reality. The Governor's proposals are one way in which to do that.

Dr. Jeremy Bray (Motherwell, South): Will the Foreign Secretary confirm that, apart from the usual gyrations in the stock exchange casinos, trade and business in Hong Kong with China are proceeding perfectly normally? Will he also confirm that nothing in the constitutional proposals and in the democratic principles underlying them undermines the continued prosperity and expansion of the Hong Kong economy? Will he consider taking the Chancellor of the Exchequer out there for a much-needed holiday to see what an expanding economy really looks like?

Mr. Hurd: I do not think that one has to be Chancellor of the Exchequer to derive a certain amount of inspiration from a visit to Hong Kong. It is a remarkably successful economy, precisely because of that combination of British administration and Chinese entrepreneurship. British administration will be replaced in 1997, but it is most important that the other quality—Chinese entrepreneurship—should continue under free institutions.

I can confirm the hon. Gentleman's first point. Opportunities for trade with China are substantial and have been continuing. I hope that that will continue to be the case.

Mr. Bowen Wells (Hertford and Stortford): Does my right hon. Friend believe that the current Chinese attitude suggests a certain amount of bad faith on the part of the Chinese? As my right hon. Friend said, they agreed to the principle of two systems, one country, and the second system—democracy—will not be properly developed even under the Governor's proposals.

Mr. Hurd: I do not want to trade accusations of bad faith because co-operation with China between now and 1997 is very much in the interests of the people of Hong Kong, who are our main responsibility and our main interest in this matter. I do not want to engage in that kind of recrimination. It is crucial that the principle, which is a Chinese principle, should be respected. The Governor's proposals are very much in line with that principle and with the joint declaration and are compatible with the Basic Law and with the understandings reached before the last legislative elections.

Mr. Jeremy Corbyn (Islington, North): Does the Foreign Secretary accept that lack of democracy in Hong Kong has always been a problem, and that that has not been put right by the Basic Law or by any other accords with the People's Republic of China? Will he now tell us what guarantees he can offer of freedom of speech in Hong Kong and of political asylum for those who have been critical of the People's Republic of China and who may be subject to prison sentences as and when China takes over?

Mr. Hurd: Many of these matters are discussed in the Joint Liaison Group with the Chinese—for example, the question of the convention on human rights. The hon. Gentleman was present when we discussed the British Nationality (Hong Kong) Act 1990, which the House agreed and whose provisions have worked well.

Mr. James Couchman (Gillingham): As my right hon. Friend the Member for Guildford (Mr. Howell) said, these are days of change in Beijing. The Vice-President of China died over the weekend, and there are likely to be changes of personnel during the present congress in the People's Republic of China. Will my right hon. Friend undertake, in conjunction with the Governor, not to allow the legislative process for putting the Governor's proposals into law to progress too far before those changes become apparent so that any discussions with the People's Republic take place after such changes have occurred?

Mr. Hurd: It would be a little rash to base policy on possible changes in Peking in the next few weeks and months. It is hard to put that on any sure foundation. The Legislative Council in Hong Kong needs to take decisions on the legislation fairly soon—before the end of July, when the Council rises for its recess. That allows plenty of time both for discussion in the Legislative Council and for discussion with the Chinese—if, as I hope, they are ready to undertake such discussion.

Mr. Michael Jopling (Westmorland and Lonsdale): Will the Foreign Secretary point out to the Chinese Government in a delicate way that the increased expectations for democracy in Hong Kong have been in part caused by the Chinese Government's own statements? Does my right hon. Friend recall that, after the Select Committee on Foreign Affairs visited Peking in 1989, it reported that the Chinese Government had said that they had no objection to faster progress towards democracy and that the introduction of representative government was a matter for Hong Kong. In its report, written after the Tiananmen square incident, the Committee reported unanimously to the House that we believed that full democracy must be introduced before 1997. That was on the basis of advice that we were given by the Chinese Government in Peking. It would be helpful if my right hon. Friend the Foreign Secretary would remind them of that.

Mr. Hurd: I am grateful to my right hon. Friend; and I recall that report. It is in the interests of China, and is possible for China without sacrificing anything that it regards as essential, to have somewhat more confidence in the process of democracy in Hong Kong. The Chinese are committed to that in the Basic Law, as my right hon. Friend pointed out. What is needed is a little more confidence in that commitment.

Mr. Ted Rowlands (Merthyr Tydfil and Rhymney): Is there not already a very large, enthusiastic and well-educated younger generation in Hong Kong who have every right to take part in the full democratic processes and democratic institutions of their society? Is the Foreign Secretary aware that Mr. Patten's proposals are sensible, cautious and, in my view, the minimum required for democracy? Therefore, they deserve support and not sniping, especially sniping from the powerful business interests in Hong Kong itself. Will the right hon. Gentleman make it clear to those interests that he and the House support the process of democracy that has been proposed?

Mr. Hurd: We certainly do that, and almost the whole House has given its support since the proposals were published. Certainly the right hon. Member for Copeland (Dr. Cunningham) has given that support. There is now a political city alongside a commercial city in Hong Kong. Both are now part of the reality. That is one reason why, in Hong Kong itself, the Governor's proposals have continued, despite sniping from inside and outside the colony, to receive very strong support.

Mr. David Winnick (Walsall, North): Would it not have been far more difficult for the Chinese to adopt their present attitude if the reforms in Hong Kong had been implemented much earlier, as advocated by my right hon. Friend the Member for Manchester, Gorton (Mr. Kaufman)? Is it not ironic that the obstruction is coming from a Government who have never been genuinely elected by anyone and who, in 1989, were responsible for massacres of students whose only demand was for elementary democratic reform in China itself?

Mr. Hurd: The Government and the House have expressed themselves in respect of what happened in

Tiananmen square. One can argue about the right pace of progress towards democracy in Hong Kong. The pace which we, the former Governor and the present Governor have set in hand is about right. The principle is endorsed by the Chinese Government themselves. We are asking them to discuss with us the way in which that principle, which they accept, is put into practice between now and 1997 so that in 1997 the arrangements in place should continue.

Mr. Roger Sims (Chislehurst): As one who has known Hong Kong for 30 years, may I endorse the view of my right hon. Friend the Foreign Secretary that the pressure for democratic reform in Hong Kong is relatively recent but is now quite strong? Is he aware that the position that he and the Governor have taken on this matter has the support of hon. Members on both sides of the House who believe that the people of Hong Kong are entitled to be represented in any talks that take place and who find it wholly unreasonable that the People's Republic of China should object to talks simply because it cannot dictate who should represent the British side?

Mr. Hurd: I am grateful to my hon. Friend. Those are exactly the points. I hope that those of us who share those points can, during the next few weeks which may in some respects be difficult, hold to those points and make them clear to Chinese friends with whom we speak and to people in Hong Kong. It is very important that there should be the minimum of misunderstanding and confusion in Hong Kong or Peking about the part of this country and this House. I hope that today's exchanges will make that clear.

Mr. Geoffrey Hoon (Ashfield): What does the Foreign Secretary make of the Chinese Government's insistence that Governor Patten's proposals are in direct conflict with the Basic Law?

Mr. Hurd: The Governor's proposals are designed to take account of two points of view which the Chinese Government have put to me and to many others with great emphasis. First, they were not prepared to see an increase in the number of directly elected seats beyond 20 as provided for in the Basic Law. The Governor's proposals respect that. Secondly, the Legislative Council should not be changed in nature, and the Governor's proposals respect that. We therefore took into account both the main points that the Chinese had quite legitimately impressed on us as their view. The Governor found a way, while respecting those points, modestly but clearly of advancing democracy. The Chinese should accept the effort that has been made as a basis for discussion—as something that should be discussed. That is what we have proposed, but so far they have not accepted it.

Sir Fergus Montgomery (Altrincham and Sale): Does my right hon. Friend agree that the proposals for democracy in Hong Kong up to the year 1997 are in the interests of China because they would underpin inward investment? Will he pass on to the Governor the good wishes of all hon. Members, irrespective of which party they belong to, who are very concerned about the future of the people in Hong Kong?

Mr. Hurd: I am grateful to my hon. Friend. The Governor has a difficult position. In some ways, it is bound to be a difficult position and, in the present circumstances, more difficult than usual. He will be very grateful for what has been said in the House, and in particular for my hon. Friend's personal good wishes.

Mr. Robert N. Wareing (Liverpool, West Derby): Were not Baroness Thatcher's Government taken for a ride when they signed the joint declaration? Are not the Government being naive in thinking that the perpetrators of what happened in Tiananmen square will support democracy in Hong Kong any more than they did in Beijing? As the joint declaration was underwritten by the United Nations, at what point might the Foreign Secretary consider taking the matter back to the United Nations?

Mr. Hurd: The hon. Gentleman may be mistaken. The best agreements are those that rest on self-interest, and it is in the self-interest of China that it should take over in 1997 and be able to sustain a promising, prosperous city. That depends, in turn, on keeping alive in Hong Kong the entrepreneurial spirit, which rests on a degree of freedom of speech and on the growing institutions of democracy. This is not something theoretical for China: properly considered, it is in its self-interest. We will do what we can —I am not sure that the hon. Gentleman's tactic would be the right one—to bring that point home as often as we can.

Mr. Cyril D. Townsend (Bexleyheath): Does my right hon. Friend appreciate that many hon. Members in all parts of the House have noticed the contrast between the reasonable tones that are being adopted by himself and his fellow Ministers and those of the Chinese Government, and in particular of its ambassador in London? Such hectoring comments hardly help to achieve the settlement that we all desire.

Does my right hon. Friend agree that it is essential, at this sensitive time in the history of Hong Kong, that the people of Hong Kong are properly represented in the talks and that deals are not done behind their backs because it is their future that we are talking about?

Mr. Hurd: I agree with my hon. Friend's second point. On his first point, I would not like to point a finger at any individual, but the tactic of attempting to hector or dissuade by argument British individuals or firms from taking a particular line misfires, and I hope that, if it has been practised, it will be discontinued.

Mr. Clive Soley (Hammersmith): Does the Foreign Secretary share my concern that there is a growing coincidence of view between some very rich and powerful business men in Hong Kong and the Chinese communist party on having capitalism but not democracy against which the opposition in Hong Kong seems to be most effectively orchestrated? Is not it time that we said, loudly and clearly, that that coincidence of views is not shared by the British people?

Mr. Hurd: I am impressed by the degree of support which the Governor's proposals have continued to hold in most parts of Hong Kong. That is because sensible, shrewd people in Hong Kong, in the business community and elsewhere, realise that Hong Kong is now a political community as well as a business community—both have to be taken into account.

Mr. Iain Duncan-Smith (Chingford): I welcome my right hon. Friend's statement and I agree that these moderate proposals are such that we hope that the Chinese

[Mr. Iain Duncan-Smith]

authorities will come to the table further to discuss them. Does my right hon. Friend agree that two other elements are part and parcel of bringing those authorities to the table? One is the attitude of Taiwan to their behaviour over the proposals; the second is the attitude of the United States Government to the special trading relationship with China. Will my right hon. Friend explain in a little more detail what he thinks of those two attitudes?

Mr. Hurd: I do not think I want to comment on the Taiwan dimension. Hong Kong is increasingly, as my hon. Friend knows, the funnel through which China's trade passes to the west, to the great benefit of both Hong Kong and China, so it is certainly in the interests of Hong Kong that the most-favoured-nation arrangements should be renewed.

Mr. Dennis Skinner (Bolsover): Will the Foreign Secretary admit that it is a bit late in the day to come here with all this diplomatic waffle, given that the decision was made in 1984 by the Tory Government of which he was a member? Why did they not deal with the fine print then instead of allowing matters to reach this stage, when China is holding every ace?

There would perhaps be a little more credibility in the opt-out clause that the right hon. Gentleman is talking about were it not for the fact that those in China may ask who this Tory Government are to be talking about democracy when they do not allow a referendum in Britain.

Mr. Hurd: I think that I have already answered the points in the hon. Gentleman's question——

Mr. Skinner: Not that one.

Mr. Hurd: —those parts of the question that are relevant.

Mr. Ian Taylor (Esher): Will my right hon. Friend reassure the Chinese that this House has never urged an increase in democracy in Hong Kong in an irresponsible way? Indeed, the Foreign Affairs Select Committee report specifically rejected the views of the right hon. Member for Manchester, Gorton (Mr. Kaufman). What the House wants is a sensible, structured approach both to democracy and to judicial matters which will enable this country to maintain its other commitment in the joint declaration—to economic and social stability in Hong Kong. It is therefore in China's interest and in the interests of the people of Hong Kong that we proceed as the Governor has suggested.

Mr. Hurd: My hon. Friend is right. The more people can impress that point in the sort of terms that he has used, the better.

Mr. Mike Gapes (Ilford, South): What plans does the Foreign Secretary have to deal with what seems to be the continuing Chinese intransigence over and opposition to democracy? What steps will he take to get the support of the European Community, the United Nations and other international bodies for democratic change and stability in Hong Kong? Contrary to the weasel words of some Conservative Members, will he make it absolutely clear that there is no question of going back on democracy or on the moves towards it, both for Hong Kong and, in the long term, for China itself?

Mr. Hurd: The views of the House on this matter are fairly clear. It is the responsibility of the British Government, between now and 30 June 1997, to take whatever decisions for the administration of Hong Kong we think are in the interests of Hong Kong. That is laid down in the joint declaration and agreement of 1984, and that agreement we will discharge. We want to do that, to the greatest feasible extent, in co-operation with China —for the reasons that I have stated—but the responsibility until that time is ours.

Mr. John Marshall (Hendon, South): Does my right hon. Friend agree that it is in China's interests that the traditional economy and character of Hong Kong be maintained? Does he also agree that if China breaks her word to Hong Kong the whole world will not trust China, and the inward investment for which she yearns will not take place?

Mr. Hurd: There are many considerations in the mind of the Chinese Government. I do not think that we need to make those points to them. They can see the world; they know what is being said and done; they know the realities. I hope that the principal reality will gradually be borne in on them—that it is in their interests, as well as forming part of their commitments, that Hong Kong should make steady progress towards fuller democracy.

Mr. D. N. Campbell-Savours (Workington): The House will accept the laudable objectives that the Government have set with regard to the future organisation of Hong Kong and its relationship with China. Is not the Foreign Secretary sensitive to the Chinese leadership's criticism that Mr. Patten might have gone about those matters in a different way in the autumn of last year? Could he not have been more sensitive in the discussions, and perhaps not have held them in such an open forum—that is to say, in the international press? If he had adopted such a process, might we not have been in a far healthier position in terms of the potential for discussions to resolve the present difficulties?

Mr. Hurd: I do not know how the hon. Member can sustain that. No journalists were present when I gave the plans to the Chinese Foreign Minister on 25 November last year, and I made no statement. I made no effort to score points. I gave the plans to the Chinese in confidence so that they had an opportunity to comment in the weeks that followed, before the Governor announced the proposals. They refused to take that opportunity. I do not think that it would be reasonable to expect that the Governor should hold up publication of the proposals in October or their gazetting on 12 March this year indefinitely or until the Chinese agreed. Those are not reasonable proposals for the House or for Hong Kong.

Before publication of the proposals, we gave the Chinese an opportunity, and we offered them another between publication last October and gazetting in March. Neither of those opportunities was taken. A third opportunity exists now, when the proposals are gazetted. But the Legislative Council has not started discussions, let alone taken any decisions. We are not pillorying anyone.

I have deliberately chosen my words very carefully. We want to enter into discussions, and I hope that the opportunity can now be taken.

Several hon. Members *rose*——

Madam Speaker: Order. We must now move on.

Points of Order

4.16 pm

Mr. Norman Hogg (Cumbernauld and Kilsyth): On a point of order, Madam Speaker. I seek your advice on an important matter for the House. It is certainly a proper point of order, and I shall be brief.

At the weekend the Scottish National party national executive met and passed a vote of confidence in the three Scottish Nationalist Members of Parliament, who are popularly known in Scotland as the "Wee Three". They had to vote for themselves, otherwise the motion of confidence would have been lost. What is really worrying is that three members of the cabinet have resigned over the matter—that is, the cabinet of the hon. Member for Banff and Buchan (Mr. Salmond). You may not be aware that he has a cabinet, Madam Speaker. The national executive has said that it will seek the development of emergency procedures for "greater consultation" between Members of Parliament and the national executive. Clearly it is intent on influencing, confining and coercing three Members of this House.

"Erskine May", chapter 5, states on page 69, among other things, that

"the House cannot perform its functions without unimpeded use of the services of its Members."

I believe that the national executive of the SNP is in breach of privilege, and that that is a matter on which I should write to you, Madam Speaker.

Madam Speaker: Order. I remind the hon. Gentleman and the House that, according to our procedures, as that matter concerns other hon. Members, he should have informed them of his concern.

Mr. Hogg: You know me very well, Madam Speaker. You can be assured that I wrote to the parliamentary leader of the Scottish National party——

Madam Speaker: Order. I am not seeking to enter into a debate; I made a comment. I take it that the hon. Member has advised the hon. Members concerned. I remind him——

Mr. Dennis Skinner (Bolsover): On a point of order, Madam Speaker.

Madam Speaker: Order. I have not finished; I am on my feet.

As the hon. Member for Cumbernauld and Kilsyth (Mr. Hogg) said, it may well be a matter of contempt or privilege, and that being the case the hon. Gentleman should write to me about it.

Mr. Skinner *rose*——

Mr. Jeremy Corbyn (Islington, North) *rose*——

Madam Speaker: That is the end of the matter. There can be no further points of order on it. I have dealt with it.

Mr. Skinner: On a point of order, Madam Speaker.

Madam Speaker: Is it a different point of order?

Mr. Skinner: Yes, it is.

Madam Speaker: In that case, I shall take it.

Mr. Skinner: On a point of order, Madam Speaker. As you know, Opposition parties get what is colloquially known as Short money. There is a point here that applies to the House as a whole, and in which you are bound to have an interest. Now that this debacle has taken place in the Scottish National party, who will receive the money? We are talking about taxpayers' money. Who will it be handed over to—the executive body or the leader of the SNP?

Madam Speaker: I put the hon. Gentleman on his honour when I asked whether his point of order related to the former point of order. I should have known better.

Mr. Corbyn: On a point of order, Madam Speaker.

Madam Speaker: I put the hon. Gentleman on his honour. He must not usurp the time of the House to ask about a matter that I have already dealt with. He may proceed if it is on a totally different matter.

Mr. Corbyn: It could not be a more different point of order, Madam Speaker. I am sure that you read the newspapers at the weekend, as many of us did, and saw the disturbing reports that the Prime Minister managed to raise £17 million for the Conservative party by holding private dinners at 10 Downing street. By what means can we question the Prime Minister about his use of Downing street as a fund-raising agency for the Conservative party and about what undertakings were given in return for the secret donations made to the Tory party election machine so that we may know how Government policy has been influenced?

Madam Speaker: The hon. Gentleman assumes quite a lot. I have much more to do at the weekends than read the national press. The hon. Gentleman should not expect answers on procedural matters of that nature to be given by the Chair across the Floor of the House. We must now move on.

Orders of the Day

Disability (Grants) Bill

Order for Second Reading read.

4.21 pm

The Minister for Social Security and Disabled People (Mr. Nicholas Scott): I beg to move, That the Bill be now read a Second time.

This is a short Bill for the House to consider, but it is an important one for severely disabled people. Before I deal with the contents of the Bill and the independent living fund in detail, I should like to place the concept of independent living within the wider context of care in the community. As we all know, policy on care in the community developed as a concept in the 1980s. Against the background, the aim was that, wherever feasible and sensible, people should be assisted to live as independently as possible in the community.

The final phase in the implementation of that concept will take place in April, when social security funds—that is to say, income support—hitherto used to pay independent sector home fees will be transferred to local authorities to enable them to purchase care from a range of providers, according to the needs that have been assessed for each individual. The future of the independent living fund, with which the Bill deals, has to be set in that context. The background against which ILF has hitherto been operating will be changed from April and I shall say something about that later.

The Bill fully meets our manifesto commitment to continue to support people with severe disabilities and consolidates the excellent work that the independent living fund has done over the past five years. It is the next step in the development of support to enable disabled people to live independently in the community.

Dame Elaine Kellett-Bowman (Lancaster): What would be the position of somebody who was so severely disabled that he could not remain at home, even with the assistance of the council and the fund, admittedly at the large amount of £500? Would such a person have to go into a home?

Mr. Scott: I am not sure whether my hon. Friend is talking about the present situation or about what will happen after the Bill has become law and the new funds have been set up. I shall explain in detail how the new arrangements will work for people who need support from both a local authority and the independent living fund and who have exceptionally high costs.

As we all recall, the ILF was announced as an interim measure in 1988, pending the introduction of the community care arrangements along the lines that were recommended by Sir Roy Griffiths. Those arrangements are now in place and will be implemented from 1 April, but as the ILF has been so successful the Government have decided to continue support for the main concepts behind it, which are giving cash to disabled people and recognising that by doing so we give them independence and the power to determine how best to meet their own care needs. I believe that that is right and fitting. It is sensible that this should be carried forward into the new arrangements, where the fund will operate in partnership with local authorities, which will no longer be merely

providers of services but facilitators of a wide variety of care provisions. I hope that that will become increasingly true of the role of local authorities in the future.

I suspect that our debate will be mainly about the ILF. The House will have noted, however, that we have also taken the opportunity in the Bill to put the funding for notability on a new statutory basis. I shall return to that towards the end of my remarks.

So we embark on the establishment of two new funds. Before I go any further, I wish to place on record my warmest thanks to the trustees and staff of the existing ILF. I am sure that during the Bill's passage, and especially today on Second Reading, right hon. and hon. Members on both sides of the House will want to take the opportunity to place on record their gratitude to all those associated with the fund. I know, because of my close contact with them over the years since the fund came into existence, that their work has not always been easy. They have had to develop a new way of working with disabled people under the sometimes critical eyes of the disability lobby and various arms of government. The trustees, under the chairmanship first of Winifred Tumim and then of Trevan Hingston, faced many difficult decisions over the five-year life of the trust.

Mr. Frank Field (Birkenhead): I am sure that we all want to underline what the Minister has said about thanking the trustees for the work that they have done. As he is complimenting them on the way in which they developed the task that was presented to them by the Government, will he say whether they were all happy about being wound up?

Mr. Scott: I think that the trustees understood that the ILF was, as constituted, an interim measure to see us through the gap before the introduction of care in the community in April this year. I shall come on to that——

Mr. Field *rose*——

Mr. Scott: I shall give way to the hon. Gentleman, but he might wish to listen to the next few sentences of my speech.

Mr. Field: I shall listen to what the Minister has to say, but I ask him now whether he is not rewriting history. When the fund was established, it had nothing to do with a measure to fill the gap between what then existed and of community care. It was introduced because the Government had introduced income support, under which those who were very disabled would have received less money than previously. They introduced the ILF to ensure that those people were not worse off and we congratulated them on that. The fund developed into a success which the Government did not believe possible. It is rather sad that we are mourning the loss of the ILF while welcoming a rather smaller initiative to follow in its wake.

Mr. Scott: Perhaps it would have been better if the hon. Gentleman had waited to hear what I was about to say about the proper transition from supplementary benefit through to income support, as a result of which we thought it necessary to fill the gap between that change and the move to care in the community, which was already in preparation. It is—*[Interruption.]* The hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood) might like to undermine the tribute that I have been paying to the trustees—well, I know he would not. I shall move on to the new arrangements that are being made. If the hon. Gentleman wants to make a proper intervention in due course I shall be only too happy to gve way to him, as he well knows.

I pay tribute to the two chairmen, Winifred Tumim and Trevan Hingston, who faced many difficult decisions over the lifetime of the trust. No decision was more difficult than that of winding up the trust and bringing about its closure in November 1992—that is to say, its closure to new applications at that juncture.

It has been quite clear for a long time that to make proper provision for the ILF to hand over its caseload to the two new funds that will come into force on 1 April 1993 there would have to come a time when the ILF could not accept new applications. I well understand—it has been impressed on me by a number of the trustees—that there has been some misunderstanding about the discretion of the trustees in whether the fund could have stayed open in the particular circumstances of the delays in dealing with disability living allowance cases. Some people have had to wait several months to have their DLA claims processed.

It has been said, and technically it is correct, that trustees of charitable funds have discretion. However, I have always recognised that the need for an orderly handover prevented the trustees from being able to exercise their discretion in those circumstances. I want to make plain my regrets and apologies if any of the trustees feel that the excellent work that they have done for disabled people over the five-year life of the fund was in any way undermined by that misunderstanding.

Having paid tribute to the two chairmen of the ILF trustees, I want now to pay a particular tribute to the director of the fund, Judith Hoyle. She is on secondment from the Department of Social Security and has been with the fund since its inception five years ago. She has played a major part in its success. Through her, I also pay tribute to all the staff who have worked so conscientiously to ensure the fund's success. I am aware of their immense contribution to its work. With them, I bracket the social workers who have visited the potential beneficiaries of the fund and done great work in assessing their needs and making provision for them.

Ms Liz Lynne (Rochdale): The Minister said that he is grateful to the trustees. Will they be able to continue with the successor bodies? If not, is not it strange that he is saying how great they are when, in effect, they are virtually being sacked?

Mr. Scott: I understand the hon. Lady's point. In essence, the two new funds—the independent living (extension) fund and the independent living (1993) fund —will have a wholly different role from that of the ILF over the past five years. The ILF made total provision, on a charitable basis, for a trust where direct application was, in effect, made to the trustees. In the new circumstances——

Mr. Malcolm Wicks (Croydon, North-West): Will the Minister give way?

Mr. Scott: No, not in the middle of a reply to another intervention. I shall give way to the hon. Gentleman in due course.

The main thrust of new cases being provided for by the 1993 fund will come to the trustees after an application has been made to a local authority and the local authority has

[Mr. Scott]

begun an assessment of the needs of the disabled person. Then, the 1993 fund will have the job of deciding whether to top up the help that is already being given by the local authority. The work of the new bodies, whether the one that provides for new cases or the one that manages the existing caseload and decides whether cases need to be reviewed because of extra need, will be wholly different from the work of the existing fund.

Mr. Wicks: I apologise to the Minister for having tried to intervene at the wrong time. I am interested in what he has said about there being a wholly new role for the new funds. If that is so, why call them by the same name as the existing fund? Is not that confusing?

Mr. Scott: No—*[Laughter.]* This is obviously a matter of great humour for the Opposition Front-Bench spokesmen, who have little enough to laugh at these days.

It is important to recognise that, although the two new funds have a wholly different role, disabled people whose needs have previously been met by the ILF may feel that the use of the same name gives a sense of continuity. I deliberately decided to incorporate the title of the old fund into the new funds, but with the caveat that one fund deals with new applications and the other deals with the existing caseload.

I acknowledge the important role and contribution of the Disablement Income Group and DIG (Scotland) in launching the fund five years ago. The ILF was established jointly by DIG and the Department and, without the group's support, it would have been difficult to launch the fund in the first instance.

It may be hard to recall what a courageous step that was for the Disablement Income Group at a time when many disability organisations wanted nothing to do with a discretionary fund but wanted a statutory, regulated system continued. To those critical of that decision I would only say—addressing my remarks to DIG and with apologies to Sir Christopher Wren—that if one wants to see the monument to that courageous decision by DIG, one need only look at the lives of the 21,000 people now receiving help from the fund.

Mr. Frank Field: I, too, congratulate DIG on being courageous enough to put its head above the parapet when everyone else, lacking in courage, kept their heads firmly below it—and were most unpleasant to DIG in the process. Is DIG happy with the fund's winding up?

Mr. Scott: I cannot speak for DIG, but no doubt the hon. Gentleman has access to its views. I had an extremely pleasant meeting with the ILF's outgoing trustees. Many of them perhaps felt some disappointment at not being able to contribute to the work, but they all took great pride in their achievements over the fund's lifetime.

Although it may be invidious to mention individual trustees, we owe a particular debt to Peter Large and Pauline Thompson of the DIG. If I may mention two more names without in any way diminishing my respect and praise for others, Jack McGregor of DIG (Scotland) and Eilis Gallacher from County Derry played a major part in ensuring that the needs of Scotland and Northern Ireland were fully met through the fund's operation. I pay particular tribute to them.

Mr. Keith Bradley (Manchester, Withington): As the Minister if praising DIG so lavishly, and rightly, may I ask whether any DIG representative will be among the five trustees who have yet to be appointed by the Government?

Mr. Scott: The hon. Gentleman must control his impatience until he sees the names—but I do not anticipate that DIG will be represented on the new body of trustees. The hon. Gentleman should await the outcome, because final decisions have to be made on the new trust fund's composition.

I will recap—as this was mentioned in an intervention—on why the ILF was first introduced in 1988, at the time that we reformed the supplementary benefit system and introduced income support. Although I was engaged elsewhere during much of the lifetime of the supplementary benefit scheme, we can all, as constituency Members of Parliament, remember many of its complexities. A number of the weekly additions rules were not well targeted and were too complex for many customers to understand.

Local authorities long had responsibility for providing care, but the arrangements made for the disabled had precious little flexibility. The traditional response to the most severely disabled in particular was the offer of a place in a residential or nursing home. Between the abolition of the supplementary benefit additions and the introduction of community care, the ILF was introduced to bridge the gap.

The fund's purpose was to allow those severely disabled people who did not want to go into residential care but who needed substantial levels of care and domiciliary support to remain in their own homes.

Mr. Barry Jones (Alyn and Deeside): As to the Minister's decision to exclude those over working age, I must inform him of the great disappointment of the Alzheimer's Disease Society, which feels that an element of discrimination is at work—bearing in mind that older people suffer dementia and that those who look after them suffer physical and financial hardship. Will the Minister reconsider that decision? It has been badly received in my constituency and has caused great anguish nationally.

Mr. Scott: I entirely understand the point that the hon. Gentleman has raised, but let me make two more points. He will acknowledge, I hope, that any scheme of this sort must be introduced within the available resources. Substantial extra resources are being provided for independent living as a result of this legislation and I forecast even more expenditure over the years to come.

We must determine the priorities. I thought it right, and the Government feel it right, that the available resources should be concentrated in particular on those who have become disabled earlier in life. They are likely to have substantially higher care costs than older people and they will not have been able to build up savings or acquire pension rights which are frequently available to such people. As was shown by the Office of Population Censuses and Surveys report examining the difference in income levels between younger disabled people and able-bodied young people, and between older disabled people and older people who are not disabled, the gap is greater at the younger level than at the older. I therefore think it right to concentrate help on the younger disabled and I am prepared to defend that decision. I understand

the feelings that the hon. Gentleman has expressed, but, within the resources available, I believe that it is right to concentrate them in the way that I have suggested.

The ILF had a small beginning, spending only £1 million of the £5 million provided in its first year of existence—1988-89—but since then it has grown to be a respected organisation in the disability world, currently administering a budget of nearly £100 million and making payments to some 21,000 people. One reason for the growth in the caseload is that the fund was more effective in delivering help to where it is really needed than the system that it replaced. It should be borne in mind that that system gave regulated, statutory help with the costs of domestic assistance. The hon. Member for Birkenhead (Mr. Field) will recall that there were never more than 6,000 people receiving those supplementary benefit additions and that average individual payments amounted to less than £30 a week. Today, we have some 21,000 cases on the ILF with payments averaging about £114 a week.

I believe that, in a flexible and individually tailored way, the ILF has been a considerable success throughout its lifetime. We all know that by far the most popular aspect of the ILF is the flexibility and freedom of choice that cash payments bring. Dignity and independence are as important to disabled people as they are to everyone else in society. Disabled people have come to value the ability to select and employ their own carers. The new 1993 fund will ensure that disabled people continue to maintain that dignity and independence in two ways. First, it will ensure that the package of care put together for their needs involves a partnership between the disabled person, the professionals from the local authority and the ILF; secondly, it will continue to provide at least an element of cash payments to support the services provided by local authorities.

Mr. Archy Kirkwood (Roxburgh and Berwickshire): Unless the deed says so, I do not see any procedure in anything that the Minister has said to enable the people whom the Bill is supposed to serve to have an adverse decision reviewed, either by the local authority or the trustees of the fund. If there is no process of review or appeal, would decisions of that kind be subject to judiciable statements in the courts by way of judicial review?

Mr. Scott: I suppose that almost anything may be subject to judicial review nowadays, but, in essence, the hon. Gentleman is wrong. If someone is dissatisfied with a judgment made about the fund's role in topping up local authority care, the trustees will be able to ask for their case to be reviewed, and, if necessary, two or more trustees will be able to look individually at the provision that has been made. Clearly, in a partnership between local authorities and trustees, there will be some constraints in regard to the exercise of that judgment, but there is nothing to say that, if the trustees feel that a mistake has been made about the assessment of their need in excess of the fund, the position cannot be re-examined—as long as the amount does not exceed the maximum.

Mr. Donald Dewar (Glasgow, Garscadden): Obviously, this is a matter of some concern. The fund is to provide a top-up payment, which may often be quite modest. The majority of help will come in the local authority package. The Minister has talked rather generally about the arrangements being a partnership, and of course we all hope that individuals will be consulted; but will the right hon. Gentleman say a little about the rights of the individual in cases of disagreement between local authority and recipient? If the local authority wishes to make a financial payment, as distinct from providing services, can it do that?

Mr. Scott: The hon. Gentleman knows as well as I do that there is currently no provision for local authorities to provide cash. They can provide services. Whatever may happen in the future, at a time when local authorities are taking on so many extra responsibilities in relation to community care, it is surely a mistake to add to those responsibilities a duty to manage cash. I do not know what the future may hold, but at present authorities have no power to provide cash.

What authorities have, however—under the terms of the introduction of community care—is a responsibility to consult and involve disabled people in the decision-making process about the package of care with which they will be provided. If that exceeds the £200 limit that the authority must provide in terms of services, a social worker from the ILF will become involved in discussions with local authority social workers to decide what extra cash payment may be necessary in the circumstances. Anyone who is dissatisfied at that point can return to the fund's trustees and ask for the matter to be reconsidered—as, indeed, the local authority can be asked at any time to assess whether the package of services should be re-examined. Circumstances may have changed, or it may be felt that the assessment has gone wrong.

Of course, the introduction of community care has taken us into new territory. No doubt we shall have to monitor carefully how it all works in practice and, in particular, the workings of the partnership between local authorities and the new 1993 ILF.

Mr. Dewar: I believe that there are guidelines on the pricing of the local authority contribution, but how exactly will it work in practice? Presumably, the local authority is the only arbiter when £200 worth of services have been offered. After that it will be up to the ILF, but I assume that there will be some disagreement between the fund and the local authority—and, possibly, the recipient—about precisely how the services should be priced and costed.

Mr. Scott: As I said in response to an earlier intervention, I do not suggest for a moment that there will not be a certain amount of constructive discussion about such matters as the system is launched.

Mr. Kirkwood: It is due to start in a fortnight.

Mr. Scott: Applications are already being made to local authorities and they, in a sense, will be the gateway to the cash that the 1993 fund may be able to provide for disabled people. I believe that authorities are approaching the provision of community care positively. I also believe that the trustees of the new fund will approach their role positively. I am not saying that there will not be the odd hiccup, but I, too, have adopted a positive attitude to the partnership that is evolving. I believe that it will meet the needs of disabled people.

The hon. Member for Roxburgh and Berwickshire knows how much I respect him and I know that it is the Opposition's job to be critical of anything that Governments do. I do not ask him exactly to rejoice in the current developments, but I ask him at least to be pleased

[Mr. Scott]

that it is possible to continue providing cash for the most severely disabled people in our society, when that has proved so important to them.

Mr. Kirkwood: The Minister of State is provoking me. He is, of course, dealing with difficult and complex questions. What concerns me is that we have only about a fortnight before the procedure comes into operation. We do not know the names of the trustees and we have not seen the guidelines, the regulations or the statutory instruments, but the Minister expects everything to be sorted out in the wash. The matter is too important to be left to the vagaries of such a timetable.

Mr. Scott: The hon. Gentleman may not have caught up with everything that has happened. The staff of the ILF is already preparing for the new fund, two new trustees are in place and operating the system, and others will be appointed in the near future. *[Interruption.]* All seven trustees will be appointed before the fund comes into existence. They will be in place in the next two weeks. The staff members of the independent living fund are already in discussion with local authorities.

As we launch the new arrangements, the first job is for local authorities to receive applications from the most severely disabled people and from disabled people generally within their curtilage. The authorities will then assess their needs. First, they will assess needs against the level of services that are likely to be needed. Where they feel that the £200 limit will be exceeded they will want to have discussions with the staff and trustees of the independent living (1993) fund. There is nothing very complicated about that, although the hon. Member for Roxburgh and Berwickshire may feel that there is. Apart from the odd hiccup, the system will operate sensibly and sensitively.

Mr. Barry Sheerman (Huddersfield): The Minister does not seem to understand the point. We have been entirely helpful. Given the background of chaos and the problems caused to many people over the DLA, we are trying to help the Minister to avoid another administrative cock-up that will damage his reputation and that of the Government. The people connected to the present independent living fund are extremely concerned that they were not consulted about the new body although they have a wealth of experience. The team for a system that will be operating in two weeks has not been set up. We are genuinely concerned for the recipients and for the Minister's reputation.

Mr. Scott: Before I spoke I was tempted to take a bet on how long it would be before the hon. Gentleman mentioned the disability living allowance. The problems of the DLA were the problems of success. I do not think that there will be problems with the independent living fund. The gate-keepers in the operation of the new ILF will be the local authorities. Sensible discussions are already taking place between local authorities and ILF staff about how matters will be handled.

Local authorities are now in the driving seat for community care for disabled and severely disabled people. They will be the facilitators of care whether it is provided at home or in a residential setting. That is why the time has come to make some changes in the concept of the independent living fund and how it will operate in the future. The aim is to extend the good work of designing and providing packages of care, which may well turn out to be a mix of services and cash for the most severely disabled people.

Mr. Frank Field: The House should not be fooled too much by the Minister's skill in convincing us that all is well. Those of us who think that, where possible, we should give people the money to do their own thing rather than adopt a paternalistic attitude have been defeated. Whatever the Government's reasons for introducing the measure, it is a defeat for that principle. We are moving from extending people's freedom by giving them cash to local authorities being generous gate-keepers, the Minister hopes, for the new benefit.

Mr. Scott: Local authorities have a statutory duty to provide care packages for the elderly, the disabled and other vulnerable people. When the community care arrangements of Sir Roy Griffiths were seen as the most sensible way forward, cash provision was not envisaged. There is now such provision through the continuation of the independent living (1993) fund and that is a great prize for severely disabled people. I note the hon. Gentleman's scepticism. We shall have to see. I shall certainly do my best and I know that the trustees and staff will do their best to continue in the tradition of the foregoing independent living fund in providing sensitive, sensible and generous packages of help for disabled people to enable them to live in their own homes where that is feasible.

Mr. Frank Field: I intervene again on this important issue. I shall not do so at any other stage in the debate. There is all the difference in the world between giving people cash and hoping that local authorities will deliver care packages. Local authorities currently operate under restraints. The packages will be designed largely in line with what local authorities can currently provide using the people that they employ. There is a great difference between a person having the money to design his own package and having discussions with a local authority which then fits that person into the scheme which it thinks that he needs and in line with the number of workers that the authority employs.

Mr. Scott: I understand the hon. Gentleman's point. The Government's aim and that of many local authorities is that authorities will not simply provide services using the people that they employ, but will co-operate with voluntary organisations and private sector providers. The local authority will be the facilitator for the care packages which will be delivered by other organisations and individuals. Increasingly, local authorities will take a much more flexible approach to providing or facilitating the necessary care packages. The independent living fund will be an important top-up to those arrangements for the most severely disabled people.

Mr. David Willetts (Havant): Does my right hon. Friend accept that the extra money for local authorities for community care will be ring fenced and that the Government have made it clear that 85 per cent. of those funds are to be spent on private provision of services? Does he agree that one of the arguments for precisely such an arrangement is that it will deal with the anxieties of the

hon. Member for Birkenhead (Mr. Field) by ensuring that local authorities' care plans are not determined by the services that they themselves provide?

Mr. Scott: My hon. Friend makes the point well. I hope that the arrangements will lead to a great deal more flexibility—*[Interruption.]* Perhaps the Opposition do not understand these matters. They are so locked into the tramlines of former provision that they do not know the extent of the potential in the new arrangements which my colleagues in the Department of Health and local authorities will be enabled to introduce.

I shall briefly describe the character of the two new funds. The independent living (extension) fund applies to existing cases. The partnership arrangements, with which I shall shortly deal, apply to new cases. Nearly two years ago I first announced that there would be no disruption of the arrangements for existing independent living fund beneficiaries. It would not be fair to individual disabled people to unmake the successful care packages that were devised for them, nor would it have been fair to expect local authorities at a stroke to take on and manage agreements that had been entered into by others.

The independent living (extension) fund has been set up as an independent charitable trust to continue to make payments on the same basis as now to all people who are currently receiving money from the independent living fund or who have temporarily had their payments suspended from 1 April. It would be possible for someone who had entered a short-term care provision and was therefore not receiving a weekly payment from the ILF still to be part of the existing caseload taken on by the extension fund on 1 April.

In practice, the only difference that any recipient of independent living fund support should notice on 1 April is a change of name on the cheque at the time of takeover. The extension fund will continue to have review powers, just as the independent living fund does. Resources for the extension fund in 1993-94 will be of the order of £120 million for the United Kingdom. That is rather more than a 20 per cent. increase on the provision that has been made for this year and should enable adequate provision to be made for any upward reviews, in terms of the care that is needed by disabled people.

I turn now to the independent living (1993) fund. The independent living fund was the pioneer in allowing people with disabilities to take a proactive role in determining how best their care needs could be met. We all welcome that.

Mr. Peter Thurnham (Bolton, North-East): My right hon. Friend has just said that we all welcome the work of the ILF, but is it not a fact that when it was introduced it was attacked by the Labour party and described as an abdication of the Government's responsibilities?

Mr. Scott: I believe that the Opposition have now been convinced and are among the stoutest defenders of the independent living fund. There is joy in heaven on these occasions.

Mr. Frank Field: And there will be again.

Mr. Scott: Yes, but the Opposition will have to go through the whole process all over again.

The ILF was the pioneer in allowing people with disabilities to play that role, with support and professional back-up which is an important element in the package. That is why, in establishing the 1993 fund, we have built on the case work approach. From April this year, the vast majority of disabled people, including the bulk of those who would have looked to the ILF for help in the past, will, in the first instance, look to their local authority. For the most severely disabled people, whose care needs are so great that without additional help they would have to go into residential or nursing care, the 1993 fund will provide an additional option for social workers in planning packages of care with their disabled clients.

We expect that each year around 1,500 people will get a cash payment from the new fund, as well as help from their local authority. The budget for the first year of this fund will be just over £4 million for the United Kingdom. One has to reflect on the fact that the budget for the larger-scale ILF was £5 million in its first year, only £1 million of which was taken up. For a much more restricted caseload, I believe that £4 million is an even more generous provision to meet the demands that are likely to be put upon the fund in its first year.

I have already mentioned that the 1993 fund will work as a partnership between itself—the trustees—and the local authority. All the most severely disabled people who are likely to come within the purview of the fund will already, overwhelmingly, be likely to be in touch with their local authority social services departments because of existing needs. As with the current ILF, the new fund will be restricted to people on low incomes and to those who live alone or with someone who is unable to supply all the care that they need. Eligibility will also be limited, as I think I have already stated, to those of working age—those between 16 and 65.

Where it is clear that the cost of care in the community will be above the national threshold—which, as I have already stated, we have set at £200 a week—the social worker will want to consider whether the client might be eligible for help from the new fund. The fund would then be able to make a topping-up cash payment of up to a further £300, making a total of £500 a week.

I believe, in essence, that the new system will ensure that a significant group of disabled people will be able to look to the primary facilitators of community care, the local authorities, for their community services without losing the extra flexibility of an element of cash payments.

Mr. Dewar: Presumably the qualifying criteria will be a matter for the trustees of the new fund which is to take over new cases. They will, I presume, start on the same higher payment component care, the disability living allowance, basis, but in future they will have to keep within a budget, which will be cash limited. If they cannot do so, the criteria may have to be altered as happened in the past.

Mr. Scott: Manifestly, the new fund, as with the existing fund, will be run on a cash-limited basis. It will be up to the trustees to deploy their resources as necessary. It has been broadly true over the life of the existing independent living fund that there has been an underspend of the cash limit, perhaps because of the trustees' prudence. Nevertheless, we believe that the provision that has been made for both the new fund and the existing cases fund will be adequate to cope with needs for the foreseeable future.

Motability is the organisation that enables people to use the top rate mobility component of their DLA to buy or lease a vehicle specially adapted to their needs.

[Mr. Scott]

Motability was launched by the Labour Government and, I believe, by the right hon. Member for Manchester, Wythenshawe (Mr. Morris). It has always had strong all-party support in the House. Governments of both parties have funded it consistently throughout the years.

I intend to mention three Government grants that are made to support the mobility component and facilitate the purchase or lease of vehicles. The Government pay for the administration of Motability which, in the coming years, will be over £2 million. The equipment fund was set up in 1991. It provided £1 million a year for more sophisticated adaptations to meet the needs of the most severely disabled people. From April this year we are doubling that contribution from £1 million to £2 million. The tenth anniversary trust, which was set up in 1988 with £5 million from the Government and £5 million from the clearing banks, provides extra help for the charitable work of Motability—that is, for those people who cannot afford the full cost of leasing, hiring or adapting a car.

Motability has been an immense success story from its very inception by the right hon. Member for Wythenshawe and others, such as Lord Goodman, who were in at the start and developed the scheme. I am delighted to say that very shortly my right hon. Friend the Prime Minister is to present the keys of the 350,000th Motability vehicle which has been provided under the scheme.

In recent years we have seen many improvements in the spread and coverage of help for disabled people. That has happened under Governments of both parties. In the years since I have been Minister for Social Security and Disabled People I have been proud and happy to play my part in that continuing development. I wholeheartedly welcome the community care changes. I am pleased that the system of support that the independent living fund offers to people with disabilities has survived and is to be developed and taken forward, to take advantage of the wider developments in community care that are being put in place.

In my view, the Bill represents a constructive way forward, building on the foundations set by the ILF and the experience gained from the workings of that body. I am happy that the Government are continuing to fund these organisations, which offer flexibility, independence and a sense of dignity and self worth for many disabled people in our society.

The Government have expanded and developed the range and scope of help for people with disabilities. This Bill, in my view, marks another step in the movement towards a more caring society which offers additional opportunities for all its members, not just those who happen, for the time being, to be able bodied. I believe that the whole House should welcome these improvements.

5.7 pm

Mr. Barry Sheerman (Huddersfield): The Bill is important not only in the most general sense; for thousands of severely disabled persons and their families it is crucial and goes to the very core of their existence. However, the Opposition have serious reservations about it, which I shall explain in due course. The Second Reading of the Bill is not, however, the time or the place for ritualistic parliamentary disagreement. It is a unique opportunity to examine the manner in which we provide services for disabled people in our society towards the end of the 20th century. It is also a convenient time to assess the contribution of the soon to be dismantled independent living fund which the Bill seeks to replace.

The Minister will, I believe, be told by those who sit on this side of the House and by his hon. Friends of serious misgivings, worries and criticisms regarding the new arrangements that are encapsulated in the Bill. I can assure the Minister that we shall be making those points, but constructively and positively.

My task is to examine the extent to which the Bill meets the needs, hopes and aspirations of disabled people and the extent to which it is in tune with the growing desire of disabled people and their families for a sensible system under which they can be in control of their destiny, based in their own homes with as much independence as they wish. The Bill must be judged on the extent to which it empowers and liberates—indeed, satisfies—those whom it is designed to help.

To understand the development of services provided for disabled people, one has to go back at least to Lord Beveridge, the subsequent National Assistance Act 1948 and to the dramatic change in the climate of service provision which emerged with the Chronically Sick and Disabled Persons Act 1970, introduced by my right hon. Friend the Member for Manchester, Wythenshawe (Mr. Morris). Those Acts have to be judged fairly in the context of their time. They were based not only on the best available expert opinion but on the fullest understanding that existed then of the needs of the people being helped.

Times have changed. The tradition of service incorporated in those Acts tended to have three salient characteristics or features. The first was a strong emphasis on the ethic of professionalism, the view that the care professionals' perceptions of disabled people's needs and of the priorities in allocating resources were paramount and, in any case, should be considered more valid than disabled persons' perceptions of their own needs.

Secondly, there was a mixture of provision by central Government benefits agencies, such as the Department of Social Security, and local authorities through their social services departments. Thirdly, in the case of local authority provision, there was a lack of statutory backing and an emphasis on discretionary provision. It is still the case that the only statutory provision that seems to exist for disabled people is that local authorities should keep a register and give information on available services, although very few authorities fulfil even that minimal task.

The consequences of the approach that I have just described can be summed up by saying that some good work was carried out in those years by statutory agencies and the newly emerging organisations of disabled people, but that, as times changed and demands altered, the deficiencies became increasingly obvious. One expert, Professor Michael Oliver of the University of Greenwich, said:

> "Numerous studies over the years show that clients are very unhappy about the way professional assessments have distorted or denied their needs".

Some care professionals are equally unhappy about a system that has forced them to tailor their needs assessment to available resources and currently available provision. In many cases, that goes against their best professional judgment.

The drawback of such a system was that, too often, disabled people were, and still are, forced into a position

of dependency, causing the inevitable feelings of powerlessness, resentment, cynicism and mistrust which a dependency culture entails. In addition, the lack of statutory duties placed on local authorities is mirrored by the lack of statutory rights for disabled people. I shall not unearth the disagreement that I had with the Minister only a couple of Fridays ago about the Disabled Persons (Civil Rights) Bill. Too often, a patchy and inconsistent pattern of provision nationwide results from different local authorities having distinct attitudes to their discretionary powers or distinct levels of resources with which to implement them. Nothing that the Minister has said today fills us with confidence that we are not going back to the bad old days.

Overall, a system of provision did exist—and still exists—which is not only problematic and unsatisfactory in many ways but which many argue is more expensive than the alternatives and, therefore, hardly good value for money. It could be argued that the independent living fund came about partly because of the qualitatively very different attitude towards provision which emerged in the 1970s. We must be clear about where it came from.

I am something of a historian and it is important to get the history as right as we can. The fund clearly stemmed from disabled persons and their families. They were clear about their aspirations: they wanted full integration and participation in the community rather than being left in isolated residential establishments, and they increasingly wanted to control the resources that could make their lives more fulfilled.

Professionals, intellectuals, and even political parties and Governments gradually became aware of, if not fully convinced of, those aspirations. The introduction of care in the community was therefore, in many ways, a missed opportunity to take those aspirations fully on board and to deliver them. It perhaps points in the right direction but is still a missed opportunity.

However, the independent living fund was a successful example of the introduction of a system much in line with the new ideas. Again, the historian in me suspects that, in part, the birth was unexpected and the development uncharted. I agree with my hon. Friend the Member for Birkenhead (Mr. Field) who knows that there was a crisis, that the Government met it and, almost by accident, produced something that grew into a rather nice child from a rather unexpected baby, if I can mix metaphors. The birth was unexpected and the development uncharted, but we would be very foolish to underrate its innovative character and the value of its existence in the past five years. We pay tribute to the Minister for any hand that he had in it. We do not deny its importance, and any hon. Members who believe that good, healthy pragmatism is useful when considering how to solve social problems will join me in that tribute.

Even the Minister would have been surprised to learn what was going to happen to his creation in five years. The fund was very different, set up by the Minister in 1988 in partnership with the Disablement Income Group as a Government-backed independent discretionary trust—I freely admit that we had many apprehensions about that—largely as a result of the gaping hole in the benefit system which resulted from the change from supplementary benefit to income support, with the consequent abolition of the domestic assistance additional requirement.

The new scheme had two purposes. The first was to assist severely disabled people who need paid domestic help or personal care if they are to live in their own homes. The second, as Peter Large said—no one has ever put it better—was to make

"the difference between a life in which most of your choices are made by others and a life in which you can mostly choose for oneself".

Those words will come back to haunt the Minister, and I shall explain the fear of many people who work in social provision.

The fund was empowered to make grants of up to £560 a week in London, £520 a week in the south-east and £450 a week elsewhere. As I have said, it was a runaway success. The number of individuals helped with grants has risen from an estimated 850 at the scheme's inception to the figure of 21,000, which the Minister gave. I got the figure of 22,500 from the fund, so we roughly agree. In any case, both figures give the measure of the fund's growth. By the time applications closed in November 1992, it had proved extremely popular and cost effective. Why?

It was so popular because it enabled people to obtain precisely the personal assistance that they needed, which has practical advantages. A private contract allows a disabled person to specify exactly with what his personal assistant is to help, which gives a flexibility that local authority job descriptions may not. For example, district nurses are clearly not supposed to help to clean the floor, but the definition of what they are allowed to do might not fit well with the disabled person's priorities. In any case, district nurses are unlikely to have any say in defining the job description. In addition, there are immense emotional benefits to the disabled. One person who was interviewed said:

"Employing my own personal assistant has given me the freedom to fulfil the type of lifestyle I wish to follow . . . I am in total control of making all the choices in my own life."

Examples of the liberating and empowering effect of the independent living fund abound in all the research.

The Minister will be well aware of the Greenwich survey for which he kindly provided a foreword. The survey shows clear examples of cost-effectiveness. Empowering people saves money; it does not cost more money. Mike Oliver and Garry Zarb surveyed a variety of cases in Greenwich and found that in all the savings were considerable—as much as 50 per cent. The figure given by directors of social services with whom I have talked in the past few days was 20 per cent. to 50 per cent. No one said that the costs were higher; everyone said that the costs were appreciably less.

Oliver and Zarb say:

"Giving disabled people what they say they want is cheaper than giving them what the authorities think they need."

That comment goes to the heart of the matter. Oliver and Zarb also say:

"Our work in Greenwich suggests that providing disabled people with the services they demand may be cheaper than continuing to fund, inflexible dependency-creating ones."

The empowering approach exemplified by the independent living fund is well summed up in recent research by Jenny Morris, who carried out a study for the Rowntree trust entitled "Community Care or Independent Living", which came out a couple of months ago. In tracing the approach to the independent living movement which emerged among organisations representing and controlled by disabled people in the 1970s and the 1980s, she draws a sharp distinction between the conventional view of independence—that people need to be able to do everything for themselves if they are not to be treated as

[Mr. Barry Sheerman]

dependent and subordinate—and the more positive and pragmatic view of independence as the ability to achieve goals.

Jenny Morris also sees independent living as a civil liberties issue. People have not only the right to have control over basic living tasks, such as when they get up, when they go to bed, when they go to the toilet and what and when they eat, but the right to have a personal relationship, to seek employment and to engage in leisure and political activities. If those rights are to be more than mere verbiage, measures must be taken to make them effective.

Despite its record of success, the fund is to be abolished. We have given bouquets to the Minister and we have shown a little bit of humility in recognising that we did not understand how good the fund would become. We now come to the hard question. As the fund is so successful, why is it to be wound up and replaced by something far inferior? Despite the fund's record of success, it is to be abolished and its work is to be taken over by two new bodies. The independent living (extension) fund is intended to take over the existing caseload of the independent living fund and the independent living (1993) fund is intended to take on new cases. I was amused when the Minister explained that it was an entirely new body with the same name. I am not sure whether this is a case of changing names to protect the innocent or a case of keeping the same name to protect the guilty. The changes are rather confusing.

There is another confusing point on which I seek to draw the Minister. He paid some nice tributes to the trustees of the fund. He said that the 10 trustees, five of whom were appointed by the Secretary of State and five of whom were from the Disablement Income Group, had done a wonderful job. I hope that the Minister will throw a reception for them and will ask them in to the Department for champagne, or whatever is appropriate. As I understand it, the Minister has not thanked them personally and has not explained to them face to face why good and honest servants who have done a darned good job for five years and who have made the fund the jewel in the crown——

Mr. Scott: I am afraid that we did not run to champagne. However, the trustees have been in for lunch and I have thanked them warmly and personally.

Mr. Sheerman: That must have happened since I talked to the trustees; it was a rapid invitation. I am glad that the Minister has done that.

The trustees with whom I have talked are concerned. They have run the fund extremely successfully for five years. They have a wealth of knowledge that they could impart to the Minister to help the two new bodies, but the Minister has not asked them. Some of them feel frustration and bitterness. They feel that they have done a remarkably successful job, yet their experience is for nothing. Why on earth has the Minister not taken counsel from them and taken their advice in setting up the two new bodies? It is not good enough to say that the new bodies are entirely separate new projects which have little to do with the old one. The trustees have expertise and good will. The Minister has a reputation for listening to and acting on opinions expressed by people who know what they are talking about, but that reputation will suffer. I do not intend to go further on that point.

The funding of the independent living (extension) fund will be limited. I understand that the figure was originally to be £170 million, but that it is now to be £120 million in 1993-94. We are still a bit concerned about that, and I hope that we can talk about that later. The best estimate is that, by the end of March 1993, 22,000 people will have benefited from the fund. From simple sums on the back of an envelope, assuming a minimum average of £110 a week, a total of £124 million is necessary. The figure of £120 million looks close to a shortfall. That is worrying, especially when one considers new needs and the increased needs of some of the people who already draw from the fund. Perhaps the Minister will give us a little more detail on that later. I do not intend to make a great issue of it now, as I am sure that my hon. Friends will say more about it later.

There is a further matter of great importance and great principle. Those over 65 are to be excluded from the new arrangements. In November 1992, 34 per cent. of the independent living fund's caseload comprised people over 65. It is not good enough to say, as the Minister says regularly, that the Government have decided to put the emphasis on people in the younger, working age group, especially as the independent living fund has been enormously successful for people over 65 as well as for those between 16 and 65. To cut off that percentage of the population from a scheme that has been so highly valued seems mean-spirited. We are not talking about a lot of money from the Exchequer. It seems that the change is Exchequer-driven rather than driven by the Minister.

The administrative arrangements for making an application to the independent living (1993) fund are clumsy and complicated. The beauty of the independent living fund has been its simplicity, which disabled people have admired. The Minister made us even more worried when he talked about gateways and gatekeepers, and about local authorities being in the driving seat. Surely we should now put the disabled person in the driving seat. That is what the independent living fund did. We do not want a committee of local authorities and Government Departments having to make decisions for the disabled person.

Mr. Scott: I was at pains on more than one occasion to make it clear that the whole thrust of the care in the community policy was to involve disabled people in the decision-making process about the package of services provided for them. No longer will local authorities tell people what they get. They will ask people what they want and they will seek to provide it.

The hon. Gentleman talked about the attitudes of professionals. I meet many professionals and I believe that their attitudes have changed radically over the past two or three years. They do not simply tell people what they will get. They are moving into a new culture of listening and seeking to provide.

Mr. Sheerman: I am not much mollified by that intervention. The Minister has referred to gateways and gatekeepers, and to local authorities being in the driving seat. If he looks at *Hansard* tomorrow, he will see that that was the language that he used. The Association of Directors of Social Services, the Association of

Metropolitan Authorities and the Association of County Councils are all worried about the bureaucratic nature of the new arrangements and about the loss of the close direct relationship with the fund that existed under the old ILF arrangements.

Mr. Willetts: I confess that I am becoming increasingly confused as to what the Opposition's policy on provision for severely disabled people is. If the Opposition support the principle of community care, how can they wish to keep the old arrangements for the independent living fund, which are manifestly incompatible with the principle of giving local authorities legal responsibility for community care?

Mr. Sheerman: The hon. Gentleman is anticipating my remarks somewhat. We strongly believe that policy in these matters should be driven by what disabled people want. Had the hon. Gentleman listened to the earlier part of my speech, he would know that that is exactly what drives the Opposition's policy. I hope to show that it is possible to achieve a proper synthesis between the ILF and care in the community.

Previously, applications could be made directly to the ILF. That was one of its strengths. The new procedures involved what the Minister described in the debate on 25 February as

"a tripartite settlement, as it were, between the customer, the local authority social worker and the social worker for the independent living fund."—[*Official Report*, 25 February 1993; Vol. 219, c. 1126.]

What is supposed to happen is that the local authority provides the first £200, then, if it seems appropriate, an application can be made to the fund up to a ceiling of £500 in total. Last week, I telephoned a number of directors of social services. I said earlier that we were concerned about whether the new arrangements—like them or not—would be up and running by 1 April. The Minister must realise that there is an enormous amount of confusion even among people of the professional excellence of directors of social services. Directors place totally different interpretations on the £500 limit. A senior member of the Association of Directors of Social Services believed that if the total sum of an application was more than £500, the person would automatically end up with no independent living fund money and would have to go into residential care. Other directors of social services interpret the £500 ceiling quite differently. Enormous confusion exists among the professionals who, from 1 April—and even now in terms of applications—are supposed to be making the arrangements work.

Moreover, applications are eligible only if the applicant is on the highest level of disability living allowance. Three official bodies—local authority social services departments, the Department of Social Security and the fund—will be involved. That seems unsatisfactory on several counts. First, it involves a clumsy system of divided responsibilities—a recipe for administrative confusion and delay. As I said earlier, the AMA, the ACC and the Association of Directors of Social Services have all picked up on that point and have described the new arrangements as likely to lead to

"muddled personal assistance provision for the severely disabled".

That last quotation is from a press release issued by the Spinal Injuries Association.

Secondly, circular LASSL (93) makes it plain that people are supposed to apply for money from the new fund only if they have received at least £200 from the local authority—£210 with the extra £10—and with the approval and assistance of their local authority social services department. The Minister talked about gateways and gatekeepers. What if the local authority department is unsympathetic to the individual? What recourse will there be in such circumstances? What if the authority chooses not to exercise its powers to assist disabled people? We must remember that most of the powers are discretionary rather than statutory. What if the local authority simply does not have the money to supply the first £200? That is possible because, although the £539 million is ring-fenced as a transitional grant for community care in local authority budgets, the money allocated for services to disabled people is not ring-fenced within that ring fence. We know what will happen in some local authorities when that budget is under pressure: the money allocated to services for disabled persons could be diverted.

Mr. Willetts: A moment ago the hon. Gentleman was complaining about excessive bureaucracy in the arrangements. Is he now saying that he wants not just a ring fence in respect of the central Government contribution to community care cases but a ring fence within that ring fence? That would be a nightmare.

Mr. Sheerman: Not at all. There are plenty of examples of money in local authority budgets being ring-fenced for specific purposes. I ask the hon. Gentleman to be a little patient, as I shall return to his question in due course.

The effect of the changes will be to cast doubt on the effectiveness of the new scheme, to introduce a large measure of uncertainty, to disempower disabled people and to move a large measure of control back into the hands of local authority social services departments.

Thirdly, the circular does not make it at all clear what happens if the total application exceeds £500. The phrasing in the explanatory notes to the circular can be interpreted in two ways—either help can be provided up to a ceiling of £500 a week or applications in excess of £500 will simply be ineligible for help. We seek guidance on that, in the interests not of making a paltry point but of trying to help people.

In any case, the £500 limit does not make sense economically as, in many areas, residential care is more expensive than that—as my right hon. Friend the Member for Wythenshawe pointed out the other evening. The Greater London Association for the Disabled did some research on residential care costs and came up with a sample of figures—£510, £605, £800 and £925 a week. Similarly, the British Council of Organisations of Disabled People found that residential charges at the Royal hospital Putney, not far from the Minister's constituency, varied between £605 and £807 a week—again, significantly higher than the £500 ceiling. As a means of saving public money, that ceiling is frankly bizarre and, in our view, will lead to more money being spent rather than less.

Jenny Morris's research for the Rowntree trust highlights another important issue. In many cases, suitable residential care facilities simply do not exist. The alternatives to being empowered to live in one's own home may be a geriatric ward or the nightmare of being forced to remain in an abusive family situation. The Spinal Injuries Association, which has expressed deep and well-argued disquiet over the new proposals, has aptly described the possibilities under the Bill as "imprisonment

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without crime". The BCODP has made a strong statement to the effect that forced institutionalisation is a breach of human rights, and is prepared to refer the proposals in the Bill to the European Commission on Human Rights in Geneva and the European Court of Human Rights.

In the debate of 25 February 1993, the Minister, referring to the old independent living fund, said:

"a system based upon individual assessment, and on the discretion . . . of individual trustees, has been a considerable success, and has been able to respond much more flexibly to the needs of individual disabled people than any regulated system might have done."—[*Official Report*, 25 February 1993; Vol. 219, c. 1125.]

Well said, sir. The important question is why, having established a proven success in the ILF, the Government now seem determined to move backwards to a far more regulated and less satisfactory system. Is their commitment to individual freedom of choice more apparent than real?

We do not say everything about the independent living fund is sacrosanct and cannot be changed and improved. The Minister is an expert on Puccini, and on his opera "Turandot" in particular. He will remember the princess's lovely line to Calar, "Do not touch me, it is sacrilege". We are not saying that. We are saying that there could be modifications but that the essence of the ILF should be carried on.

The manner in which the changes have been introduced is also disquieting. The old fund closed its list for applications at short notice in November last year leaving existing applicants to rush their applications to completion and causing a hiatus in funding until the new arrangements came into force. I have received many letters from people who missed out because of that and the injustices that occurred.

It is not clear at this late stage who will administer the new arrangements. There seems likely to be little continuity of personnel or expertise. The staff of the Disablement Income Group are extremely demoralised because, despite making approaches to the Government and civil service during the preparation of the Bill, their views were not sought or listened to. Five years of expertise in this difficult and sensitive area have been discarded.

Nor does there seem to have been any real consultation with bodies representing disabled people. The Spinal Injuries Association and others have complained about that. When the ILF is decommissioned on 31 March, it is not clear whether the new arrangements will be set up in time to ensure an orderly continuity to cover existing clients. That is a very real worry. The 21,000 or 22,000 people concerned are very dependent on the effective working of the fund. Although the Minister said that there would just be a different name on the cheque, the important point is whether the cheque arrives in time on the day. That is vital.

The timing is doubly unfortunate. The Government's community care initiative was intended, ostensibly at least, to increase consumer choice. However, just as it is coming into force, the ILF, which has successfully promoted consumer choice for five years for a consumer group whose choices were previously extremely limited, is being quietly strangled. We are not even given the option of leaving the ILF in place in its proven and successful form, at least until community care has bedded down. That would seem to be another enlightened, pragmatic approach in respect of the changeover! Disruption will be piled on disruption and the clients will suffer.

I do not go as far as Professor Oliver, who said:

"So successful has one scheme been in giving users control over their own services that the Government have abolished it. It was called the Independent Living Fund."

That is quite strong language, but very perceptive.

If the abolition of the ILF and its replacement by an alternative and more clumsy scheme makes little sense in terms of service provision, there must be another reason for the change. I suggest that there is a hidden agenda. In a sense, the ILF has been too successful. Its growth from an envisaged total of about 800 clients to some 21,000 or 22,000 has led to a much higher level of expenditure than originally expected, even bearing in mind the lower cost per head. Expenditure rose from £1 million in 1988-89 to £97 million in 1992-93.

If a good grant scheme like the old ILF is available, people tend to use it. That can reveal a higher level of need than was originally anticipated. The Government's response has been to replace a good grant scheme with a bad one. I contend that it is the Treasury's desire to control expenditure that is the real hand behind the present changes, not a desire to improve services. That is the root of the new measures incorporated in the Bill.

The trouble that the Government find with a direct payment scheme is that it tends to make the true level of need very obvious indeed. Under the traditional system of funding services and then setting cash limits on them, that need could be concealed. For example, service constraints could mean that if too many people needed a home help, the home help would come once a fortnight instead of once a week. That disguises the true position. While that may conceal the scale of need, it is totally unacceptable. The proposal amounts to pushing disabled people back into a grey limbo.

In the words of a member of the ILF's trustees, the new arrangements have taken the

"spiritual essence of the Fund"

right out of the centre.

The Opposition believe that the Bill represents a real missed opportunity. I do not say that in a spirit of party debate. I say it in terms of what I have called enlightened pragmatism. The Minister had a great success on his hands. Instead of using it as a springboard and an opportunity to change the lives of disabled people, he has drawn short. He has either gone into reverse or stopped.

As I said earlier, fundamental changes are occurring in our society which the Minister is underrating. Disabled people will no longer accept the definitions of status or situations that were considered appropriate even a few years ago. There is an unstoppable movement for empowerment. In a real sense, the Minister significantly encouraged that movement. He set up the ILF.

The challenge before us today is to listen to the groundswell and the change in ideas and beliefs in the disabled community. We should learn from the experience of the past five years. Those changing ideas were reflected in a report by the Select Committee on Social Services which stated:

"We recommend that the ILF should continue to exist, not only for an interim period, but also after the implementation of community care legislation, and should be provided with sufficient resources to meet the claims of those who meet the present criteria for help from the Fund, and whose needs have not been met through the eventual implementation of community care policy."

Some hon. Members have seen and understood the changes in ideas and know how we must learn from recent experience. I am sorry that the hon. Member for Mid-Kent (Mr. Rowe) is not in the Chamber. I believe that he has seen the future and knows that it works. He understands better than most in the House how the empowerment of disabled people comes from giving them resources directly, by giving them the cash and leaving them to make their own decisions.

It may not be too late to improve the Bill or to do something in parallel which could save it. If the ideas of the hon. Member for Mid-Kent were incorporated in the Bill and if local social services departments were able to give direct cash payments to individuals, the result could be a dramatic improvement for disabled people in our society.

The sensible way ahead is always for legislators to listen to the people and to act accordingly. The people affected by the Bill want to be able to empower themselves and the best way to do that is to improve the existing ILF both in statutory rights and in rights of appeal.

The Opposition take no hard ideological line on the question. Sensible people believe in markets and market mechanisms when they work and reject them when they are inappropriate and do not work for people. In this case, we believe that they work. At the end of the day, giving disabled people what they say they want is better and cheaper than giving them what we think they want. We believe that the future priority of all Governments must be to assist the empowerment of disabled people and an early introduction of personal assistance schemes are a right that cannot be resisted much longer.

5.47 pm

Mrs. Marion Roe (Broxbourne): In spite of the very heavy programme in the Chamber involving debate on the European Communities (Amendment) Bill, I am pleased that the Government have at last found time for the Second Reading of this important Bill, thus fulfilling the Conservative party manifesto pledge at the last general election.

The final stage of the Government's community care reforms will take effect from 1 April. It is vital that financial support will continue to be given to the most severely disabled people in the community to ensure that they can live in their own homes and exercise the independence which so many of them deeply cherish.

I am sure that I am right in saying that the principles of community care are supported by all parties in the House. The most important aspects of the reforms are choice and the flexibility that the reforms provide for care to be tailored to individual needs and the fact that individuals should be consulted on how their needs should be met.

As president of the Broxbourne organisation for the disabled, which represents disabled people and their carers in my constituency, I have been made well aware of the enormous benefit that disabled people have derived from the independent living fund.

I should like to stress to my right hon. Friend the Member for Chelsea (Mr. Scott) that, under the new independent living (1993) fund, the fact that disabled people are consulted about their needs must be a key factor in the package of care that is proposed. I accept his assurances that that will be so.

I learned the importance of such co-operation the hard way through personal experience. A couple of years ago, I was challenged by members of the Broxbourne organisation for the disabled to spend a day in a wheelchair. It felt that I should discover for myself that when getting around the constituency grave mobility difficulties must be overcome and that local authorities' good intentions are not enough to encourage disabled people to get out and about and to give them the support and help that they need. I accepted the challenge and realised very quickly that life for those who are wheelchair-bound would have been made much easier if they had had a say in the provision of facilities for disabled people.

My first engagement was to visit a canal barge that I had launched some months before to test the wheelchair lift that was installed to ensure that disabled people, like everybody else, could enjoy the delights of sailing on the River Lee. To reach the barge, my husband, who was acting as my carer, had to push me over a large area of deep cobblestones on the quay. The result was that by the time I reached the barge I felt that I had been given a series of electric shocks. It was the most uncomfortable ride that I have ever undertaken. If only local authorities had thought to consult the users of the facility before designing it.

At the end of my day in the wheelchair I visited the local library, which prided itself on providing good access to the building for wheelchair users. When I arrived, I was advised to attempt to enter the building on my own without my husband's help. I turned the wheels of the chair up the ramp towards the spring doors, only to discover that they opened towards me. As I tried to pull the doors open, my wheelchair started to run backwards down the ramp, much to the amusement of onlookers. Although I have strong arms, it took me about 10 minutes to get inside the library; a weaker person would not have made it. All the good intentions of the architect and local authority were lost because the users of the service had not been consulted first.

I give full credit to Hertfordshire county council, because following this incident it changed the doors to the sliding variety to overcome the problem. There is no doubt that the consultation process is paramount in assessing the needs of disabled people. Their voice should be heard as well as that of their carer, if appropriate.

Severely disabled people value the independence that the independent living fund has given them and I therefore welcome the Bill because it will ensure that that vital support will continue.

The Health Select Committee, of which I am Chairman, is conducting an inquiry into community care. We intend to publish the first part of our report next Thursday. I cannot, of course, reveal our findings or our recommendations, but I have no doubt that hon. Members will find our report extremely helpful and interesting.

5.54 pm

Mr. Alfred Morris (Manchester, Wythenshawe): The reverse side of this one-page Bill bears the legend:

"Presented by Mr. Secretary Lilley, supported by Mr. Chancellor of the Exchequer, Mr. Secretary Hunt, Mr. Secretary Lang, Secretary Sir Patrick Mayhew, Mrs. Secretary Bottomley, Mr. Nicholas Scott . . ."

To be fair to the Secretary of State for Social Security, I prefer to think, for reasons that I shall explain, that the real presenter of this Bill is the Chancellor of the Exchequer.

[Mr. Alfred Morris]

This is in truth a Treasury Bill. The other Ministers named are but camp followers supporting a measure that severely disabled people feel could deprive them of their independence. They fear that sooner or later, unless there is an urgent change of policy, they will be forced into institutions, at far greater cost to the taxpayer than that of enabling the independent living fund to help them.

For severely disabled people, that is what this debate is all about. They see what they regard as their incontestable right to live in their own homes, instead of being shut away in long-stay institutions, being challenged by the new arrangements the right hon. Member for Chelsea (Mr. Scott) announced last November.

In my Adjournment debate on the ILF on 25 February, I posed a series of questions about the future of the fund of enormous importance to all severely disabled people. Some were answered by the Minister, others were not. Since then, I have had further answers, but there are still unresolved questions which I want now briefly to raise again. One of them is whether the Minister can give me a categorical assurance that no existing beneficiaries will have to wait for payment after 31 March, when the shutters finally come down on the old ILF.

That question was put to me before my Adjournment debate by Peter Large of the Disablement Income Group, than whom no one knows more about the work and value of the ILF, and he raised it again in a letter I had from him last Friday. His concern is that payment mechanisms—accounts, cheques, authorisation slips and so on—will not be ready in time. Very charitably, he says that the DSS has been

"delayed by the Treasury's reluctance to allow a new Fund."

On 25 February, I quoted from Peter Large's earlier letter to me about the fund:

"You can imagine our distress",

he said,

"to see the threat of the ILF being throttled to death".

Recalling that statement, he says in his further letter of 11 March:

"I have to write now to tell you that the ILF as we have known it is dead. The two new funds are but pale ghosts of the original ILF. The assassins from the Treasury have done their work.

From a Fund that will have spent some £117 million helping over 22,000 disabled people last year, we move to a Fund spending in its first year a mere £4 million on an estimated 1,500 people. All pretence of allowing discretion on the part of the Trustees has been ended."

He goes on to say:

"The Trust Deed and the Agreement in respect of both funds effectively stifle all initiative and ensure that all goes according to the demands of the Treasury. Anyone who knows anything about severely disabled people will be horrified to read the four documents."

Thus, Peter Large is in no doubt that this is a Treasury Bill, nor should any of us be in any doubt that, much apart from being a mere supporter of the Bill, the Chancellor of the Exchequer is its real author.

In future, disabled people will have to face questioning by two vetting authorities: the local authority social services department and the assessment officer of the independent living (1993) fund. Both the local authority and the fund will have the power to refuse, reduce or stop help. The disabled person has no right of appeal to anyone. Moreover, an upper cash limit is imposed on payments to keep a severely disabled person out of an institution. Existing beneficiaries and those of the new fund will face intrusive questioning about their private habits and needs.

In regard to the upper limit on payments, the right hon. Gentleman said in reply to my speech on 25 February:

"I do not believe . . . there is anything offensive in our setting an upper limit beyond which it is not unreasonable that people who need help should . . . decide, sometimes reluctantly, that the time has come for them to go into residential care."—[*Official Report*, 25 February 1993; Vol. 219, c. 1126.]

The Spinal Injuries Association describes this as "a most shocking statement". It asks

"whether £500 is now the going price of freedom in this country?"

The association quotes the case of a severely disabled young doctor, living in the community, who needs more than £500 a week in personal assistance services, and poses the question, "Has his time come?" As my hon. Friend the Member for Huddersfield (Mr. Sheerman) recalled, the association sees the upper limit on payments as "imprisonment without crime" and an infringement of that young doctor's civil rights. Whenever before did a Government so explicitly impose a price on personal freedom?

I asked on 25 February for details of the trust deeds for the new funds. Their publication since then confirms the worst fears of the organisations for which I sought my Adjournment debate. As we have heard, Peter Large says that anyone who knows anything about severely disabled people will be "horrified" by the documents the Minister has now published.

There are, however, still two important questions that remain unanswered. The first is what happens to severely disabled people who ask the ILF for help between now and 1 April? The answer, say the organisations that represent them, is that no help is available and that there are even worries about future payments to existing beneficiaries now receiving direct payments from local authorities. The second unanswered question is what happens to existing beneficiaries now receiving direct payments from their local councils? Some councils make direct payments to severely disabled people to enable them to buy in personal help and so remain living in their own homes. Will they be able to continue them?

The independent living (1993) fund has a number of most unsatisfactory features. For example, the upper payment limit includes the local authority contribution in kind of £200. Thus effectively there has been a twofold cut in help: first, more stringent criteria of eligibility have been introduced; and, secondly, the maximum limit for individual payments has been reduced.

As no one will be able to insist that a local authority makes its due contribution, both the council and the trustees of the new fund will have a power of veto. Again, and very unfortunately, the director of the fund's job specification suggests that he

"will decide whether its help is the most appropriate".

How will this be decided? Will some existing beneficiaries be referred to their local authorities when they seek more help? The old ILF enjoyed some flexibility in its operation. This has now gone.

The independent living (1993) fund cannot alter the age groups of beneficiaries. The age limits of 16 to 65 are set down in the deed, which also specifies priorities in saying that

"Any applicant who is young and in work should be given priority for receiving financial assistance."

The Minister is aware that, over and above the withering criticisms there have been of the upper limit on payments, there is profound concern about his decision to impose an upper age limit for help. In a statement on its reaction to the Minister's reply to my speech of 25 February, the Alzheimer's Disease Society, of which I am an honorary officer, says:

"We believe the age limit for applications to the successor bodies to the ILF penalises people for being old as well as ill. Such age discrimination is a crude example of a Government minimising public expenditure at the expense of an extremely needful group of people."

Jane Lakey, of the Policy Studies Institute, gave details of an instructive case in an article in *The Guardian:*

"Mary is 75 and lives with her sister. They manage to stay in their own home with help from the ILF . . . Mary and her sister use their ILF money to employ an assistant to help with shopping, washing and cleaning, which they can no longer manage themselves. Their assistant has become a friend."

Mary is quoted as saying that if they did not have access to the ILF

"They would try to put both of us in a home. And we are happy here, with good neighbours and friends".

I ask the Minister urgently to meet the Alzheimer's Disease Society to hear at first hand about the very disturbing effect of his decision to impose an age limit which, in the case that I have quoted, would most certainly have involved higher public spending and the loss for disabled people of their homes and friends.

The Bill gives powers to make grants to Motability, as the Minister said, as well as to the ILF's successor bodies. As many right hon. and hon. Members will know, I was centrally involved, as the then first-ever Minister for the Disabled in this or any other country, in the creation of Motability; and I have been a patron since its inception 16 years ago. The idea of creating Motability came to me when I was introducing the mobility allowance and we created a wholly unique partnership, one between the Government, voluntary effort, the banks, insurance companies, motor manufacturers and dealers, that has made it possible for hundreds of thousands of disabled people to secure cars. Without it the great majority of beneficiaries would not have a car at all.

Nobody then imagined that Motability would turn out to be such an outstanding success, with a total now of some 350,000 new vehicles supplied since we launched the scheme in the 1970s, If account is taken of the number of people in the families of disabled people who benefit from Motability's work, its beneficiaries must now have reached a total approaching the size of the Chinese army! My hon. Friend the Member for Huddersfield said that the Minister had a big success on his hands with the old ILF. What kind of success, then, has Motability been?

The success of the contract hire scheme is shown by the fact that well over 85 per cent. of people coming to the end of a three-year agreement choose to have another Motability car. Our promise of financial support for Motability in the original memorandum in 1977 has been honoured by successive Governments over all the years since it was set up; and I am sure that this will continue.

Enormous demands are now being made on Motability's own resources to help where the mobility component of the disability living allowance is insufficient to pay for the car the disabled person needs. The amount spent on grants has risen from £366,000 in 1988-89 to nearly £2,500,000 in 1991-92. These demands make the Government's grant for administrative costs essential. Without it Motability would be unable to continue its work.

I know from my own experience what a huge difference a Motability car can make to many families. Without the scheme often the disabled member would be literally housebound. It was gratifying to learn that Motability's own surveys show that, besides describing the beneficial effects on their own lives, new customers say that for the first time ever they are now able to help others.

I pay warm tribute to the staff of Motability and Motability Finance Ltd., to the enthusiastic co-operation of officials of the Department and to the governors of the charity, who selflessly devote so much time to its work.

Voluntary financial support for Motability will be needed even more in the future; and I am glad it is now undertaking a fundamental review of fund-raising activities. I also note Motability's gratitude to the Department for the creation of the equipment fund, which has made possible grants for the most severely disabled drivers and passengers. At the same time, I am most grateful to the right hon. Member for Chelsea for the tribute he paid in his speech to my part in creating what is a most important organisation for disabled people who are unable to walk.

When the Minister comes to reply, I ask him to do so constructively to the renewed concern I have expressed about the inadequacies of the ILF's successor bodies, to deal with the unanswered questions I have posed, and to offer some hope to the severely disabled people, not least the elderly among them, whose claims I have sought to articulate in this debate.

6.10 pm

Mr. Alan Howarth (Stratford-on-Avon): As we debate this Bill, the centre of our concern should be the scope that it provides for severely disabled people to live independently. I know that is at the heart of the personal concern of my right hon. Friend the Minister for Social Security and Disabled People. He was the father of the independent living fund, just as the Disablement Income Group was the midwife. I pay tribute to them, to the trustees of the independent living fund and to the staff at Nottingham for their achievements since 1988 in making it possible for independent living to become a reality for significant numbers of the most severely disabled people.

We should see support for independent living as, above all, a moral imperative. In a great many cases disability is less a function of physical impairment than a failure by us —family, friends, professionals, society and politicians acting on its behalf—to do as much as we can to enable the physically impaired person to take control of his or her life and to take his or her full place in society.

I was glad, therefore, when my hon. Friend the Under-Secretary of State for Health recently told the House:

"The cornerstone of our community care reforms is the empowerment of the individual."—[*Official Report*, 26 January 1993; Vol. 217, c. 858.]

He was speaking in the spirit of the opening words of the foreword to the White Paper, "Caring for People":

"Helping people to lead, as far as possible, full and independent lives is at the heart of the Government's approach to community care."

Similarly, the social services inspectorate, in its guidance for local authorities on assessment procedures, takes it as a principle that people should

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"be in charge of their own lives and make their own decisions, including decisions to take risks."

Those are clarion statements, but I want to be surer than I am that the practicalities of policy remain fully consistent with them. The trust deed that constitutes the independent living (1993) fund contains a provision in section 2, under "Definitions and Interpretations", which states that "pay to" shall include

"apply for the benefit of".

But that is the crucial distinction. To elide it is to travel back to a paternalism and to assumptions about dependence from which it has been the achievement of my right hon. Friend the Minister and of the ILF to carry us forward.

I lay my main emphasis on the desirability of provision to assist disabled people being made in the form of cash payments, enabling them to be in charge of purchasing and organising their own domestic and personal assistance. The Government have no objection to that in principle —that is what the social security system does, what the ILF has done and what the two new funds are to do.

However, the Government raise objections to local authority social services departments making cash payments. They observe that it is contrary to the provisions of the National Assistance Act 1948. In this Bill, we have a legislative opportunity to dispose of that obstacle. The Government raise other objections. They say that there would be problems in defining appropriate eligibility to receive such payments. That problem arises with any benefit and presents no difficulty that cannot be surmounted as a matter of routine. The Government again say that there would be problems of cost control. But the various disciplines on local authority spending are real enough and well known to us all. I see no difficulty in social services departments assessing the value of care that they should provide for a client and paying over the relevant sums, at appropriate intervals, with requirements for clients to account for how the money has been spent, and for a periodic review of assessments. The Government also say that it would be excessively bureaucratic. I would suggest, with respect, that it would be less bureaucratic than the scheme that the Government intend, whereby social services departments will organise, in detail, the provision of the various services required by a client.

My hon. Friend the Under-Secretary of State for Health recently acknowledged to the House the extent of support for cash payments. It did not sound like the fiercest opposition when he said that the Government are not ready at this stage to take that on board. I hope that I can assist him to persuade colleagues—whoever they are, whether in the Department of the Environment, or in the Treasury—who need to be persuaded to take that plunge.

Social services departments, of their nature, are unable to provide services to clients with the same sensitivity, flexibility and precision as disabled people themselves. Notwithstanding the personal commitment of local authority staff, bureaucracies are always liable to fit the client to the service, rather than the other way round.

Ann Kestenbaum, in her research for the ILF, and Jenny Morris, for the Rowntree trust, have both documented this in persuasive case histories. Jenny Morris quotes a disabled woman, Elizabeth, who says:

"Yes, sometimes they're very patronising. They're overbearing and they want to do more than I actually need. They want to give help in a . . . this is a hard word for me to say but I'm going to say it . . . custodial sense rather than facilitate. It's a big difference. When you're being custodial you're, well you're dictating aren't you, more or less, you're smothering a person's sense of independence."

That is exactly what we do not want to do. Care in the community must not be institutionalisation in the community.

The simplest way out of that snare is to enable local authorities to pay cash to clients. The psychological and practical value of this to severely disabled people is immense, as the ILF's experience attests. Ann Kestenbaum found:

"When clients and family carers were asked what it was about their care arrangements that they valued most highly, a number of themes repeatedly emerged: choice of care assistant; continuity; flexibility; respite; self-respect; control; and choice of where to live. These benefits were clearly perceived as being directly related to their ability to pay for care."

She cites moving case histories to exemplify those points.

Jane Lakey of the Policy Studies Institute has researched the same issue more recently. I shall quote what some of her interviewees said:

"I know I can feel at ease with people I choose."

"Because they're employed you don't feel embarrassed to ask for too much help."

"I can get the hours that are most helpful to me. Times for lifting and bathing as I wish."

"You can pick who you want. Someone with the same interests"

"You can employ friends. People you know and like and do things you want to do."

"You can tell them more and instruct them and not feel you're begging them to help you."

Other people have commented how important it is to them to be able to give back rather than simply to take.

Only 5 per cent. of the ILF's severely disabled clients have found themselves unable to handle the recruitment and management of their assistants. The new confidence and the enhancement of self-esteeem that the experience provides are restorative and enabling for disabled people. A number of disabled people have used the experience as a springboard to get into work.

Cash payments are, moreover, better value for money. Helpers employed through ILF grants cost less per hour than helpers employed by social services departments and fewer of them are needed as they are more flexible and adaptable in what they will do. Disabled people usually want a streamlined system to minimise the complication in their lives of helpers, equipment and so forth. They have an obvious interest in cost-effective arrangements that enable their incomes to go as far as possible.

Local authorities acknowledge that the money goes further in the hands of clients. At the annual general meeting of the Association of Directors of Social Services last autumn, there was unanimous support for a resolution calling for local authorities to be empowered to make direct payments to disabled people. The association stated:

"The case for direct cash payments, following careful assessment and the application of eligibility criteria, is overwhelming in terms of autonomy, direct management, quality assurance and value for money. In addition such schemes encourage flexibility and creativity beyond that which a local authority may be able to offer."

The Association of County Councils and the Association of Metropolitan Authorities back the directors. I am not aware of any disability organisation that does not agree with them. As it is, however, the Government have not accepted the point and I am apprehensive that the new

system to be established by the Bill will produce less satisfactory results than we could achieve. To provide, through different channels, a mix of services and cash will not, I fear, be the best arrangement, in many cases at least.

The Spinal Injuries Association tells us that the average cost of care in its field is £300 per week. There is no way, if the first £200 worth of support has to be provided in the form of local authority services, that the client can, with another £100 from the 1993 fund, design and control his own arrangements for assistance.

It is expected that the new 1993 fund, with £4 million, will support 1,500 new clients in the year. They will receive an average of £50 cash a week compared to the average payment by the ILF of more than twice that. The figure of 1,500 new clients compares with 8,500 new clients for the ILF in 1992. I understand that there is a backlog of 6,500 applicants. It is hard to believe that there will not be some numbers of disappointed disabled people.

The 1993 fund starts with £4 million, which is due to rise to £17 million by 1995-96. It is intended as a fund to top up the provision to be made by local authorities. My right hon. Friend the Minister expressed confidence that it would be sufficient. But it may be as well to remember that the ILF itself was originally conceived as a top-up fund. It started at £5 million in 1988. By 1992, by which time local authorities were contributing in no more than half its cases and numbers were rising towards the present 21,000 clients, its budget was £97 million. I hope that the Government will be alert to recognise any need that emerges to increase the fund beyond present plans. After all, how confident can we be that the extra £26 million made available for local authorities will be applied to benefit the most severely disabled? One local authority has told the Disablement Income Group that it expects to use part of that money for day and respite care for children. The £26 million is not ring fenced for the most severely disabled and it may seep away.

Much depends on whether the money provided for community care generally proves sufficient. None of us yet knows. Local authorities are, however, worried about it and consequently they are worried about the risks that they will take in making assessments of need about the £200 level. The 1993 fund has only £4 million. If the trustees decline to make a grant to a particular client and the local authority has committed itself to an assessment above £200, it will be obliged to meet the full cost. There is, therefore, a pressure on local authorities to minimise their assessments of client needs.

I hope that the £117 million to be provided for the independent living (extension) fund will also be sufficient for its purposes. The fund will inherit 21,000 clients. Latterly, I have been advised—I hope that my hon. Friend the Under-Secretary will correct me if I am wrong—that it has been paying out grant at the rate of £125 million a year, with administration costs on top of that. Lord Henley has said in another place that all those in receipt of funds from the ILF will be protected under the new arrangements. The very detailed requirements for financial reporting month by month set out in the agreement between the trustees and the Secretary of State mean, at any rate, that the Government will get a prompt alert if that pledge looks like running into difficulties.

I should like to draw my hon. Friend's attention to section 6.1 of the agreement, which adds specificity to section 6.3 of the trust deed by saying:

"the Trustees shall not pay pursuant to the Trusts of the Deed more than £560 per week to or for the benefit of any person."

I may have misunderstood, but it struck me that that might be inconsistent with the statement of my right hon. Friend the Minister of 25 January when he said:

"Subject to its cash limited provision, the successor body will have an unfettered power to review the awards of existing beneficiaries."—[*Official Report*, 25 January 1993; Vol. 217, c. *587*.]

I mention that not in any nitpicking frame of mind, but because it would seem a not insignificant point, as the needs of clients are liable to rise as they grow older and the £560 limit on awards set by the ILF might need to rise over time. I should be grateful if my hon. Friend the Under-Secretary, or my right hon. Friend the Minister, could resolve that difficulty for me.

The Government are setting a limit of £500 on how much can be spent per week to support the needs of a severely disabled person through the local authority and the 1993 fund together. Is it wise, or cost effective, to set this cap? Domiciliary care is pretty well always cheaper than residential. The Spinal Injuries Association has told me of the case of a young man of 28, totally paralysed from the neck downwards as the result of a trampolining accident. After four years in hospital and residential institutions he was able to move into his own flat, thanks to a package of help from the ILF and his local authority worth £650 to £700 per week. If that young man were to have his accident today, he would not apparently be so fortunate. Can it really be the case that the £500 limit would mean his being confined in an institution, which would be more exepensive to the local authority as well as deeply frustrating for him? I hope that my right hon. Friend the Minister can confirm that that is not so. If it is, I hope that the trustees and my right hon. and hon. Friends will argue vigorously for an increase in the £500 limit.

By the way, the schedule of meetings set out for the trustees in such detail in the deed will not help them very much in making their case. If they meet only in October to minute the Secretary fo State in November as to their funding requirements for the following year, they will be far too late for the public expenditure survey round. It looks as if the Treasury got at that bit of drafting.

My right hon. Friend said that anticipation of mounting costs is the reason why the Government have set an age limit for new clients of the 1993 fund. I appreciate that my right hon. Friend has positively sought to provide more and better help to younger, severely disabled people who have not had the opportunity to build up savings and pension entitlements. I applaud that, as I am sure we all do, but I am somewhat bothered that section 4 of the first schedule of the 1993 trust deed, as the right hon. Member for Manchester, Wythenshawe (Mr. Morris) observed, goes so far as to say:

"Any applicant who is young and in work should be given priority for receiving financial assistance."

The annual report of the ILF for 1991-92 shows that 37 per cent. of its clients were aged 60 or over. Already, there is discrimination against people over 65 in respect of disability living allowance. I feel that elderly people have an equal claim on our society for care. Nor need the cost be unmanageable. The Government's own estimate is that it would cost an additional £2 million if the fund were permitted to take on people over retirement age, rising to £9 million by 1995-96. That is not exorbitant.

The trust deed, the agreement and the circular of 4 March between them do not, I think, provide answers to

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a number of specific, practical questions. Who will apply to the new fund—the local authority or the client? How are joint assessments to be made? How is £200 worth of local authority services to be defined and measured? What £200 buys varies, in any case, significantly in different parts of the country, but that is a different point.

There appears to be scope for confusion and even, I fear, antagonism. Will harmonious co-operation be furthered by the requirement on the trustees in section 8(7) of the deed that, if they are of the opinion that any local authority is not fulfilling its statutory obligations to provide personal care to a client, they should

"forthwith report the matter to the Secretary of State"?

Was it necessary to put that in? We do not want disabled people losing out amid disagreement and rows between local authorities and the fund. No doubt rows would be exceptional, but there is a danger that arrangements designed and put together piecemeal will not be efficient.

The relatively complicated processes required are also liable to take a lot of time. If, in order to wind it up, the ILF had to be closed to new applicants four months before care in the community was due to start on its new basis, how much longer will it take for a new, untried and more complicated system to deliver help to severely disabled people? We could have a disturbingly long hiatus.

The new system is due to be operational two-and-a-half weeks from now. After tonight, money can be paid into the two funds by the Department. I understand, however, that much has still to be done to establish the new administrative arrangements. Do the new funds yet have their director? I believe that the ILF staff at Nottingham have had their contracts extended until July, but they have not been encouraged to stay and many of them are leaving. It would surely be preferable to have as much continuity as possible between the ILF and the two new funds. The Department's press notice of 24 November explained that the ILF would be closing the next day

"to ensure an orderly handover of cases to the successor bodies".

There is an enormous amount that the successor bodies can learn and inherit from the ILF.

For example, over its five years, the ILF has developed assessment procedures that provide a model which I very much hope will not be discarded in the new system. Will the ILF's admirable social worker's report form be carried forward and used, with appropriate modifications, by the new funds and by local authorities?

My right hon. Friend the Minister of State confirmed, I think, that none of the trustees of the ILF has been appointed to be a trustee of either of the new funds. I understand that there has not even been consultation with them. That seems curious. It is true that the ILF trustees have been rather sturdy people; they have needed to be positioned as they have been between the Treasury and the disablement movement. But I do not think my right hon. Friend the Minister for the Disabled ever minded that.

I recognise, as my right hon. Friend observed, that the new bodies will, in important respects, be different from the ILF. The ILF was a joint charitable undertaking between the Government and the Disablement Income Group. The deeds establishing the new funds preclude independent trustees. The emphasis in the description of the trustees' role is on monitoring and financial oversight. The affairs of the trusts will be run by the director, whose appointment must be specifically approved by the Secretary of State and whose job description is clearly set out in the second schedule. The Government plainly intend to exercise tighter control, as is evidenced by the more detailed criteria for eligibility written into the funds. The emphasis in the documents on management practice, while perfectly proper, does perhaps express a somewhat different ethos.

I do not know whether the outgoing ILF trustees would wish to serve on the new bodies. I hope, however, that they would. My right hon. Friend the Secretary of State can appoint another five trustees for each fund. My right hon. Friend the Minister of State did not encourage us to expect this to happen, but I hope that my right hon. Friend the Secretary of State will, after all, invite some of the former trustees to continue to serve. It would help at a practical level with continuity. I hope especially that, come what may, my right hon. Friend will appoint some trustees who are themselves disabled. That would send a signal to disabled people that their voices are heeded, that their expertise and commitment are valued and that the Government believe it right that disabled people should share ownership of the system which we establish for their support.

I thank my right hon. and hon. Friends for their continuing commitment to the cause of independent living. I congratulate my right hon. Friend the Minister of State and my right hon. Friend the Secretary of State on their achievement in securing funding for the new trusts. I am sure that they will be vigilant and determined to ensure that funding in the event proves sufficient and that the practical operation of the new trusts, in collaboration with local authorities, fulfils the hopes that the most severely disabled people, and all of us on their behalf, have of them.

6.33 pm

Mr. Archy Kirkwood (Roxburgh and Berwickshire): I was interested in the remarks of the hon. Member for Stratford-on-Avon (Mr. Howarth), who made a full and, if I may say so, eloquent speech. His interest in the subject is well known. I am sure that his remarks will repay careful study.

I shall begin what I hope will be a brief contribution to the debate with a couple of boring technical points, but I would certainly sleep slightly easier in my bed if I were to receive explanations. First, the Bill is presented under Standing Order No. 48. Surely the Department of Social Security has the power to introduce the grants that we are discussing. If that is so, why is the Bill necessary? Why has Standing Order No. 48 been used to bring the Bill forward? As a fortnight will pass before the new procedure is implemented, perhaps I shall be sent a letter if my questions cannot be answered when the Minister replies.

Secondly, the Bill has the stench of hybridity about it.

Mr. Willetts: My hon. Friend the Under-Secretary of State is an expert on hybridity.

Mr. Kirkwood: I am receiving some reassuring body language from the Minister. I know that he is a specialist on hybridity as well as crosses from the right wing into the penalty box. That might not be understood by everyone. I wish only to say that the hon. Gentleman is an extremely good inside forward. I have the pleasure of playing in the same parliamentary team. We seem always to get beat.

As I have said, there is an element of potential hybridity. If the Department has considered that, I would welcome some reassurance. It is a peculiar procedure to be giving grants and establishing organisations by means of private deed.

I turn to the substance rather than the technicalities. I feel that the prevailing mood is that the House is rather disappointed that the Government have approached the matter in the way that is set out in the Bill. Hon. Members on both sides of the House, including myself, had misgivings when the independent living fund was set up. We have all come to recognise, however, that it has played a valuable role for a specialist group with extremely severe disabilities. Have we embarked on the best way of making long-term provision for their needs? We have not stepped back to take a longer term view.

There is an argument for continuing with the ILF. I understand, of course, that the position will change after 1 April when community care is introduced, and I welcome that. Community care, in principle, is an extremely good approach. A case could be constructed, however, that people with extremely severe disabilities should be dealt with outwith the provisions of community care.

Perhaps we should start by asking about the entitlement of those with severe disabilities. What should we be offering them? What choices should we be offering them? What do they expect? If we as a community do not help them, they will not be able to help themselves. It is almost a moral question, and it is one which seems not to have been properly addressed. What duty do we as a legislature owe people who have extremely severe disabilities? These questions are not merely administrative or financial. It seems to me that they are much more fundamental than that. I have the feeling that many in the House take the view that the severely disabled deserve better consideration. Our approach should be more thorough and longer term than that which we seem to be debating this evening.

Does the Bill represent everything that people with severe disabilities may look forward to in the longer term? I hope that that is not the position. I understand, of course, that there is a need to make changes because of the consequences of the introduction of community care, but I hope that the Minister will say that a careful review will continue to be undertaken by the Department.

We have had the Office of Population Censuses and Surveys studies and I accept that the Government have done much for the disabled. I do not take the view that was adopted by previous Opposition Front-Bench spokesmen. The new management of the official Opposition seems much more reasonable and more sensitive to the real problems. At the same time, the Government must make clear what they believe can be done in future. Surely this is not the end of the story.

Once the new system is up and running we may have time to reflect on what benefits are available, and will continue to be available, as a result of using quasi-independent trustees. I certainly recognise the courage of the Disablement Income Group and others who decided to interpose themselves between the needs of disabled people and the Treasury. It was a brave decision to take and they were vindicated for doing so.

The discretion available to the trustees of the ILF was innovative and the power was used with great skill in sorting out some of the problems and dealing with some of the tight budget constraints that appeared latterly. What experience have we gained from that? Are not we in danger of throwing some of it away in the changes. I hope that the Department will carefully consider the lessons that can be learnt from that combination of independent trustees' discretion and judgment and all the other matters that have formed the system to date. I hope that proper analysis will be carried out so that we can have the benefit of that experience.

I think that the mood of the House reflects my impression that the concept of an independent living fund has been ever so slightly marginalised—indeed, not ever so slightly; it has been marginalised—in the changes, which is a matter of some regret.

A number of administrative questions need to be answered. The hon. Member for Stratford-on-Avon touched on many of them, so I shall not reiterate them. Cash in hand is absolutely crucial. The Government's position in constraining the assistance able to be deployed by the new funds to those of working age is a bit mean-minded. The parliamentary questions to which the hon. Member for Stratford-on-Avon referred struck me as being good value for money—£2 million, rising to £5 million or £6 million over a number of years. The Government have not yet explained adequately why they have rejected that.

What discussions have there been with local authorities? There was some banter earlier when that point was raised. The Minister plays an old and mean hand at the Dispatch Box and tries to soothe our worries. However, there are real concerns about the consultations that have been undertaken and those that have still to be undertaken, as well as about the shortness of time in which to get the system properly up and running by the date set by the Government.

In an intervention I asked the Minister about the process of reviews and appeals. It is my belief that the Government will end up in court in a short time because some of the elements of discretion that will be exercised by local authorities will put them at the wrong end of judicial reviews in high courts throughout the land. That does not make for good law. We, as legislators, should be absolutely certain that we do not leave the courts to take in our dirty washing because we are not doing our job properly.

Other hon. Members have already called for an assurance that payments will not be delayed by the changeover in the system. We do not want any of the chaos that occurred with the disability living allowance and disability working allowance for all the reasons that the Government have given. We must not put people through that again.

When will we know the identity of the trustees who will share the burden of such a heavy responsibility? I can think of no reason why those who have gained experience with the independent living fund should not be invited to serve on the new bodies.

Who will have access to the trust deeds for the new bodies? They were published on 25 February, but I have not yet studied them to the extent that they have been studied by the hon. Member for Stratford-on-Avon. I assume that they are generally available to Members of Parliament, but will they be made readily accessible to those outside this place so that they can study them and ask questions about them?

When will the regulations—if there are to be any—be introduced? Perhaps the trust deeds will stand by themselves, which would be a strange parliamentary

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procedure. The guidelines and implementation of the funds would be described, constrained and set out in trust deeds rather than in statutory instruments. If there are to be statutory instruments, will they be subject to the negative or the affirmative procedure? Will they deal with the procedures for review or repeal?

The hon. Member for Stratford-on-Avon dealt adequately with the point about payment in cash directly to the recipient.

I welcome the Motability scheme as a beneficial scheme for those with access to it. However, I am puzzled why the administrative expenses should be so high. If my researchers are right, the scheme cost £1·8 million in administration in 1992-93 for an equipment fund of only £1 million. I accept that increases have been admitted during the course of the changes, and the Minister referred to them in passing—£2 million administration costs for a £2 million equipment fund. Nevertheless, I do not understand why it should cost that amount to administer what I accept is a beneficial scheme but which involves a relatively small amount of money.

What estimates have been made of attrition rates? The Government are being a little optimistic about new people gaining access to what is, in effect, a cash-limited fund. What has been the experience with the rate of deaths among those who have benefited from the fund? It is important to know what provision has been made for increased access by new applicants.

The question of ring fencing has a particular application north of the border. Although there was ring fencing in the community care budget south of the border in England and Wales, the community care budget for Scotland has not been ring fenced. I want an assurance that the Bill and the provisions of the community care budget will not have a knock-on application in Scotland after 1 April.

I want to raise a point about resources and the £500 ceiling. I understand that there are two component parts to that. I cannot think of any way to index that figure. I may be wrong because I have not studied the trust deeds to the same extent as the hon. Member for Stratford-on-Avon. However, it is an important question and we need to know how the Government intend to achieve some level of indexation for the middle to long term.

The sum of £4 million that has been set for the extension fund is not enough. I need to be convinced that it is anything like enough money to meet the demands on the fund. The hon. Member for Stratford-on-Avon and I referred earlier to an extension to those aged over 65. That matter should be reviewed.

The measures contained in the Bill should have been brought to the House a long time ago. The process of consideration has not been properly thought through. The consultation, such as there has been, with interested parties has been inadequate. The level of resources provided in the Bill appears to be inadequate for the tasks set out. If the needs of those with severe disabilities are to be properly catered for, I fear that the House will need to return to these matters before very long.

6.49 pm

Mr. David Willetts (Havant): I welcome being able to participate in a debate on legislation in which a clear manifesto pledge is implemented so effectively. The Bill implements this pledge in the Conservative party manifesto:

"The Independent Living Fund has proved a great success in giving severely disabled people an opportunity to live in the community. We are committed to maintaining a fund which supports the most severely disabled people."

The Bill is a distinctive and subtle mixture of continuity and change, which is just what one would expect of the Government. In particular, the continuity comes from the name of the new fund.

An enormous amount of help is now provided to disabled people. The total benefits budget is approximately £15 billion—an increase three times the rate of inflation since 1979. One difficulty in debating that budget and its enormous increase is that many people outside the House think all that expenditure goes on the severely disabled. They do not appreciate that under some of the definitions of disability with which we now work—for example, in the recent work of the Office of Population Censuses and Surveys—people with relatively modest impairments to movement count as disabled. There are 6 million disabled people in this country and I am sure that there are right hon. and hon. Members who would count as disabled under some definitions now in use.

None of the uncertainties about what exactly constitutes a disability affects the Bill, because it undoubtedly deals with the severely disabled—those whose disabilities are much more severe than those suffered by people on, for example, invalidity benefit.

The Bill can be traced back to the social security benefit review of the mid1980s and the enormous pressure under which the Government found themselves to simplify the then supplementary benefit rules. I vividly remember the then Secretary of State for Health and Social Security, my right hon. Friend the Member for Sutton Coldfield (Sir N. Fowler), coming to a meeting bearing two volumes of supplementary benefit regulations and saying that the system was collapsing under the weight of its own complexity. He argued that it was impossible to expect social security office staff to administer a system that had become so intricate.

The pressure therefore was for simplification, so the Government simplified the system to create income support, which is in many ways superior to the scheme that it replaced. But the Government found that many of the specific areas of help provided under supplementary benefit could not be ignored. The domestic care addition, then paid to 6,000 severely disabled people, was a classic example. While moving from a complicated system to a much simpler one, the Government found themselves having to introduce a new element of discretionary help for the severely disabled to replace the old domestic care addition. Hence, the independent living fund was born.

There has been almost universal praise for the discretionary ILF in today's debate, but it struck me that no one referred to the social fund. The social fund was a parallel initiative in providing discretionary help for people in particular need. It had the same origins—it, too, was an attempt to keep the new income support system simpler than the previous supplementary benefit system. I hope that hon. Members who praised discretion today will not, next time that the House debates the social fund, give

sermons on how the discretionary distribution of public money somehow contradicts a fundamental principle of the British constitution.

Mr. Frank Field: We have been intervening because we are burying the independent living fund in all but name. Is the hon. Gentleman proposing that there should be a Bill to do the same to the social fund?

Mr. Willetts: As the hon. Gentleman knows, I support the principle of the social fund. With the establishment of the two new funds under the Bill—the extension fund to cover people receiving payments under the old arrangements and the 1993 fund—there will still be an element of discretion in the system. I respect the hon. Gentleman's comment, but it does not address the fundamental point—if discretion is acceptable in respect of the severely disabled, why is it not acceptable elsewhere in the system? The arrangements make a reasonable attempt at providing a framework of general rules by which public money is distributed and for a reasonable element of discretion.

There is a second paradox in some of the arguments made today, particularly by Opposition Members. A perennial dilemma in public policy is the way in which central Government should handle their relationship with local government. We are used to hearing the criticism that ours is a centralising Government taking discretion away from local authorities and denying them the freedom that they need. Yet hon. Members who happily make that criticism are also among those who plead most vigorously for severe limits on local authority discretion when it comes to the new community care proposals that are to be implemented in April.

The hon. Members who argue that ours is a centralising Government are the ones who are the most vociferous in pressing for ring-fenced grants and specific central Government limits on the action that local authorities may take. When it comes to practical implementation, those hon. Members' commitment to local authority discretion seems rather wanting.

We heard today from members of Labour's Front Bench the ultimate logical absurdity, by way of a demand for a ring fence within a ring fence. Labour is not happy with the overall ring fencing of £565 million for central Government grants to local authorities to spend on community care, but wants ring fences within that—for specific assistance previously covered by the ILF. The only business that would thrive under that system would be fence making.

There must come a point at which, if we are serious about giving a role to local authorities, they must have the discretion to exercise their judgment in distributing the enormous sum of public resources available to them.

Mr. Dewar: Does the hon. Gentleman object to the concept of extending local authority power by allowing authorities the discretion to make cash grants in the circumstances of particularly difficult cases? The Minister seemed to be saying—I hope that I am not misrepresenting him—that local authorities are too busy and that administrative difficulties might be created. He gave that as the reason for not allowing such discretion. I hope that the principle of such an extension might appeal to the hon. Gentleman.

Mr. Willetts: I will refer to that aspect later. The hon. Gentleman's instincts are good in respect of policies that particularly tempt me.

Like many hon. Members who spoke today, I have been much influenced by the work of Jenny Morris of the Rowntree trust, who has undertaken valuable and practical research into the assistance that disabled people particularly want. We all know the buzz words of independence and flexibility. While many working in social service departments recite those words as mantras, research by Jenny Morris and others show that independence and flexibility are still not necessarily the experience of the severely disabled.

I would like to set out some of the lessons of the research about what flexibility and independence really mean. One thing that we have learnt is that receiving domiciliary care in one's own house is not always the best route to flexibility and independence. I fear that we may be going from one extreme to another. Everyone is now supposed to be against institutional care in favour of care that enables people to live in their own homes, but one's own home should not become a prison. People should not be given care only if they stay within those four walls; it should be possible to provide a care package that allows people the freedom to leave their own home from time to time. One of the strong messages of the research is that domiciliary care must not become a sophisticated and up-market form of imprisonment.

It is also important that people requiring care should be able to exercise the maximum choice in the care they receive. One of the anxieties that many Conservative Members have had over the past few months—as Ministers know—is that some local authorities will succumb to what must be a conflict of interests. They are the purchasers of care, yet many are also providers of care. They will be strongly tempted to push as much as possible of their budget in the direction of their own employees. That is why I welcome the 85 per cent. rule, which will require local authorities to spend a very high proportion of the extra grant that they will receive from Government on private providers. There is no reason why services for groups such as the severely disabled should be provided by public sector employees.

Mr. Frank Field: For the first time that I have heard him speak in the House, the hon. Gentleman seems to be caught in a time warp. It is perfectly proper for him and his hon. Friends to point out that it is wrong for Opposition Members to be committed to the idea that public provision must be better than private provision. Is he not making a similar error by saying that the Bill marks an advance because it will tie local authorities to providing 85 per cent. of care through the private sector? Is not the big divide one of freedom? The Bill marks a failure in our attempts to protect and extend the freedom of the individual. It marks an increase in paternalism: no matter what skills the hon. Gentleman deploys in presenting his case, that is what is happening. Whether it is local authority or private provision is a secondary issue; it is less important than allowing people to choose for themselves.

Mr. Willetts: The fundamental dilemma presented by the Bill is whether we believe in community care. Despite the attempts of the hon. Member for Huddersfield (Mr. Sheerman), I was not persuaded of the possibility of combining the previous arrangements for the independent

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living fund with the principles of community care, which give local authorities the lead responsibility for the assessment of the needs and means of people who come within the categories laid down by community care policy. The ILF was established before the implementation of community care policy. It strikes me as unfair on local authorities—and, indeed, inconsistent—to say, "We back community care and believe in this discretion for local authorities, but we are not prepared to give them such a role in regard to severely disabled people." That is the dilemma on which the hon. Member for Birkenhead (Mr. Field) and the Opposition Front Bench seem to be impaled.

Mr. Field: It is a simple point. I believe that the lead authority should, wherever possible, be the individual; the hon. Gentleman clearly does not.

Mr. Willetts: I entirely accept that and I was about to deal with it in my speech. The individual—a person requiring care—should be empowered by the policies, if I may use an expression that originated with the new right in America and has now been picked up by the Labour Front Bench. I do not believe that community care makes such empowerment impossible.

Mr. Sheerman: Let me add my voice to that of my hon. Friend the Member for Birkenhead (Mr. Field). The empowerment of the individual is what is important. Community care is not such an ideologically iron construct that we cannot build into it the idea on which it was originally based. Originally, it was seen by both sides of the political spectrum as the ability to enhance the development of individual potential. We should subscribe to that concept, but we should apply a criterion—does community care achieve what it was originally intended to achieve? Sometimes it does, in the Government's terms; sometimes it does not. In the present instance, Labour is saying that it does not.

Mr. Willetts: Two different points are being made and Opposition Members are in danger of confusing them. I accept that community care reforms must be implemented in such a way as to give maximum choice and power of decision to those receiving care. That is fundamental and I will come to it later in my speech. I do not think, however, that it follows that community care can be provided only for certain groups and that the ILF must be kept on its old basis for severely disabled people.

It seems to me that the sensible approach is to ask how the new community care reforms can be introduced in a way that maximises power of the individual. We cannot say that the community care policy applies to some groups, while the old ILF structure applies to other groups.

Mr. Sheerman: What would the hon. Gentleman say to the hon. Member for Mid-Kent (Mr. Rowe), who would agree with him about empowerment through community care, but says that that can be facilitated by giving local authority social services departments the ability to pay cash to individual disabled people?

Mr. Willetts: I have already been pressed about that and I shall return to it in a moment. My hon. Friend the Member for Mid-Kent (Mr. Rowe) has been sadly absent this evening, given the contributions on the subject that he has made in the past.

I accept that our objective is to maximise the independence of the recipient of community care. We should draw on the research that has been done and on our own conversations with severerly disabled people.

Mr. Barry Porter (Wirral, South): I hesitate to intervene when all the experts on compassion are gathered together, but I am rather puzzled. The right hon. Member for Manchester, Wythenshawe (Mr. Morris) and one or two others have suggested that the Bill is Treasury driven. I am present only because I do not see why the severely disabled should be subject to a flint-hearted Treasury if that can possibly be avoided. How what money there is should be distributed, whether it should be cash limited and whether local authorities should do this, that or the other is a matter for the hon. Members who have appointed themselves as experts.

Is this a Treasury-dominated Bill? Is it an attempt to save money, or is it an attempt to launch a better and more organised system, whereby the severely disabled 'are treated in the way in which human beings should treat them?

Mr. Willetts: I must confess that, when I hear that the Bill is supposedly Treasury driven, I experience a mixture of emotions, having been a Treasury official for six years. I am not sure whether a Treasury driven Bill is necessarily as terrible as some hon. Members clearly assume it to be. If "Treasury driven" means that a Bill applies sensible criteria to the spending of taxpayers' money—even in regard to social security and benefits for disabled people —I very much hope that this Bill is Treasury driven. I also believe, however, that, within the community care arrangements it is perfectly possible to pursue the crucial objective shared by hon. Members on both sides of the House—that the recipients of care have the maximum power and ability to decide when it comes to the pattern of care that they receive.

There are clear lessons to be learnt from the work of researchers such as Jenny Morris and from our own practical experience of the right and wrong ways of delivering care to those who need it. One of the obvious practical messages is that recipients of care do not like their living rooms becoming like Victoria station. They do not like a host of public employees employed by different services thinking that they have a God-given right to knock on the front door, come in and check on the occupants or deliver some distinct service. It is important to have a limited range of contacts, with one or two people providing a variety of services. For example, I regret the tendency for home helps to be called home carers and to cease to provide the range of services that they provided when they were home helps. That is a perennial complaint by recipients of care services. There is no party element in that comment; the observation could be made by any hon. Member. There is no reason why the proposed community care changes should not help us to address that problem.

Another important matter is the power of disabled people to employ the care that they choose. That has been touched upon in the comments about cash. I am struck by the conversion of Opposition Members to the cause of private employment contracts and the cash nexus. I was brought up when the ultimate hero of the welfare state

among Opposition Members was Richard Titmuss, who wrote about the gift relationship in blood transfusions and who thought that bringing the cash nexus of private contractual arrangements into the provision of welfare was corrupting and somehow removed the overriding ethical purpose of the welfare state. Several Opposition Members called for the direct payment of cash, the direct employment of providers and clear contractual arrangements. That represents an extraordinary transformation of thinking about the welfare state. Conservative Members greatly welcome that.

Mr. Sheerman: I was taught by Richard Titmuss at one time. If anything, he was almost the ultimate pragmatist. He said that if a concept worked for the individual and delivered the service it was ideologically sound. If it did not work and did not deliver, another way should be found. To tar Richard Titmuss with a narrow-sighted ideological view of the world is a Treasury reaction and it is not right.

Mr. Willetts: The hon. Gentleman, who sat at the feet of Titmuss, will agree, I hope, that Titmuss's definition of the core of the welfare state, its ethical function, was incompatible with private contractual arrangements. There has now been a plea for such arrangements. I shall now discharge my earlier promise to address the issue of whether local authorities should be allowed to give cash to people who need care.

I understand that for local authorities suddenly to become issuers of large numbers of giro cheques would represent a dramatic change in their functions. In effect, they would become branches of the Department of Social Security and instead of changing the way in which care was allocated the Department would be reinvented. However, two arrangements are widely used to avoid the legal obstacle to local authorities giving out cash and they achieve the flexibility that we should like to see. One such arrangement is for local authorities to give money to charities which would then pass it on to people who are in need of care. The other arrangement is for trusts to be established specifically for the purpose of helping severely disabled people. Perhaps the Minister can explain the Government's view of such arrangements, which seem to enable crucial flexibility to be maintained without breaking the requirement that local authorities do not simply hand £10 notes over the counter.

I have spoken about the background to the measure and about the need for independence and flexibility and what those great terms mean in practice. Finally, let me set out two grounds for optimism about the policy on disabled people. We often address the difficulties, but we do not always remind ourselves of fundamental changes that seem to bring great hope to disabled people. The first such change is technological advance. Severely disabled people have benefited greatly from rapid technological change since the war. That has made it possible for them to receive much more assistance and to enjoy much more mobility and flexibility in meeting their personal needs. Of course, it also makes it possible for increasing numbers of disabled people, even those who are severely disabled, to hold down jobs. Advances in computer processes have enabled people with little control over their limbs to carry out remunerative employment. Therefore, I especially welcome the disability working allowance, which is an attempt to encourage the future employment of disabled people. I hope that it will grow from its rather modest beginnings as more and more disabled people hold down paying jobs.

The other cause for optimism is the changing pattern of wealth and income in our society. One of the fundamental changes is that older people are becoming richer. That change is no surprise because in a successful free market economy people acquire assets during their working lives and run them down in retirement. A high proportion of disabled people are older citizens: many of them are over 60.

We speak about disabled people and about the extraordinary transformation in the financial circumstances of retired people, but rarely do we bring the two together and recognise that some retired disabled people hold assets and enjoy the ownership of their home, a telephone, television set and central heating—the sort of benefits that everyone now expects. That increase in wealth and income which is a feature of today's retired population has improved the prospects of many disabled people because they are disproportionately represented in the retired population.

I welcome the Bill and the Government's extraordinary record in trebling the amount spent on disability benefits. Their record surpasses that of any Government this century. I hope that the Minister will address the specific issues that I have raised.

7.18 pm

Mr. Norman Hogg (Cumbernauld and Kilsyth): The hon. Member for Havant (Mr. Willetts) will forgive me if I do not follow closely on what he said. He made an interesting speech and even had the audacity to quote from the Conservative party manifesto. Anyone who does that is bound to cheer up our proceedings.

I pay tribute to the work of the independent living fund during its five years of existence. I am sure that hon. Members will agree that providing the support necessary to enable disabled people to live in their own homes rather than in residential care is a worthwhile aim. The ILF has carried out its function with great success. The fund has been administered with great skill by the trustees and has become an invaluable source of help for disabled people. About 21,000 or 22,000 disabled people receive help from the fund, and I and many of my hon. Friends wish that the Government had had the wisdom to keep the fund functioning instead of winding it up in this manner.

It has also been a good deal for the taxpayer, a point that was made by my hon. Friend the Member for Huddersfield (Mr. Sheerman). Residential care is very expensive. The small amount of taxpayers' money used for grants from the independent living fund has saved the Exchequer money in the long run. The average ILF grant is about £106 a week. I cannot think of a residential home that could provide care for that sum of money.

Before I discuss the new arrangements, I must say a word about the manner in which the ILF was closed to new applicants. The use of a parliamentary answer on 24 November to announce the closure of the fund at midnight the very next day left many disabled people in the lurch. How could anyone be expected to find out about the closure of the fund and organise the submission of an application within 24 hours? Such a deadline might have been more acceptable had it been announced well in advance, but that was not the case. There was no

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consultation whatsoever with organisations representing the disabled and no warning was given that the door would slam shut in this manner.

The plight of those trying to submit new applications was made worse by the fiasco over the disability living allowance. The condition that applicants had to be in receipt of the higher rate of attendance allowance or the care component of DLA caused great difficulties for potential applicants because of the mess over the administration of those benefits. I am sure that all hon. Members have received as many letters about this as I have.

Since 25 November, disabled people who would have applied to the ILF have had nowhere to turn. Given the success of the ILF, acknowledged by the Government in the need for the successor arrangements dealt with by the Bill, what justification can the Minister have for cutting off all help between the end of November and April? Was this not a callous act where the money saved was far outweighed by the hardship caused to disabled people?

The new arrangements themselves give great cause for concern. The Government have cut the scope of the new independent living (1993) fund. The new fund is intended to deal with only 1,500 applications per annum and it is being restricted to people of working age. Common sense tells us that the age restriction is a major cut in provision, as the elderly disabled relied heavily on the ILF; 34 per cent. of the ILF's caseload were over the age of 65.

The Minister said in reply to a parliamentary question tabled by my hon. Friend the Member for Glasgow, Garscadden (Mr. Dewar) that the cost of extending the new fund to cover people over retirement age would be only £2 million next year. Will the Minister reconsider this restriction, given the small amount of money saved by it? Again it seems as though the Government are set to cause great distress to the elderly disabled in order to save a very small amount of money. In my view, it is simply not worth it. I hope that the Government will think again.

The Minister made great play of his view that most of the sort of help provided by the ILF will be provided by local authorities, following the introduction of the new community care arrangements. The Secretary of State for Health did indeed announce extra funds for local authorities for this purpose, totalling £26 million next year. However, the fact is that, although overall local authority budgets for community care are ring fenced in England and Wales, the extra money announced by the Secretary of State for ILF purposes is not. Is there not a great danger, given the pressures that local authorities are already under over community care, that this money will be swallowed up in the general community care pot?

It is not only the total amount of money available that causes concern; the restrictions upon its use also cause concern. As I understand it, the criteria for help from the new ILF are that, where the costs of independent living for a disabled person exceed the costs of residential care, he or she will be able to apply for help from the fund. That will happen only after the local authority has assessed the needs of the person concerned. It would therefore appear that independent application to the new ILF is excluded. Instead, everyone will have to go through the local authority.

In addition, the help provided by councils will have to be in kind—I think that it was described by the right hon. Member for Chelsea (Mr. Scott) as services. They will not be allowed to give cash grants in the way that the ILF did. The only group who will now get cash grants will be those for whom the costs of living in their own home exceed those of residential care. That is, surely, a retrograde step which will deprive many disabled people of the freedom of choice that they were able to exert under the ILF.

Disabled persons who received help from the ILF could, under the old arrangements, use a cash grant from the ILF to organise their care in the manner best suited to them. How can that be the case under the new arrangements, when most people will not receive help in the form of cash grants? Help in kind is inevitably less flexible than help with cash, over which the recipient has control. I do not understand the Government's thinking, since they constantly claim that choice is a hallmark of their administration.

Are the Government saying that disabled people are unfit to exert free choice? Can they not be trusted to obtain the best help, with the resources available to them? I am confident that local authorities will do their best to administer the new arrangements with the greatest sensitivity, but it is difficult to see how they can match the freedom conferred by the cash grants allocated under the old ILF.

All these new arrangements will need to be carefully monitored. I hope that they live up to the claims that the Minister and others have made for them. I have made it clear that I should have preferred the ILF to continue. Given the Government's determination to end it, I hope that the new arrangements can at least be amended. The least that should happen is that the exclusion of those over retirement age should be rescinded and that help from the new fund should be extended to them.

The Government should also think again about the funding arrangements. I realise that there are pressures upon public spending, but it will be a dark day indeed when we have to start economising on help for the most vulnerable people in society. I hope that the Minister will address some of these points when he replies to the debate.

Mr. Sheerman: As I understand it—perhaps the Minister will confirm this when he winds up the debate —the law in Scotland on cash payments is different. The hon. Member for Havant (Mr. Willetts), who is now leaving the Chamber and who intervened several times during my speech, should appreciate that, as I understand it, the law in Scotland is different and that cash payments by local authority social services departments to adults are permissible. Can my hon. Friend and the Minister clarify why that should be so? It means that some bold and interesting experiments that could not be carried out in England could be carried out in Scotland.

Mr. Hogg: I am grateful to my hon. Friend for raising that point. He is right to say that the situation in Scotland is different. We would argue, of course, that in Scotland we do it better. Therefore, we are always willing to give advice on these matters. If, therefore, the Minister wishes to contact me about them, I shall gladly give him advice.

7.28 pm

Mr. Peter Thurnham (Bolton, North-East): Thank you, Madam Deputy Speaker, for allowing me to participate in this excellent debate. I apologise for being unable to attend all of the debate because of developments in Bolton where, tragically, a doctor died from AIDS but did not disclose his condition while treating patients. His name had not been revealed by the health authority, and I have been pressing all day for it to be revealed so that my constituents can at least allay their anxieties on that score. The development of AIDS is another matter for which there may be a need for more care in the community.

I especially enjoyed the opening speech by my right hon. Friend the Minister for Social Security and Disabled People. I should like to place on record how excellent his personal contribution has been. It is fair to say that the independent living fund was his creature. From small beginnings with a £1 million budget, the fund expanded to a budget of more than £100 million and is a good example of how there is nothing so permanent as that which is regarded as a temporary arrangement. I believe that the arrangements now being discussed will prove to be just as important as my right hon. Friend's 1988 initiative.

In 1988, the right hon. Member for Manchester, Wythenshawe (Mr. Morris) condemned the fund by saying that it would be seen as an abdication of the Government's responsibility. However, as my hon. Friend the Member for Havant (Mr. Willetts) said, one of the remarkable features of the debate is the coming together of thinking among the parties. The Labour party is now endorsing the thoughts of Conservative Members, which goes to show that the original thinking behind care in the community is now being done by Conservative Members as much as it ever was by Labour Members.

Mr. Sheerman: I know that the hon. Gentleman is an entrepreneur. We know each other in a different guise as co-trustees of the National Children's Centre, which is based in my constituency. It was not the Government who were the driving force behind the independent living fund but the disabled people themselves and what they wanted. If the hon. Gentleman saw a going concern, which was enormously successful and had been running with great acclaim from the consumers for five years, would he, as an entrepreneur, wind it up and start something completely different?

Mr. Thurnham: Firstly, on 1 April new arrangements for community care will come into force. They did not exist when the ILF was set up. Secondly, we have set up two funds which will continue to provide for existing recipients of the benefit and for the topping-up of additional requirements. I am sorry that I was unable to hear the hon. Gentleman's speech, but perhaps he could explain what he is driving at.

Mr. Sheerman: I gave full weight to the Minister's contribution in setting up the ILF, although I also said that it went far beyond his expectations. It was set up because of pressure to fill a void or gap in social security provisions because of changes in the over-arching laws on social security. We were arguing that, these days, such provision should be driven by what the disability lobby and disabled people want. The matter should not be put into the hands of social services departments or other people who will act as a barrier between those who know what they want and a decent independent living fund, which can respond quickly and without intermediaries to existing need.

Mr. Thurnham: The hon. Gentleman has not enlightened me. I should have thought that he would favour the new arrangements for community care, the responsibilities that have been given to local authorities and, now, the top-up. I think that he will agree that, when one is dealing with the most disabled people, one source should not be regarded as the sole provider of all care. It is a matter of partnership and if additional people can be involved, so much the better. I intend later to cite the cases of one or two constituents who feel that the partnership still needs developing because the carers are contributing the most.

We are setting up the independent living fund anew, with two new arrangements. I should have thought that the hon. Gentleman would welcome that as an additional provision to those of the local authorities'.

Mr. Sheerman: We shall have a system which will be less well funded. To get help, a disabled person will now have to go through what the Minister called "gatekeepers". The hon. Gentleman was here for the Minister's speech although he did not hear mine so he will have heard that the gatekeepers will be the local authorities and the new independent living fund, which will send their own social workers to make an assessment. The DSS will also have a role. There will be a new bureaucracy instead of the direct relationship which, knowing the hon. Gentleman, I should have expected him to applaud. There will no longer be a direct relationship between the disabled person and the independent living fund. I am sure that the hon. Gentleman understands that the Bill will put three intermediaries or gatekeepers into that relationship. Why on earth should disabled people want gatekeepers between them and their express needs and desires?

Mr. Thurnham: The hon. Gentleman begs the question of how well local authorities will carry out their duties. Under care in the community, it is clear that their duty is to assess what the needs are and then establish how they are to be met. If there is to be an additional provision, I welcome it. I cannot understand why the hon. Gentleman suggests that one should ignore local authorities' responsibilities. They are important responsibilities and cause me great concern in case they are not exercised correctly.

In the past few days I received a letter from a family in Bolton. It runs to nine pages so I shall not read it all. It is from Mr. and Mrs. Whiteley who describe eight years of the most intolerable incompetence by the local authority, as a result of which Mr. Whiteley lost his job and the family lost their house while the council said first one thing and then another about help in caring for their son Andrew. He is now nine years old and suffers from spina bifida. Caring for him is more than Mrs. Whiteley can manage on her own. The local authority has messed this family about so much that Mr. Whiteley had to give up his job, and the family have lost their house, because of the administrative confusion.

It is most important that local authorities carry out their responsibilities properly. In that respect, the Government should be congratulated on the provisions that they have made. There has been a substantial increase

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in financial provision, with a trebling of the money for care, which has increased from £5 million to £15 million in real terms over the past 14 years. There has also been a substantial increase in the number of people provided with care. When the Labour party was in power only 360,000 people received help with the cost of care or mobility. Now, 2 million people receive such help.

Although there have been criticisms of the way in which the benefit agencies introduced the new allowances, substantial numbers of people have benefited and in a shorter time scale than when the Opposition introduced the mobility allowance and took four years to deal with far fewer people.

I have just received a letter from Mr. and Mrs. MacDonald—Iain and Wendy—of 25 Rose Lea, Harwood. They say that the new arrangements are working well. Mr. MacDonald wrote to appeal about one matter relating to the disability living allowance but says:

"I am, however, completely satisfied with everything else. Thanks to your intervention my case has been handled personally by Mrs. Pauline Padley, Customer Service Section, Invalid Care Allowance Unit, D.S.S. Palatine House, Lancaster Rd., Preston. I cannot stress too highly the sympathy, help and understanding she has given to myself and my wife. She is a credit to herself and her Department . . . if the time could be found . . . to thank her I know how much it would be appreciated. It is the only gesture I can think of that would be in keeping with her continuing efforts on our behalf."

I quote that letter as an example of how well the Government are making the new arrangements work. In this case, the invalid care allowance is the important benefit which the MacDonalds are receiving.

The calls for additional top-up funds through the new independent living funds will become greater. Just as the original fund grew from £1 million to £100 million—this is the point made by the hon. Member for Huddersfield (Mr. Sheerman)—the demand on the new funds will be substantial and will grow.

I refer to a letter that I have received from Mrs. Cummings of 280, Hough Fold Way, in my constituency. She cares for her adult son David who is severely handicapped and she points out that the funds that she gets at present from the independent living fund are supposed to be sufficient for 21 hours of care per week. She finds that the costs are greater than the amount that is being provided by the ILF, leaving her out of pocket. Each month, the ILF provides her with £322, but each month she actually pays out more than that and receives less care than the 21 hours that she is supposed to be able to receive. She would like the ILF to have greater funds for her requirements. She would also like additional funds to cover respite care so that she and her husband could have a holiday. The funds that they have at present are not sufficient to provide for that.

Mrs. Cummings gives the example of how Crossroads care committee in Bolton has arranged to fund one family with £8·50 a week to buy in care at the weekends. However, Crossroads charges £8·90 per hour at weekends. So the amount provided is not enough for one hour's care. She also refers to other recipients of care from the Crossroads fund who do not receive enough to meet requirements. She gives the example of a family who are allowed £200 a month by the ILF, although the amount required for the number of hours of care specified would come to at least £240 on current costing. Again, she presses for further help in that respect.

Mrs. Cummings then points to the extra costs that arise when people suffer from incontinence. I should like the Government to consider the better provision of incontinence aids because the costs of such aids can lead to substantial extra charges for individual carers who find that the supply of aids as arranged at the moment is insufficient for their needs.

I am delighted to say that a new respite care centre is being set up in Bolton through the voluntary arrangements worked out with the Bolton Handicapped Action Group. I commend its work to the Minister and I hope that he will have an opportunity to come to see its work. The group has set up in partnership with the health authority and now, I believe, with the local authority to provide a package of care. It will manage the new respite care centre which, I am delighted to say, will be called Grosvenor House, thanks to the support of the Duke of Westminster who was happy to lend his name to the initiative.

I confirm that the way in which the Government have provided additional funds will give the flexibility that is so important with care and especially for those who are the most severely disabled. At present many people's care packages cost less than £500 a week because of the uncosted input of the individual carers. There is anxiety about the possibility that if carers cannot contribute fully and if care has to be bought in, sufficient care could not be provided for £500 a week. That raises the threat of the person who is disabled being moved into a home against the family's wishes. I should be grateful if my hon. Friend would consider that aspect and if he would give assurances that the future level of care limits will be reviewed so that people need not fear that the one for whom they care so lovingly may be moved into a home that is not of his or her choice when the family would prefer that person to be able to live at home if funds were available.

I commend the Bill to the House and I congratulate the Government on their record of care for the disabled. I look forward to a continuing growth of the funds for people with disabilities. Although the Opposition have had thoughts on these issues, when in power they failed to fund the requirements of the social services budgets. Only this Government have been able to find the money to provide for such a substantial increase as we have seen to date and which, I am sure, will continue.

7.44 pm

Mr. Malcolm Wicks (Croydon, North-West): As we near the end of the debate, it is important to recognise that we have heard many good speeches and two very brave speeches. As has been said, one such speech was made by the hon. Member for Havant (Mr. Willetts). He quoted from the Conservative party manifesto and thus nailed once and for all the vicious rumour among the Opposition that all the copies had been collected up, ring fenced and burnt. It is unfortunate that he did not have time to quote other pledges in the manifesto so that we could debate them, too.

The other brave speech was made by my right hon. Friend the Member for Manchester, Wythenshawe (Mr. Morris). Waxing strongly—rightly so—about Motability, he compared the numbers benefiting from Motability with the size of the Chinese army. To have made that

comparison on the day that the Foreign Secretary made a statement about Hong Kong was brave. Motability may soon have its finest hour. The hidden message in my right hon. Friend's speech will not be lost on military strategists in Beijing.

The key words today have been cash, care and choice. We are at the interesting stage of looking more rigorously at the association and interface between care and cash and, therefore, at the interface between two Government Departments—the Department of Health and the Department of Social Security. As a new Member of Parliament, I am struck by the fact that one cannot ask parliamentary questions about how one Department co-ordinates with another, yet in many respects today we have been discussing that very theme. Increasingly in social policy we are dealing with matters that cut across departmental boundaries and we need to get the discussions right in this area.

We are also approaching 1 April when principles, policies and philosophies about community care will be tested by realities and by practice. The timing of this debate is good. There is widespread agreement that the goals of community care are right and that they are goals that we all want to be implemented. The White Paper "Caring for People" said that the components of community care included

"services that respond flexibly and sensitively to the needs of individuals and their carers; services that allow a range of options for consumers . . . services that concentrate on those with the greatest needs."

In discussing the ILF, we are often talking about those with the very greatest needs.

All the objectives are excellent, but we must now ask tough questions about the practice. I hope that we shall do that during the rest of today's debate and in Committee. There is a sense in which, as we approach 1 April, the waters of community care are becoming murkier. As we move towards the end of March, there is a sense that we are moving towards, not greater clarity, but greater confusion. In certain letters that have been leaked, although not always published, we are hearing more about costs and less about choice. I worry about that.

This is an appropriate opportunity to ask Ministers some clear questions. Is there now a limit on what social services authorities can spend on those with disabilities? Is the £200 limit now a clear limit?

The Parliamentary Under-Secretary of State for Social Security (Mr. Alistair Burt) *indicated dissent.*

Mr. Wicks: The Minister shakes his head, and I am pleased about that. I should like clarification of that point. In the social work press and more widely, there is concern that Government officials and the social services inspectorate are now warning local authorities that they should not offer too much to clients. The Minister may want to correct this. A headline in *The Independent*—which never tells a lie—on 12 March read:

"Councils told to 'hide' care services shortfall".

The article said:

"The Department of Health has advised social services directors to keep secret the services they lack after community care comes into force next month.

In a letter, an official says that they should not give people a list of nursing and community care services which they ideally need, in case the council is sued for maladministration if it cannot afford to provide the service."

Given that we are all agreed on the objective of openness and the need to bring carers and the cared for into the discussion about care packages, how can such secrecy be part of the deal? The Minister may want to shake his head again. I hope that, in conjunction with his colleagues from another Department, he will be able to tell us that social service authorities are not being cash-limited in that way. If they are, there can be no effective and honest partnership between those needing care and the care providers, which means that the objectives will not be fulfilled in practice.

Hon. Members on both sides of the House have expressed concern about the £500 limit. If we are to judge community care partly by the extent of its impact on people in the greatest need, the question of the £500 cash limit, which will inhibit proper community care, is crucial. I hope that the Minister will say something clear and reassuring about his willingness to consider amendments in Committee. I understand that, at present, fewer than 1 per cent. of those benefiting from ILF money will be affected. I take that point. Nevertheless, that represents a significant number of individuals.

Moreover, I think—and I shall be happy to be corrected—that, in practice, the £500 is a larger sum than is implied because, under the old ILF scheme, one could also get support from social services. If that is now being costed at up to £200, more than 1 per cent. may be caught by the care trap. I seek clarification on that.

Whether we are talking about one or two people or several dozens or more, the crucial question must be what will happen in practice. What happens if the care package that is devised costs £600 or £700, as it may well do in the most extreme cases? Will that person have to go into institutional care? Some say that they will have to be dragged screaming and kicking if that is the case. Again, the Minister shakes his head.

What happens if the social services department cannot afford to spend any more under the cash limit, given that the ILF regulations specify that the figure must be no more than £500? I am told that we are talking here about some of the most serious cases of paralysis—people who have broken their neck in a road accident and those suffering from multiple sclerosis or are in the more advanced stages of motor neurone disease.

To those listening to the debate, £500 may seem a great deal of money—and it is a great deal of money—but a great deal of money is needed if someone who requires round-the-clock care is to be cared for in the community rather than in residential care, which is the principle to which we all aspire.

As has been said, there is, in any case, no sense in asking a person to move into residential care if that will cost more than a package that could be devised. The individuals affected may be few: it would be nice to have some estimates. In any case, what happens to them will be a key test of the Bill, and we need to consider that both today and in Committee.

I am worried that what should be a new dawn for community care is fast becoming a debate about residential care not only as regards the ILF and its cash limit per person but in different ways. Certainly, all the initial controversy following all fools' day will be about residential care—about whether people are having their costs paid and about the concerns of home owners.

I have another fear. As a result of the Government's ideology and dogmatism, social service authorities will have to spend 85 per cent. of the new money on the so-called independent sector, which is predominantly,

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although not exclusively, the private sector. The private sector is mainly—again, not exclusively—in the business of institutional care, so that will pull the money towards institutional rather than community care. If, as we have said today, the £500 limit stays and we cannot shift the Government on it—I hope that we can—some critical cases, who, despite terrible disabilities, live in the community and often thrive in and contribute to it, may be moved into institutional care.

Moreover, there must surely still be many people suffering from terrible conditions who are in institutional care but who, in the right circumstances and given the right opportunities, cash and care—and, of course, the choice—could come back into the community and live more fully than they do at present. Let us not forget that group. We need to think how we can enable them to come back into the community if they want to. Can they do that with a package of care costing £500? Some will need more, and that is an important point.

The theme of cash or care and the association between the two Government Departments may be a more fundamental theme for the future than this small but important measure concerning the ILF suggests. Our society is faced with important questions about the costs of disability and aging. We know that the Bill does not cater for those over 65, but we have to consider the costs of disability and aging and who should meet them.

In future, in some of our mainstream debates about social security, and not least about pensions, we should ask about both the private sector—occupational pension schemes—and the public sector—the national insurance fund—and determine whether the risks against which we should insure ourselves include the risk of the need for intensive care as well as pensions. If we discuss pensions on one day and community care on another, we start to make great mistakes about the risks facing us in our later life and the different ways in which we should insure against them.

7.56 pm

Mr. Charles Hendry (High Peak): I am grateful for the opportunity to contribute to the debate. I am glad that the Government have found time for it in their programme. At a time when many of our attentions seem to be diverted overseas, it is nice to find time to consider matters rather closer to home which have a direct bearing on many of our constituents' daily lives.

The Government's priorities for disabled people can be categorised in three ways: first, a desire to enable people to live as independently as possible; secondly, a commitment to target more resources on people who are disabled in a way that recognises their particular needs; and, thirdly, a commitment to look at their wider entitlement and interests to enable them to play as full a role as possible in society. The Bill addresses all three.

Hon. Members have referred to a number of the ways in which the independent living fund has grown over the years. It has grown from £1 million in 1989 to £100 million today and is now helping 21,000 people, or more—this is one of the rare occasions when the Labour party is saying that we are helping more people than we say we are helping. The Opposition's support and encouragement on that are welcome. The House should be reminded that the introduction of the ILF was criticised and questioned by the Labour party. In listening to the Opposition's concerns today, we should bear in mind the fact that they have not always been fulsome in their support.

We should also bear in mind the fact that the fund has helped far more people than were being helped under the old supplementary benefit system. Before 1988, 6,000 people were being helped to the tune of some £30 per week. Today, 21,000 are being helped with a weekly average of over £110 per week. That shows clearly the Government's ongoing commitment.

That takes us to where we should go next. There can be no doubt about the success and popularity of the ILF. We must accept, however, that the benefit was introduced initially to help the most severely disabled people. All of us have had constituents come to us and say, "My friend down the road has been given support from the independent living fund. Why can't I, since my condition is similar?"

Inevitably in such cases, the boundaries become frayed and, in time, they are enlarged and more people benefit. It is very good that we can claim to be supporting more people than we ever envisaged supporting. However, we must also remember that the intention is to help the most severely disabled. The proposals will enable that intention to be maintained.

We must also consider areas where there is clear consistency, not just in name, but in the way in which the fund will operate in future. Through care in the community, it is the intention that care should be tailored to meet the individual needs of disabled people and that the structure of the support should be flexible to allow that to happen.

Also, and this is paramount, individual disabled people must be involved in determining how best their care needs can be met. We must stress, and the Government have made it clear, that the needs and wishes of disabled people should come first.

Mr. Bradley: If the package designed by the local authority conflicts with the wishes of the individual, would the hon. Gentleman support the right of an appeal system within the proposals?

Mr. Hendry: Any new system develops over time. We do not set a principle in cast iron and then, 20, 30 or 40 years later, say that it should not be changed. We must consider how the system operates and identify the difficulties. If flexibility or alterations are required in time, that can be achieved. To suggest that we are simply casting something in stone does not reflect historical precedents accurately.

Mr. Bernard Jenkin (Colchester, North): In the care in the community programme, we are dealing with local authorites which are ultimately governed by elected councillors and subject to the pressures of the normal lobbying process, not least the letter to the Member of Parliament asking him to intervene on behalf of the client concerned. Does my hon. Friend agree that the idea that we are creating a system in which there is no appeal procedure, redress or comeback is entirely false?

Mr. Hendry: I agree with my hon. Friend. Many of us have received letters from our constituents about the independent living fund. We have raised cases on their

behalf and have been able to ensure that those cases were reviewed properly and effectively. Members of Parliament can and do properly play that role.

I would also like to consider the fact that we recognise a need for change, but are also trying to establish a principle on a secure and long-term footing. On several occasions in my constituency, parents who are inevitably getting older have expressed their fears about their severely disabled children who may now be in their teens or twenties. They want to know how their children will be supported when they have died. That is an immensely responsible attitude.

From the conversations that I have had with such parents, and having seen their sincerity, I have no doubt that they would like their disabled children to be looked after as much as possible in the home where they were brought up within the community. Parents recognise that in familiar surroundings it will be easier for their children to face the pressures.

Several comments have been made about the role of the disability living allowance. Introducing something as large as that in one go has caused teething problems. I commend the Government for being willing to introduce something on a scale which will help more than 250,000 people. I commend them for introducing it in one go instead of phasing it in over four years, as the Labour Government did with mobility allowance; that helped only about 5,000 people. The Government took a brave and important step.

There will inevitably be a rush of cases and a huge administrative caseload to be handled. However, I congratulate the Government on the way in which they have reacted to that and I congratulate the people working in the benefits offices on the way that they have dealt with those problems. As a result of their efforts, 60 per cent. of claims are cleared within a month and older people are being targeted as priorities.

I am aware of cases in my constituency where people have felt that their cases have been delayed unduly. However, in relation to the vast number of cases that have already been handled, I have no doubt that the majority are being handled efficiently and effectively. There is now a system in place which is trying to push matters forward.

Mr. Bradley: What does the hon. Gentleman think about a situation in which the application of one of his constituents may have been delayed and missed the cut-off point? That person may have been awarded DLA, but would not have been able to apply to the ILF. Should such a person be compensated because he or she was unable to receive help from the ILF?

Mr. Hendry: One of the difficulties in implementing change is that there must be a cut-off date. We cannot get away from that. If after the cut-off date we say that anyone close to the cut-off date will receive special remedial treatment to ensure that that person does not receive less money than he might otherwise have received, we completely undermine the principle of change. If we are to make changes and tough and sometimes brave decisions, we must accept that there will be difficulties.

It is easy for the Opposition. They are not trying to raise taxes to pay for the support. They are not responsible for Government decisions. It is easy for Opposition Members to say time after time, "Let's throw more money at it." As it is not the Opposition's money, they can spend it as if it is going out of fashion. That has always been the Opposition's tendency. However, if the Opposition ever want to be taken seriously as credible politicians, they must accept some of the financial facts of life.

Mr. Thurnham: My hon. Friend has just referred to the Labour party as the "Opposition". In a number of town halls around the country, the Labour party is charged with and is responsible for the delivery of services. From my experience and from the reports from constituents, I have noticed that many restrictions are placed on home helps —or, as they are now called, home carers—which include trade union restrictions and limits on whether they can work at weekends. I have heard that carers have been told that they must not work at weekends and they have had to do that work in secret. Opposition Members have said that they want more openness when such extraordinary arrangements are taking place. Does not that show that, when the Labour party is in power locally, things are very far from perfect?

Mr. Hendry: As is so often the case, my hon. Friend is absolutely right. I would like to pay tribute to the incredible amount of work that he has carried out on behalf of disabled people through his involvement in charitable work and in pushing their case in the House.

I need no lectures or advice from my hon. Friend the Member for Bolton, North-East (Mr. Thurnham) about the difficulties involved in living with a Labour local authority. My constituency is in Derbyshire and we have one or two problems with our county council, not least in that area. It consistently refuses to charge for home helps. To suggest to people who, in many cases, have significant resources and would be happy and keen to pay towards the costs of home helps that they may not do that is absurd. Ultimately fewer people will receive home helps because there is no way of getting the additional resources from the people who would be happy and willing to pay towards that provision.

Mr. Jenkin: It is important that we do not tar all Labour councils with the same brush. I draw my hon. Friend's attention to Strathclyde regional council, with which I became familiar when I contested a Labour stronghold in Glasgow, Central in the 1987 general election. That council made a very bold move, probably unconsciously, realising that it was privatising its social services, when it made its social workers self employed. The council employed people on piece-work contracts which effectively made the work force much more flexible so that they could provide a much more flexible service to clients. I would not always criticise Labour local authorities in the way that my hon. Friend has just done, although there is always justification for doing that in certain cases.

Mr. Deputy Speaker (Mr. Geoffrey Lofthouse): Order. The debate is now ranging rather widely. If hon. Members will keep their comments within the boundaries of the debate, we shall be able to discuss the Bill thoroughly.

Mr. Hendry: I am grateful for your guidance, Mr. Deputy Speaker. I shall come directly to another aspect of the Bill that is worth our attention—Motability. All hon. Members will welcome the enormous growth in the provision of cars for disabled people under the Motability scheme. Since 1977, Motability has had a tremendous record for supplying cars. It hardly seems possible that in November 1991 Her Majesty the Queen presented the

[Mr. Hendry]

250,000th car, yet less than two years later the Prime Minister will be handing over the keys for the 350,000th car. If we look at the number of cars that were provided last year, it presents an astonishingly good picture of an organisation that works effectively. In 1992, there were 75,195 applications for a car under the scheme, of which 63,745 were granted. That is an amazingly high figure and is a testimony to the way in which the Government have backed Motability by contributing to not only its running costs but its capital costs. The Government have worked in conjunction with the private sector, car manufacturers and those who convert cars to provide a real benefit to many members of the community.

I became aware recently of the case of a multiple sclerosis sufferer whose family had not taken a holiday together because of his inability to travel around the country. With little support from me, Motability moved fast to provide and convert a car, and as a result he and his young family enjoyed a holiday. I pay tribute to its work and the way in which it has helped countless thousands of others. More than 140,000 people have cars under the Motability scheme.

We should be grateful for the increased quality of cars. Not many years ago, we lived in mortal fear not of the quality of driving but of the fact that dangerous little three-wheelers were scurrying around the streets, posing a threat to many others. Disabled people can now have not only the dignity but the comfort of a standard car under the scheme, which is a tribute to the scheme and what it has been able to achieve.

Dr. Liam Fox (Woodspring): I hope that my hon. Friend will give credit to car manufacturers and banks for the help that they give to the scheme. Many hon. Members often attack the clearing banks for their behaviour in some sectors, but this is one area where they are contributing much to helping disabled people.

Mr. Hendry: I willingly do so. I paid tribute to the way in which car manufacturers have helped. I extend the warmth of my congratulations to the banks.

The significant increase in resources allocated to the independent living fund has demonstrated the Government's record of support for disabled people. When the Government took office in 1979, 360,000 disabled people were receiving help with the costs of their care and mobility but the figure has now increased to 2 million, which shows how vastly increased our commitment to disabled people has been in the past 14 years.

This year, £14·9 billion will be spent on the long-term sick and disabled, which represents an increase of £9·9 billion in the past 14 years. Any Conservative Member who suggests that the Government lack commitment in looking after the needs of disabled people need only look at those figures to realise how substantial our record of support has been.

The Bill deals with disabled people as whole; real people rather than simply statistics and numbers. I will not rehearse a range of arguments across education, transport and other matters but will consider a couple of aspects, the first of which is the right of disabled people to employment. I was very pleased and honoured recently to open a conference in my constituency on behalf of the placing, assessment and counselling team in Derbyshire, which considers how employers can better take account of disabled people.

One of the things that struck me most during that seminar was the way in which the scales fell from the eyes of local employers who believed that there may be problems in hiring disabled people but who gradually realised that they should look beyond the disability at disabled people as whole people and hire them on the basis of their strengths and skills. One small element in that concept was the way in which the Government changed the title of my right hon. Friend from the Minister for the Disabled to the Minister for Disabled People. The Government recognised that they are disabled people and not an analogous lump. The more that employers do so, the better it will be not only for disabled people but for companies and employers.

I pay tribute to companies in my constituency that have gone way beyond their quota in hiring people who have disabilities. One firm, Otter Controls in Buxton, has made it a policy to take on people with disabilities. Despite the difficulties of the recession, from which it is now recovering, it has done all that it can to ensure that it continues to be a major employer of disabled people.

Mr. Alfred Morris: The hon. Member referred to the right of disabled people to employment. He will know that there is very strong feeling in all the organisations of and for disabled people in Derbyshire, in particular, about the importance of the Civil Rights (Disabled Persons) Bill. May I take it that the Bill has his support? I know of the hon. Gentleman's interest in this field. He will know how strongly the Bill is supported by the organisations of and for disabled people in Derbyshire.

Mr. Hendry: I have told the organisations in Derbyshire that have made representations to me that I feel that the position taken by my right hon. Friend the Minister is correct. The Government wish to proceed through voluntary measures, and if that does not prove sufficient my right hon. Friend will reconsider legislation. I am instinctively opposed to unnecessary legislation. The rights of disabled people are immensely important, but it is much better to use voluntary procedures than to introduce legislation and the difficulties that go with it. As the legislation on equal opportunities for women and race relations have shown, there are inevitably difficulties when enshrining sufficient rights in law.

The final matter that I wish to consider is access for disabled people. I commend a young lady in my constituency who is significantly disabled and who recently was pushed around the town of Buxton in her wheelchair by a disabled colleague. She took her video camera to try to highlight for the benefit of people such as myself who are blessed in not suffering from the disabilities that she has the day-to-day problems that disabled people experience in trying to live their lives as normal people. A lot of Buxton was designed by the Georgians, who believed in pillars and lots of steps, so it is not easy for a disabled person to move around in a wheelchair. The town was built on many slopes and hills, which makes life more difficult. My constituent's work has done much to bring to the attention of the county council and myself the difficulties that disabled people face.

The Bill gives us the opportunity to look more generally at the needs of disabled people but particularly at the way

in which we look after and service the needs of the most severely disabled people in our society. I commend the Bill and recommend that the House gives it a Second Reading.

8.18 pm

Mr. Bernard Jenkin (Colchester, North): My hon. Friend the Member for High Peak (Mr. Hendry) has given us an able assessment of the benefits of the Bill. Indeed, throughout the debate hon. Members have successfully explored its benefits for severely disabled people. I should like to comment on the contribution by the right hon. Member for Manchester, Wythenshawe (Mr. Morris) before he leaves the Chamber, and in due course on the speech by my hon. Friend the Member for Havant (Mr. Willetts).

In a debate on a motion relating to the Bill of the right hon. Member for Wythenshawe——

Mr. Alfred Morris: The Civil Rights (Disabled Persons) Bill.

Mr. Jenkin: I am grateful. In that debate I thought that we explored extremely well the subject of disabled people and civil rights. It opened my eyes to some of the disadvantages of the current set-up.

I remain unconvinced, however, that civil rights legislation in this area would solve the problem that it seeks to solve. There has been a gradual increase in the number of disabled people in employment and the disabled working allowance is proving of benefit, providing encouragement and incentive, not compulsion. That seems a better course.

Mr. Alfred Morris: The hon. Gentleman has referred to the debate in the House on my Civil Rights (Disabled Persons) Bill on 26 February. He will know that the issue was debated for five hours on that day and that the motion was carried by the House after the Minister had spoken. I hope that he shares my pleasure in that decision by the House of Commons on that day. It is certainly shared by all the organisations of and for disabled people.

Mr. Jenkin: I certainly take note of the House's decision that day, although of course there was not a large number of hon. Members present to vote. I take note of the view expressed by the House in the early-day motion on the subject. I pay tribute to the right hon. Gentleman for the campaign that he has waged—no one in the House has contributed as much to the debate on disabled people. I am sure that that debate will continue and that we will all continue to listen to the points that the right hon. Gentleman makes. The debate is by no means over.

I want to concentrate, first, on the purpose of the Bill; secondly, on the funding provided to enable it to be put into effect; and, thirdly, and perhaps most importantly, on the principles of assessment that will be used to apply the benefits of the Bill. I should begin, however, by discussing the background and the financial restrictions under which the Government are working.

We have a huge budget deficit. I am impressed that this debate should be taking place not to moan about the quantities of funding available, but, in a constructive spirit, to discuss how best the limited funds available should be allocated. That is a tribute to both sides of the House.

This Bill, as my hon. Friend the Member for Havant pointed out, fulfils a manifesto pledge that we made at the general election. Its purpose is to help with financial support for the most severely disabled people. It unashamedly builds on the success of the independent living fund. I do not regard it as a step backwards from that fund; I regard it as an extension of the work of the fund, although we are delegating much of the responsibility for that to local authorities.

The Bill establishes the extension fund, supplementing the independent living fund, and the 1993 fund for new applicants, but it is the partnership with local councils that will represent an advance in the provision of care for the disabled—it is not a step backwards.

Secondly, the funding provided for the implementation of community care includes £26 million in the ring-fenced total of £565 million. The £26 million is for the severely disabled and that represents an overall improvement. Overall funding of community care has been generously increased for the forthcoming year. I refer to what was said by the incoming president of the Association of Directors of Social Services, quoted in *The Independent* on 3 October 1992:

> "We recognised that the public spending round would be difficult and we think that in the context of the present economic climate Mrs. Bottomley has done well to get this money and to give us specific funds for the second and third year of implementation."

That is not a cheapskate formula; the overall provision for the disabled, within overall community care budgets, is generous indeed. If we remember that the total provided for the disabled from the DSS budget is about £15 billion —a threefold real terms increase—it can hardly be accused of being cheapskate. The Government have clearly demonstrated their continuing commitment to the disabled.

My third point concerns the principle of assessment and the interesting discussion that we seem to be having about cash payments as opposed to direct provision. I have great sympathy with the points made by the hon. Member for Birkenhead (Mr. Field) in this regard. It is important to understand, however, how the local authority will fulfil the role of care adviser in the provision of care for the disabled under the care in the community proposals. First, the local authority will identify people who appear to be in need of care services; then it will assess what support or help they need. It will then share those assessments with the people concerned—the most important aspect of this method of empowerment. It is important to involve the client in decisions about the type of provision, and that is expressly provided for under the care in the community proposals. Clients' wishes and preferences must be discussed with them so that their needs are reflected from a material point of view and so that they are involved in decisions about their care.

Finally, the local authority will decide what services should be arranged in response to the assessment. Such services may be provided by the local authority, but increasingly a greater proportion will be purchased under contract from organisations in the independent—the non-local authority—sector. That, too, is important, because there is a danger in the arrangements for community care that the services will be producer dominated. By specifying a limit on the quantity of services that can be directly provided by the local authority, a separation between purchaser and provider is created, and that will improve the authority's advocacy on behalf of the people who require the care.

[Mr. Jenkin]

If someone appears to need health services or help with housing, the authority has a duty to get in touch with the relevant people. This system will replace the system of special higher rate income support payments, currently available to the less well off people who enter residential and nursing homes, to help meet the costs of their care. The current system has a bias in favour of residential care, regardless of what is best for the people concerned. The reforms remove that bias, offering users genuine flexibility and choice in how they are looked after.

My hon. Friend the Member for Havant drew our attention to the excellent work done by the Rowntree trust. I wish to draw attention to the developing ideas that we have for care advocacy and further separation of the role of the client and the care advocate, and that of the financier and provider. In particular, I draw attention to a case that I share with my neighbour, my hon. Friend the Member for Colchester, South and Maldon (Mr. Whittingdale). It involves a family whose child is mentally handicapped and which recently lost control of the child. The simple reason is the easily imagined one. When a severely handicapped child is born, the parents naturally say that they will look after the child, but things become more difficult as the child gets older. Looking after a severely mentally handicapped teenager is a demanding operation.

In that case, the strain on the marriage and on family life and finances proved too much for the parents, and they finally accepted that the child would have to enter an institution. Imagine their shock when they realised how much that would cost. Let me emphasise that the health services had offered the child high-quality care, but it was institutional care, not family care or care in the home. For the lack of anything between £2,000 or £8,000 for the additional help that they needed in the home to enable them to continue looking after their child, the health service is now picking up a bill for about £35,000 a year.

That is where the argument for service advocacy or brokerage comes into play. We could not only make resources stretch much further, but involve the families of disabled or mentally handicapped people or the clients themselves where they are capable of making the decision. The money could be allocated to them, instead of to the health authority or the local authority to invest in plant —that is, a residential home or residential care of one sort or another.

The Rowntree trust draws attention to stories involving people in the work that it does. For example, Patrick, who had spent almost all his life in residential care until he moved into a home of his own at the age of 27, said, "It means exercising choice and control and having the right to choose who gets me up and who puts me to bed." In another case, 40-year-old Maria explained: "It means I can get up in the morning when I want to, I can go to bed in the evening when I want to, go out when I want to."

Extremely good though institutions may be, the present arrangements of institutionalised care often fail to enable disadvantaged people to lead their own lives, or to lead their lives with their families.

Mr. Thurnham: My hon. Friend quoted what seems a high figure for the cost of the care of a constituent's child, at I think £37,000 a year. Does he agree that there are differences in how well organisations can manage their budgets? Voluntary organisations can also call on charitable causes for their capital costs if not for a contribution to their running costs.

My son is now at an establishment called Brookvale, near the constituency of my hon. Friend the Under-Secretary—in Bury, South—where costs for care are only £15,000 a year, but the standard of care is very high. That compares to the cost of £30,000 a year for neighbourhood network homes in my constituency, run by the local authority, where I do not believe that, in all cases, the care is as good as it is at Brookvale.

Mr. Jenkin: My hon. Friend highlights the point that I am making, which is that different types of provision, provided at different standards, are available. We want the client and the families of the client to be involved in the choice of the provision. A purchaser-provider approach often means that the price of such provision is not as expensive as it is when it is provided by a top-down approach.

As we are debating service brokerage and carer advocacy, I shall say something about the ambiguity in the attitude of the Opposition. What we have successfully achieved in the independent living fund seems to have converted a substantial part of the Opposition to the idea of service brokerage. However, as my hon. Friend the Member for Havant pointed out, that does not seem to extend to the social fund. I feel that it should extend to general practitioner fund holding because that is a form of service brokerage where the purchasing power is put in the hands of a care adviser—a general practitioner. He or she then decides, on behalf of the client, how best to allocate resources on behalf of the patient. It means that the community care proposals that are to be implemented at the beginning of April are an interim step on the long road to more responsive care in the community, in its generic meaning, of all kinds. It is artificial to have a care advisory or brokerage system simply for the disabled and not involve the health services and all the other relevant services.

The ultimate social services system of the future must ensure that, where moneys for health and social services for those acute cases are all held under one fund, and a single broker advises the client or the client's family on the services that are required, they are purchased from the local authority, the private sector providers, the health service and all the other institutions, bodies and charities that are involved in acute care. That interesting and exciting challenge lies before us as we develop social services and health care in the 1990s. I commend the Bill to the House.

8.37 pm

Mr. Peter Luff (Worcester): It is a tribute to the House that, for the second time in a little over a fortnight, we have been afforded an opportunity to have a serious debate about the needs of disabled people. It has been a privilege to hear some of the speeches made on both sides of the House on that important matter.

I was, however, a little disappointed at the ribaldry among Opposition Members when my hon. Friend the Member for Bolton, North-East (Mr. Thurnham) praised the hard work done by the civil servants in the disability living allowance unit and elsewhere to assist disabled

people. I pay tribute to those officials, with whom my constituency office works closely to achieve satisfactory outcomes.

Mr. Thurnham: My hon. Friend spoke of Opposition Members. Is it not right to point out that, during almost all the debate, there have been twice as many hon. Members on the Government Benches as there have been on the Opposition Benches? Even now, there are 10 Members on these Benches and only five on the Opposition Benches.

Mr. Luff: My hon. Friend makes his own point, which will be noted by everyone outside the House.

I hope that it will be in order, when paying tribute to those staff, also to pay tribute to the House of Commons staff who work closely with them to achieve satisfactory outcomes for disabled people in our constituencies. The Benefits Agency staff and the DLA staff are always anxious to do all that they can to promote the needs and interests of those in genuine need. In particular, I should like to praise the staff of the Benefits Agency office in Worcester, who work so hard and consistently for disabled people.

The original independent living fund was a bold partnership. It was not without controversy when it was introduced but it has become a central part of the Government's commitment to disabled people. Perhaps it is not surprising that within two years of the fund's introduction the Select Committee on Social Services was writing:

"On 9 February 1990 the Minister for Disabled People issued a press release headed: 'Independence is the key to better lives for Disabled People'. The help provided by the Independent Living Fund cannot be appropriate for all disabled people. We believe however that the Independent Living Fund has given meaning to the Minister's phrase for many disabled people. Our concern is that the Government has not fully appreciated the innovatory nature of the ILF in giving some disabled people and their families the resources to build up their own packages of care. We recommend that the ILF should continue to exist not only for an interim period, but also after the implementation of community care legislation, and should be provided with sufficient resources to meet the claims of those who meet the present criteria to help from the Fund, and whose needs have not been met through the eventual implementation of community care policy."

I was delighted to find that the Conservative party's manifesto, to which I still attach great importance, contained a strong commitment to maintaining a fund to support the most severely disabled people.

Slightly more than two weeks ago we debated the Civil Rights (Disabled Persons) Bill. I am sure that hon. Members on both sides of the House accept that there is no more fundamental civil right for a disabled person than the opportunity to decide how he or she will live his or her own life. In that context, the ability of the individual to remain in his own home is of central importance. It is important also to emphasise the mobility aspects of this civil right and to welcome especially the features of the Bill that relate to Motability.

The Bill widens the legislative powers that govern the Government grant that is paid to Motability. It will enable the Government to ensure that they can continue to fund the organisation in future. I am glad to say that Motability commands genuine cross-party support in the House. It helps disabled people to obtain a car or a powered wheelchair on favourable terms, thus increasing their independence.

The people most often helped by the charity are the severely disabled, who are unable, or virtually unable, to walk. They include people with cerebral palsy, spina bifida, muscular atrophy and many other crippling conditions. We have heard unusual tributes from hon. Members to the role of the clearing banks in helping to fund Motability, and it should be recognised that it is a partnership. It is a registered charity that is assisted by the Department of Social Security, clearing banks, motor manufacturers and dealers and insurance companies. I am sure that we all have constituents who benefit from the operation of the scheme.

The Government pay significant sums to Motability and about 140,000 people are now being helped. Since the scheme's inception, about 330,000 vehicles have been supplied. It is worth bearing in mind that the scheme has helped the environment, apart from the disabled, through its pioneering role in pushing the case for lead-free petrol.

Reference to the mobility features of the Bill enable me to correct an omission from my speech——

Mr. Alfred Morris: The hon. Gentleman has referred to motor manufacturers and dealers, clearing banks, insurance companies and other interests that were brought together to create Motability. Speaking as a patron of Motability, may I say that I hope that he will appreciate that it has always relied as well on a great deal of voluntary effort. Many people give of their time to ensure the success of this very important organisation, and have done so continuously since it was started by the memorandum of 1977.

Mr. Luff: The right hon. Gentleman's intervention is a timely one. I intended to move on to emphasise that aspect of Motability's work and to link it with the work of another scheme for disabled people, shop mobility, which makes an enormous contribution to the mobility of disabled people. It enables them to make their purchases in ordinary shops in shopping centres, for example. I was privileged to see in great detail the work of shop mobility at Worcester when I drew its Christmas raffle some months ago. The role of the voluntary sector—individuals—in helping the disabled to achieve independence in their lifestyle must never be overlooked.

The Government should be proud of their record in responding to the needs of disabled people. The increase in spending has been phenomenal, and that is spending of which the ILF is a part. Spending has trebled in real terms since 1978-79, and is now £14·9 billion. We have seen the introduction of the disability living allowance. It has not been without its problems, but already there have been nearly a third of a million successful claims. I especially welcome the disability working allowance, which provides a top-up for the earnings of disabled people.

I attach enormous importance to giving independence to disabled people and their ability to choose their own lifestyle in the context of the role of carers. Expenditure on the invalid care allowance has increased significantly from only £4 million when the Government came to power to about £366 million today. The number of beneficiaries has increased from 5,000 to 195,000.

It is entirely appropriate that one of the key objectives to the Government's proposals for community care is to ensure that service providers give practicial support for carers a higher priority. That is recognised in the Government's White Paper, "Caring for People". There is

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clear recognition in that document that helping carers to maintain their valuable contribution is right and a sound investment. Local authorities and health authorities will be expected to continue to develop services for carers in advance of the introduction of assessments in April.

It is not going too far to say that carers are perhaps the most long-established voluntary sector that looks after the disabled. I am concerned that their work should not be over-professionalised. It is work that often goes unsung, and even more often it is unnoticed. I am sure that the entire House would wish to offer thanks and gratitude to those who are doing so much to promote the interests of disabled people.

Dame Elaine Kellett-Bowman: My hon. Friend is far too young to remember that the process started with the work of the Council for the Single Woman and her Dependants. It has continued for many years since then.

Mr. Luff: My hon. Friend makes an important point. Many of us are accustomed to seeing carers in that context. There are so many relationships that relieve the state of a financial burden and enhance the quality of life of the individuals who receive care.

I welcome the role of local authorities. The Government are often criticised for diminishing their role, but that is not our objective. It is often our objective to take powers to others, and I have in mind grant-maintained schools. They represent an attempt to give power to parents, not to take power from local authorities.

The Bill will do exactly the opposite of what our critics sometimes accuse us of doing because it will significantly enhance the role of local authorities. The ILF and its successors provide help on the basis of a care plan that is agreed between the fund, the disabled person and the local authority. As a result of assessment, the authority will provide a specified level of service, which the fund will then supplement by a cash payment to the client.

If the system is to work properly, it is essential that local authorities have full confidence in their ability to live with their side of the care-in-the-community bargain. I know that a year or so ago, when care in the community had still not been fully implemented, nursing homes in my constituency and in the area covered by the county council were worried that they would not be in a position to take on that responsibility. I made vigorous representations to the Government, as a result of which, I believe, the Government have responded appropriately to ensure that local authorities can play their full role in delivering care in the community. I welcome particularly the generous funding that the Government have made available to local authorities to enable them to do that. If there were not the confidence that the necessary funding was in place, I do not think that there would be the same confidence in the value of the ILF and its successors.

Local authorities have been allocated significant additional funds to support their new responsibilities for community care. The ring-fenced grant of £565 million for England, specifically and exclusively for community care next year, is very welcome. That sum includes some £399 million that would otherwise have been spent through the DSS; £140 million to facilitate the introduction of the changes; and £26 million to help meet the needs of severely disabled people.

It is important that we remember that that ring-fenced money is in addition to the general increase for social services spending next year. Taking both of those into account, councils in England will receive a massive 15 per cent. increase in their personal social services standard spending assessment next year, to a total of £5·6 billion. It is an important development if the needs of disabled people are to be properly protected by local authorities.

I take particular comfort from the £26 million to which I referred, which is being provided in recognition of the additional costs that will fall to local authorities as a result of the closure of the independent living fund to new clients and the establishment of the 1993 fund. That sum is budgeted to rise to £53 million in the following financial year and to £100 million in the year after that. By any standards, that is a significant sum of money.

In that context, it is little wonder that my county council, Herefore and Worcester, has given a warm welcome to the Government's approach to care in the community in general, and to the two new funds in particular. However, the council does have two difficulties, which are not unique to Hereford and Worcester. The first difficulty is that in delivering care in the community, whether for disabled or able people, the council has to deal with a large number of authorities. The second difficulty is the large number of elderly people retiring to the area, many of whom have significant disabilities.

On the council's first difficulty, it has to deal with three health districts—North Worcestershire, Worcester and District, and Hereford—as well as nine district councils. It also has to deal with the various voluntary bodies, housing associations and other organisations. It has to liaise with all of them to deliver the service effectively. There is a continuing, strong and powerful case for further rationalisation of the administrative boundaries of government to enable the effective delivery of Government policies.

On the council's second difficulty about the pressure of numbers, anything that the Bill does to relieve the pressure for residential accommodation in Hereford and Worcester will be welcomed.

Mr. Oliver Heald (Hertfordshire, North): Does my hon. Friend agree that one of the great benefits of the ILF is that it has been able to meet a huge increase in numbers—from 6,000 to 21,000—very effectively? Is not that something to be welcomed?

Mr. Luff: That is right. There has been a dramatic increase in the numbers being helped across the whole range of Government assistance to the disabled. When we hear criticisms about, for example, the disability living allowance, it is important to remember the very sharp increase in numbers helped. It is a great tribute to those involved in the delivery of the various help available to disabled people.

My county council expects the Bill to be of particular value in the rural areas, where it is especially beneficial to be able to keep disabled people in their own homes rather than force them into residential accommodation, often against their will. If that provision is to be delivered effectively, it will mean a close working relationship with a large number of bodies, such as housing associations.

It is important to remember that one reason why such a large number of elderly, often disabled, people are attracted to my area is that the county council has

followed Government policy and encouraged the provision of private sector care. It has not resisted that, as some Labour-controlled county councils have done. However, the council is concerned that, because it has encouraged that provision and worked closely with the private sector in providing care for the elderly and the disabled, it will be penalised under the funding arrangements for care in the community.

I very much welcome the way in which the Government have approached the special transitional grants, which have significantly reduced my council's fears. The geographical patterns of DSS spending on residential care are very different from the patterns for standard spending assessments. Inevitably, DSS expenditure is linked to the areas where the homes are located. Because of the often different political perspective on how such care should be provided, the homes operate with very different rates in different parts of the country.

I understand that it is the Government's intention that, in the long run, all funds for community care should be distributed through the revenue grant, on the basis of standard spending assessments. However, the Government recognise that a precipitate rush to that mechanism would imply a significant and rapid shift of resource, which might lead to severe problems for the elderly and the disabled in specific council areas. Therefore, I welcome the transitional arrangements. It is all part of the confidence building that enables me to have confidence that the successors to the ILF will deliver the necessary care to disabled people. I hope that the Government will keep a careful eye on the transitional arrangements to ensure that there are adequate funds for county councils such as mine.

I understand that the entire caseload of the ILF will be transferred to the extension fund. I have been told that people will "in the main" be unaware of any changes to the fund other than the change of name. The term "in the main" causes me some alarm. We know that many of those who benefit from the fund are people in great personal need. We also know the very real distress that any change —or even the threat or rumour of change—in their financial arrangements would cause. I hope that my hon. Friend the Minister will assure me that the term "in the main" will be struck out and that individuals will, in fact, be unaware of any changes to the fund. It is important that that fear or threat is removed.

There is some controversy about the reduction to 65 in the upper age limit under the new fund. I know the reasons that the Government have given for that, and I respect them. In current circumstances, it would be irresponsible to argue for any increase in the upper age limit. However, I hope that the Government will carefully monitor the way that the funds operate and that if they think it appropriate at some stage to increase the upper age limit they will do so.

I especially welcome the way that the Bill has built on the Government's determination to break down the barriers between the public and the private sectors and to build on the work of the voluntary sector. I am constantly impressed by the extraordinary efforts of the voluntary sector in my constituency. Indeed, I am often moved by the efforts of individuals to assist less fortunate members of our society. It has always seemed to me to be a tragedy that, previously, there was a view that care was provided either privately or publicly. Now, we are moving towards a spectrum of provision. That is a healthy development in the way that we provide for the care of less fortunate members of our society.

The fund was an interim measure, but expenditure rose from £1 million on its inception to £100 million today. The Bill provides conclusive evidence of the Government's commitment to the disabled, but that commitment must not blind us to the excellent work of many local authorities, individual carers and the plethora of voluntary bodies to which I referred earlier. The Bill is more than anything else about providing disabled people with choice and dignity, and in that spirit I commend it to the House.

8.58 pm

Mr. Keith Bradley (Manchester, Withington): The debate has been interesting and wide-ranging and we commend those hon. Members who made practical contributions, as well as those who expressed philosophical views about the future needs of the disabled. I commend in particular the opening speech of my hon. Friend the Member for Huddersfield (Mr. Sheerman) and the excellent contribution of my right hon. Friend the Member for Manchester, Wythenshawe (Mr. Morris).

It would be remiss not to point out that, although much of tonight's debate centred on the independent living fund and its successor, notable plaudits were handed out for the work of Motability. We pay particular tribute to my right hon. Friend for his work in establishing that scheme. It is no exaggeration to say that the continuation of Motability, which has been a worldwide success, is greatly to be welcomed. It gives me particular pleasure to pay tribute to my right hon. Friend as a fellow Manchester Member of Parliament.

We heard excellent contributions also on the practical details from the hon. Members for Stratford-on-Avon (Mr. Howarth) and for Roxburgh and Berwickshire (Mr. Kirkwood) and from my hon. Friend the Member for Cumberanuld and Kilsyth (Mr. Hogg). Interesting philosophical contributions were made by the hon. Member for Havant (Mr. Willetts) and my hon. Friend the Member for Croydon, North-West (Mr. Wicks).

I cannot say that all the contributions were of the same significance and it was a cheap jibe on the part of the hon. Member for Bolton, North-East (Mr. Thurnham) to comment on the number of hon. Members on his side of the House as compared with this side of the House and then for the hon. Gentleman to disappear to the Tea Room. As the hon. Gentleman flitted in and out of the Chamber tonight, perhaps he should have been present to hear the concluding speeches.

The independent living fund was introduced to deal with the urgent need to repair the gap created by the withdrawal of special allowances for the disabled available under the old supplementary benefit scheme. I pay tribute to the Minister for Social Security and Disabled People for identifying that gap and introducing the fund quickly. However, under the old system the disabled had statutory rights to help but the ILF was a discretionary fund. It was successful because its trustees, director and staff recognised that they would have to fight all the way to win acknowledgement for the needs of the disabled, ensure the availability of funds, and use discretion in ensuring the continuity of payments.

It was said that the discretionary ILF, which we praised, should be compared with the social fund. Our

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criticism of the social fund does not relate to the payments made in terms of community care grants but loans. It was never a feature of the ILF that the disabled were expected to pay for the services that they received or to repay cash payments made to them. There is a fundamental difference between the two funds.

At the centre of the thinking of the fund's trustees, director and staff, and of the Minister, was the rights of disabled people. I do not believe that the Bill is particularly supported by the Minister because the rationale behind the successor fund is clearly Treasury-led and is about money and not the needs of the disabled.

No right hon. or hon. Member expected the ILF to go on for ever. The Government announced as long ago as January 1990 that it would be replaced when the community care legislation came into effect. However, nobody could have foreseen the suddenness with which the fund would be wound up, in the form of a short statement from the trustees—who were placed in an invidious position—and a brief DSS press release dated 24 November 1992, informing potential claimants that they had one day to finalise their ILF applications. Nobody expected that the new fund would be so limited in its terms of reference in respect of new claimants.

The Government have announced two successor funds, the ILF extension fund—which is to take over the current caseload of 22,000 people—and the new ILF 1993 fund for new claimants. What is so unacceptable is the position of people who failed to apply to the old fund, along with the limitation in the scope of the new fund. I shall return to those points later.

Tonight's debate has highlighted key elements which I am sure the Parliamentary Under-Secretary will want to consider further. It has underlined the uncertain future of disabled people—first, in regard to the way in which the two successor trusts have been set up. It is strange that we should debate this Bill on 15 March, given that it will, in practice, come into effect in barely two weeks' time; moreover, only two trustees have been appointed. Indeed, I understand that they were appointed solely to ensure that a bank account could be set up to ensure the continuation of some payments from 1 April. It is scandalous that the other five trustees have not yet been appointed—if they have been appointed, their appointment has certainly not been announced to the House tonight.

It is disgraceful that, although the Minister paid fulsome tribute to the work of the previous trustees, staff and director, none of those people has been considered for appointment to the new fund. I am not arguing their case in particular; I am saying that their expertise, the importance that they have attached to the needs of disabled people and the continuity that they have provided are being lost through the Government's decision not to allow them to continue. I gather that, although they had been told that they were no longer required, they offered to stay in post for a further 15 months for the sake of continuity, to ensure that there would be no hiccups in the changeover and to prevent disabled people from being disadvantaged. Sadly, the Government rejected their offer.

I looked up the details of many of the trustees in "Who's Who". I find it incredible that someone with the expertise of Mr. Lyon—who was an ILF treasurer, has an impeccable record of service and was once president of the Institute of Actuaries—was told that he was no longer required to help to organise the successor fund. The Government should seriously reconsider the nature of trustees. The rejection of any representatives of the Disablement Income Group—or, it would appear, of the disability world in general—is to be particularly deprecated. I hope that, in considering the appointment of the other five trustees, the Government will take into account the expertise of people from the world of disability to ensure that the interests of disabled people are properly represented.

I am also anxious about the amount of money that will be available, first, for the extension fund. We have been told that £117 million, in round terms, will be available, in 1993-94; that £119 million will be available in 1994-95; and that £121 million will be available in 1995-96. It is not clear, however, whether those amounts will be sufficient to cover in full any increase in the care costs of those already receiving support from the ILF. Mention has been made of people dropping out of the fund for various reasons, but a good deal of concern is felt nevertheless. The Government recently confirmed that,

"subject to its cash limited provision, the successor body will have ... power to review the awards of existing beneficiaries."—*[Official Report*, 25 January 1993; Vol. 217; c. *587.]*

The worry is that if budgetary pressures develop there will be nothing to stop the new trustees of the extension fund reducing the payment or making less favourable the terms for payment. That pressure was put on the old ILF and the trustees had to make adjustments, if only in terms of who was eligible. I hope that the Minister will allay the worry that if budgetary pressure is put on the extension fund people who already receive help from it will not have the amount that is available to them reduced.

I reiterate what hon. Members have said about thousand of people being left out of the 1993 fund. The new fund will exclude thousands of people with severe disabilities. The restrictions proposed on access to cash from the ILF's successor are far greater than those which applied to the ILF, even though that has become increasingly restricted since its introduction in 1988.

The *Official Report* of 15 December 1992, c. *153-55*, shows that the Government estimate that approximately 10,000 severely disabled people who might have looked to the ILF for cash help will not be eligible for such help from the new fund. A total of no more than 1,500 people a year are expected to receive help, compared with roughly 8,500 who were taken on by the ILF in the last financial year. That is a severe restriction on the number of people who will receive direct help from the 1993 ILF fund. Many of those people, if not the overwhelming majority of them, will be over 65 years of age. That is a major concern. More than one person in three, 34 per cent., who received help from the independent living fund in November 1992 was over the age of 65. The Government estimate that it will cost an additional £2 million in 1993-94 if eligibility is extended to include people over retirement age. That will rise to a mere £9 million in 1995-96.

In the context of overall Government expenditure, it is difficult to accept that such a relatively small amount could justify the exclusion of this age group from access to the new fund. Projecting as far forward as 1995-96 a mere £9 million could be allocated to the fund to allow the

extension of eligibility to those who are over the age of 65. I urge the Government to think again and to ensure that those people are not excluded.

The organisations representing that age group are extremely concerned. We have heard the view of the Alzheimers Association and I shall reinforce that view by repeating it. It stated:

"95 per cent. of people with dementia are over working age."

Those people will be excluded from the fund. Age Concern wrote to me today and said:

"Discrimination against older people, in the form of denying them access to disability benefits, is unacceptable. Such discrimination implies that disability is considered normal in later life. Most older people live full and healthy lives into their 70s and beyond. The minority who do become disabled should not be denied extra help with the financial costs of disability."

Those comments should ring loudly in the ears of Ministers and I hope that they will be further considered. If they are not considered, people with no opportunity to apply for help from the independent living fund may be forced into residential care.

Eligibility is further restricted because not only do people have to be between the ages of 16 and 65 but they have to be in receipt of the highest rate of the care component of the disability living allowance. After paying care costs with help from the fund such people would have to be left with income at or about the level of income support and would otherwise have gone into residential care. That creates a care equation on which local authorities will make their assessment for help from the new fund.

Under the care in the community provisions, local authorities will be required to assess the needs of people with disabilities, for the purpose of agreeing a care package, but when considering an application for a grant from the new fund on behalf of a person who meets the eligibility requirements the local authority will have to work out the total cost of that individual's community care package. The local authority will be expected to provide services that are equivalent to agreed thresholds, based on the average care costs to local authorities of a place in residential or nursing care.

This assessment rests entirely upon the local authority. What we see straight away is the lack of the right of the individual to be properly consulted. Mention has already been made of the need to reconsider whether the service element should be translated into a cash payment. We have heard many times tonight that one of the great successes of the old fund was that individuals had the right to be a party to deciding their care needs, to purchasing their care needs and to ensuring that their care needs met their individual requirements. However good local authorities will be in making those assessments, because of the general constraints placed upon them and their need to maximise what we do not believe will be a sufficient allocation of money for care in the community, they will be unable to meet sensitively the individual needs of disabled people. We want to protect those rights.

We are worried by the guidelines that have been issued. One section of the guidelines stresses that there should be a partnership with the local authorities. It says that the fund will provide help only on the basis of a care plan agreed between the fund, the disabled person and the local authority, whereby the authority will provide a specific level of service which the fund will supplement with a cash payment to the individual client. The guidelines refer to an agreed care plan. If, therefore, the local authority or the fund do not agree the plan, the individual is caught in the middle and does not obtain access to the help that he or she so desperately needs. That problem could be overcome if the care package were funded by means of a cash payment and if the individual were allowed to spend that money on meeting his or her individual needs.

We are worried about the cost calculations, a point that has been made strongly in the debate, and the ring fencing of the £26 million that is to be handed over to local authorities. I am not, in many ways, a keen advocate of ring fencing, particularly at a time when we should give to local authorities freedom to get on with the job of assessing care packages in general for care in the community, not the particular needs of disabled people. However, because of the community care pressures on local authority budgets, it is inevitable that local authorities will look at the total money available and see how best it can be stretched to meet the needs not only of the severely disabled but of the disabled, the elderly and other groups for which they are responsible.

The great worry is that the £26 million will not meet the needs of the disabled people for whom that money is intended. When the Government look at the way in which the fund works in practice and at the way in which local authorities in practice draw up their plans, I hope that they will ensure that the £26 million meets the target for disabled people. As the system settles down, I hope that ring fencing will not be required. The Government have justified ring fencing of the community care budget in general, so they should specifically ensure that the £26 million for disabled people is ring fenced.

There is immense concern that the amount of money in the independent living (1993) fund will be insufficient to meet the needs of the people who will apply to the fund. In 1993-94, the new fund will have a budget of a mere £4 million, a tiny amount compared with the independent living fund's latest annual budget of £97 million. I know that they are not directly comparable, but, having restricted the number of people eligible and cut out the over-65s, the Government are allowing fewer people to get help by allocating a small budget which, on their own admission, will serve only 1,500 people. The Minister shakes his head. Does he seriously believe that only 1,500 people need help from the ILF 1993 successor fund? I look forward to the first reviews of that fund when we shall find out how many people have been left out of the system.

Many people were denied the right to apply to the old fund because of the bureaucratic delays and administrative chaos caused by the introduction of the disability living allowance. Many people have commended the Minister for not phasing in the DLA, but the people who applied to the DLA agency say that it has been phased in. They have had to wait months and months for their entitlement.

I am glad that the Minister has clarified the trustees' role. He passed the buck to them for denying to people who had suffered administrative delays the right to apply to the old fund. In answer to a question from me, the Minister said:

"It would have been open to the trustees of the independent living fund, before deciding to cease taking claims with a view to having an orderly hand-over of cases to the new trust in April, to deem someone who had applied for disability living allowance to have been in receipt of it and,

[Mr. Keith Bradley]

therefore, to be eligible for help through the independent living fund."—[*Official Report*, 10 February 1993; Vol. 218, c. 1081.]

The trustees were outraged by that statement because they had given a commitment to the Minister that, at the end of the financial year, they would not pass on any commitments which could not be filled from the old fund. It was an outrage that they were told that they had the discretion to keep the fund open longer, not knowing how many people could be deemed to be in receipt, and then not being able to fulfil the financial requirements.

The Minister has tried to rectify the situation. I do not believe that he was responsible for that statement; I think that he was trying to cover up for Lord Henley in another place. I am glad that he has put the record straight because it was a scar on the integrity of the trustees. They were trying to do the best that they could in difficult circumstances with the cash available. It was never on offer to them to keep the fund open beyond the cut-off date.

Thousands of people who may have been eligible to apply to the ILF have been denied the right to do so because of the administrative chaos in processing their applications. In addition, if they had had their applications processed, that access may have been a passport to other benefits sooner. I believe that the Minister should reconsider the case of people who had made their applications before the cut-off date, who were subsequently found to be eligible for the DLA and who could have applied to the old ILF. Some compensation should be given to ensure that they have not been doubly disadvantaged by administrative delays and the lack of opportunity to get funds from the old ILF.

We have always been worried about the lack of consultation and continuity—the old fund will end before the new system, which is to come into operation properly on 1 April, has been set up. We are worried that, by 15 March, the Bill has still not completed all its stages and needs to go to another place for consideration. Many people involved in disability issues are concerned to ensure that there is no delay in payment to people already in receipt of money from the ILF. We want that assurance, but we also want the assurance that, despite the complexities that will clearly arise when the 1993 fund is in motion from 1 April, the relationship between the fund and the local authority will have been properly worked out and established.

I have no confidence from the documents that I have seen that there has been proper dialogue. As two of the trustees were appointed only a couple of weeks ago, there has clearly been no dialogue between the trustees and the local authorities about how the system will work in practice. We must ensure that the arrangements are in place and that there is no delay for the limited number of people who will seek care through the local authority and the independent living fund jointly. We must ensure that there is continuity and that there is not the administrative chaos that has been the hallmark of the disability living allowance.

Under the new system, the stated hallmark of most Government policies—choice for the individual—will be even more curtailed than it is now. People will no longer be able to choose their own carers as they would have been able to under the old independent living fund. The recent guidelines state:

"the 1993 fund will not consider applications direct from an individual who has not first been in contact with his or her local authority social services department".

What is of great concern is the difficulties that individuals may have when the new system comes into effect on 1 April as a result of the massive job that local authorities will have to do in assessing a range of people who will come under their jurisdiction. People with the greatest needs may be put into a queue because they cannot make direct representations to the new fund, as they could to the old fund, for someone to come to see what their situation is. They will have to rely on the local authorities.

There is massive concern that the resources in the coming months will be limited. Naturally, priorities will be set by the local authorities about where they start the whole process. As the independent living fund element has been so delayed—I stress that we are debating it only a couple of weeks before it will come into practice—there will be further considerable delays which will hit the most severely disabled people. I hope that the Minister can give us assurances tonight that there will be no delay or, if there is likely to be delay, what contingency plans he will prepare to ensure that the needs of disabled people who will apply first are met.

Many disabled people have been in limbo since the old fund was abolished on 25 November. They have been asked to wait and there have been assurances that the new fund will be there to meet their needs. Those assurances can be met only if the administrative arrangements are clearly in place and if a proper relationship is established between the local authorities and the new funds. If not, disabled people will again be caught in the middle—caught in the care trap. They may be less able to suffer such delay than people with less severe disabilities are. It will be seen as a scandal by all; it will certainly be seen as a scandal by people with severe disabilities.

This has been a wide-ranging debate. The Opposition will not vote against the Bill tonight because we do not want to deny disabled people access to funds. When the Bill goes into Committee, we shall press the Government on crucial points. I hope that as a result of the contributions of my hon. Friends and myself tonight the Minister will give special consideration to the role of the trustees and their relationship with the disabled community, special consideration to the needs of the over-65s and special consideration to whether there will be a ceiling on the contributions of the local authority and of the independent living (1933) fund. If applications are not made to the independent living fund, local authorities will be free to extend their contribution. If an application is made to the independent living fund, there will be a ceiling of £510. We seek assurances on that and, equally, that the figure will not be set in concrete as the one that will be around for years to come, but will be annually reviewed in reports to the House to ensure that the sums available through the local authorities' service contribution and the independent living fund meet the needs of disabled people. That issue and many others will be discussed in Committee.

We welcome the opportunity to discuss the practical and philosophical issues affecting disabled people. I hope that the Minister will be able not only to allay the Opposition's many fears but to address the anger that has been expressed by people who work with disabled people

and by disabled people themselves, who do not believe that their needs will be properly met by the two successor funds.

9.29 pm

The Parliamentary Under-Secretary of State for Social Security (Mr. Alistair Burt): I thank the hon. Member for Manchester, Withington (Mr. Bradley) for putting the case with his customary clarity. I shall endeavour to answer his questions.

We have had a good and wide-ranging debate—much of it, I feel, conducted on the false premise that the change in the nature of the independent living fund somehow does away with a category of care for a whole group of people. That is not the case; it is a false belief, arrived at by those who have considered the Bill out of the context of community care as a whole. I hope to show that the worries expressed by Opposition Members are not founded.

As always in disability debates, a high degree of knowledge and care has been brought to bear by hon. Members on both sides of the House. We have heard a variety of extremely good speeches. I commend the opening speech made by my right hon. Friend the Minister for Social Security and Disabled People—a man who understands disabled people very well—who put the Government's case extremely well. My right hon. Friend was answered in a number of good speeches by Opposition Members. I commend in particular the comments by the right hon. Member for Manchester, Wythenshawe (Mr. Morris)—a friend of long standing—who speaks with great knowledge on these matters.

The kindest part of the speech of the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood) was the reference to my footballing prowess. Whatever deals may or may not be negotiated in the next few weeks, I shall certainly remember those remarks.

I was grateful also to the hon. Member for Croydon, North-West (Mr. Wicks), whose experience in social policy matters is a great asset to the House, as are the comments of my hon. Friend the Member for Havant (Mr. Willetts), who brings a degree of intellectual rigour to these matters of which we shall all live in dread for many years to come. His was another excellent speech.

Some hon. Members, including my hon. Friends the Members for Bolton, North-East (Mr. Thurnham) and for Colchester, North (Mr. Jenkin), brought to our attention down-to-earth concerns about the problems of disability in their own constituencies. Others spoke more widely about the Government's record on disability and carers. My hon. Friends the Members for Worcester (Mr. Luff) and for High Peak (Mr. Hendry) made significant contributions in that regard. We had a wide variety of different speeches, all of them made with clarity and care, and I shall do my best to answer in the most logical and straightforward way, bearing in mind the constraints of time.

The hon. Member for Roxburgh and Berwickshire asked why we needed to proceed under Standing Order No. 48 and referred to problems of hybridity. The Bill has been introduced because it was found that payments to the independent living fund and Motability were not properly covered by section 64 of the Health Services and Public Health Act 1968. Under the Public Accounts Committee concordat, it is not appropriate to rely on the annual appropriation Act alone to sanction outgoing payments. The Bill is introduced under Standing Order No. 48 because its main object is to create a charge on public funds. Questions of hybridity are for Madam Speaker to rule on rather than for the Government to determine. I understand that those matters have been examined and that there is no problem of hybridity in this case.

The hon. Member for Roxburgh and Berwickshire also wanted to know whether regulations will be introduced. The schemes are discretionary schemes set up by trust deeds. Accordingly, there is no need for Government statutory instruments or directions. The trust deeds and the conditions of grants set out the parameters within which the trustees can exercise their discretion. In a sense, that forms the regulatory framework that secondary legislation and regulations would have formed had there been an Act and statutory procedure.

If that were the case, the hon. Member for Roxburgh and Berwickshire also wanted to know, quite rightly, who would have access to the trust deeds. The trusts are private trusts and the deeds are not necessarily available to the public generally. However, the founding trustees have agreed that the deeds should be made available in the Library and I am sure that they would be willing for the deeds to be made more widely available. I am sure that we all hope that that is the case. There is no reason why the deeds should not be made available to the agencies which expect to make most use of the funds. I cannot see a particular problem in relation to that.

My hon. Friend the Member for Stratford-on-Avon (Mr. Howarth) made a significant contribution which was full of detail and obvious knowledge of the subject. I pay tribute to that. He questioned whether the trust deed was over-restrictive. The trust deeds and conditions of grant set out the parameters within which the trustees are able to exercise their discretion. The two new trusts will derive the whole of their resources from the Government. It is therefore perfectly proper for the Government to set down clearly the conditions under which the money is granted.

The trusts are not controlled by regulations. Therefore, all the controls on a very significant amount of money must be set down in the key trust documents. Accordingly, they are set down in detail. The conditions may appear pernickety, but they amount to no more than good accounting practice. It is better to be as clear as possible about the requirements in advance than for the Government to seek additional information later.

My hon. Friend the Member for Stratford-on-Avon raised a point, which was also raised by several Opposition Members, about the continuity of trustees. My right hon. Friend has already expressed his gratitude to the trustees, as I do, of the current independent living fund. The current fund was set up as an interim measure jointly by the Department of Social Security and the Disablement Income Group. The trustees have done a splendid job, but the new 1993 fund will operate in new ways in partnership with local authorities.

It is of course our intention that at least one of the trustees should be disabled. However, I do not believe that there is a need for continuity of trustees. There will be continuity of the staff at Nottingham, but I believe that the time has come for a new group of trustees to carry the work forward following the introduction of community care. Notwithstanding the excellence of previous trustees,

[Mr. Alistair Burt]

it cannot be the case that new trustees are not available who would also show similar expertise, care and attention to the matters in hand.

My hon. Friend the Member for Stratford-on-Avon also suggested that the director and staff had not been encouraged to stay. That is not so. The director of the ILF had been on secondment from the Department for five years—an unusually long secondment. The creation of the new funds provided a suitable opportunity for a change and we have recruited a new director.

As for the staff, it is not true to say that they have been encouraged to leave. Far from it. The Department has encouraged the existing staff to stay. Indeed, the contracts of the directly employed staff have been extended in advance of 1 April to provide reassurance for the staff.

Mr. Dewar: I would not normally press the Minister on this, but as he has said that a director has been appointed, I do not think that we know who that is. Can he possibly tell us who it is?

Mr. Burt: Yes. A new director has been appointed. Her name is Margaret Baldwin. She is expected to take up her post in mid-April.

Two trustees have been appointed—Robin Wendt, the secretary of the Association of County Councils and member of the Social Security Advisory Committee, and John Shepherd, a retired finance director of Remploy. The two men will bring excellent care to the new body of trustees and plans are in hand to recruit the remaining five trustees. Three more will be appointed shortly and the rest in the near future. I am quite sure that the new trustees will exhibit the same degree of quality and care as that exhibited by the trustees of the previous funds.

Hon. Members mentioned the closure of the independent living fund, and I am anxious to answer their questions. The fund was not forced to close because of deficiencies in its funding. The timing of the closure to new applications was a matter for the fund's trustees. It was always intended that, in its present form, the fund would cease to operate in April 1993, although payments would continue to those who were receiving money from it as of 31 March. The trustees promised that they would ensure that all applications for help were processed by 31 March. They took the decision to close to new applications with effect from 25 November 1992 to process the applications already in hand.

One or two hon. Members asked why more time was not allowed. People were aware that the fund was due to close in April 1993 and therefore more applications were being made in anticipation. I am sure that hon. Members will understand that if a closing date had been set at some stage in advance, it would only have encouraged a last-minute sale, which would have made it impossible for the fund to continue.

The trustees took the decision to close with great reluctance but recognised that the fund had become a victim of its own success. By last November, there was a backlog of 6,500 outstanding applications, which the trustees had a legal obligation to clear before the planned and final closure of the fund on 31 March. I know that staff have worked hard to clear the backlog, assess applications and process cases.

Mr. Dewar: Before the Minister concludes—we have left him a full half hour—will he deal with the small but important point about people who might have been eligible to apply before the closing date but were not in a position to do so because of delays in processing DLA claims? How does he propose to ensure that they are not prejudiced? If it is clear that several months of support have been lost, some form of backdating should be considered.

Mr. Burt: The hon. Gentleman anticipates my next point and I am happy to deal with it. I appreciate that some people who were awaiting a decision on a DLA claim before applying to the independent living fund were unable to apply before 25 November. I regret that, but payments from the ILF are charitable and discretionary, so there is no question of an automatic entitlement or of backdating. I was grateful for the comments of the hon. Member for Manchester, Withington (Mr. Bradley) because it certainly was not the intention of Ministers to suggest that the trustees could have kept the fund open for such cases. That would have been impossible for the trustees and would have negated the point of the closure, which was to allow time to process the cases in hand.

The trustees have worked tirelessly for the independence of disabled people. I should not like a misunderstanding of the problems of processing DLA to cast doubt on the high regard with which Ministers hold them. Payments from the fund are not social security benefit payments, so there is no entitlement to them.

Mr. Bradley: The Minister is not accurately reflecting my comments. I said that it appeared that the Government were blaming the trustees for the problem, which clearly was so in the other place but now has been clarified. Although the fund is a charitable trust and there is no right to the money, if some individuals' applications for DLA had been processed they might have been eligible for payment under the fund. They have been denied the opportunity to have their applications assessed. The Government have a duty to compensate those people for the administrative chaos that the Government have caused.

Mr. Burt: I do not accept the hon. Gentleman's point, but I am happy that he has cleared up the position in relation to trustees.

The closure of the independent living fund did not leave those disabled people without redress or support. As always, the local authority maintains its overriding responsibility for disabled people. The independent living fund was set up to supplement existing care. Despite its closure, people could still go back to their local authority, and those who qualified are able to apply to the new fund. There is no possibility of any form of compensation or backdating for a fund whose payments are discretionary.

Mr. Dewar: The Minister will recognise that his statement will cause widespread disappointment and some anger—I certainly feel some anger. Surely, if someone is disqualified from applying for ILF help because the shutter comes down on 25 November, and at that stage his DLA application is caught in the logjam, and if he subsequently applies and receives help three or four months later, there would seem to be a prima facie case for saying that he has been deprived of ILF during that period

by the logjam and by the administrative inefficiency with which cases were processed. Surely that adds up to some claim for compensation under any form of common law.

Mr. Burt: No, I do not think it does. The fund always had to set eligibility limits depending on the pressure on it. The reason for the closure was the build-up in the backlog of cases—it could not possibly have processed any more of them. I repeat: I am not aware of any mechanism to allow compensation to be claimed for a discretionary fund.

I should like now to deal with the meat of the argument—whether setting up the new fund and the extension of the old fund in any way limits the opportunities for severely disabled people. I found extraordinary the degree of suspicion expressed by the hon. Member for Huddersfield (Mr. Sheerman) and other Opposition Members—suspicion of the expertise of those in local authorities charged with putting community care into effect. The whole idea of community care has been to carry forward the ideas of greater empowerment for all people who might need some form of assistance—hence the idea of care packages. The forces embodied in the success of the ILF—the tailoring of need and response to that need—are the very forces that have already shaped and will continue to shape community care for all. That is why the Bill cannot be seen in isolation from the community care package around it, and it is why the premise of the hon. Member for Huddersfield and others was wrong.

Mr. Sheerman: When I made that point I quoted bodies that were of that mind, including the Association of County Councils, the Association of Metropolitan Authorities and the Association of Directors of Social Services. If they do not know their onions, I suspect that the Minister does not know his.

Mr. Burt: Bearing in mind that this debate started with an admission by the Opposition of how wrong they got the original ILF, I suggest that they are wrong again. As they have spent most of the time apologising for being wrong about the first case I am not prepared to take lessons from them about this one. I have put the matter straight, and I shall deal with it again when we come to the facts and figures.

Opposition Members have displayed a fundamental misconception about how community care and the independent living fund fit together.

Mr. Jenkin: Does my hon. Friend agree that if we were to take the Labour party seriously on issues of empowerment, discretionary funding and discretionary care, its members would have to start by supporting fund holding for general practitioners—a good example—and continue by supporting the social fund?

Mr. Burt: My hon. Friend makes his own point. We have heard a number of references to the Conservative party manifesto—often light-hearted references from Opposition Members. We have not heard many references to Labour's manifesto because the Opposition have already torn it up. We remain, as always, interested in further policy developments. The Opposition seem to get closer and closer, week by week, to policies espoused and put into practice by the Conservative party.

To return to the central point—the relationship of the independent living funds and the community care proposals, we must put the Bill's proposals in the context of other developments in the cash provision for disabled people. In January 1990 the then Secretary of State for Social Security, my right hon. Friend the Member for Braintree (Mr. Newton), published "The Way Ahead: Benefits for Disabled People". He announced that the Government saw three main strategic strands in policy on benefits for disabled people. The first was to improve the balance of benefits available to people unable to work, and in particular to do more for those disabled from birth or from early in life. The second was to help those disabled people who could and wished to work by making it easier for them to take up and keep jobs. The third was to improve for those of working age and below the coverage of help with the extra cost associated with disability.

We have demonstrated that the independent living fund was set up to provide a supplement to the existing care provision. We all knew that care provision was moving on, in ways in which many hon. Members, implicitly and explicitly, have approved. That means the creation of a better relationship between the individual looking for care and assistance and those who are pledged to provide it. We have moved some way from the old ideas of the recipient of care being simply that—a non-participant of whatever was given.

Mr. Dewar: We are going back to that.

Mr. Burt: I do not believe that we are and I hope to be able to deal with that as I go on.

Mr. Dewar: I accept that things have moved on and that the new ILF will be a top-up provision to help people with a certain level of disability to stay in the community and not move from their homes. However, it has not been properly explained why that top up should not be available to the over-65s.

Mr. Burt: The hon. Gentleman anticipates me again. I shall come to that point.

It has been suggested that, in some way, local authority services take away choice from the individual. That suggestion negates the concept behind community care. Local authorities and those who provide the services have also moved on. They are providing people who will look at those in need of care as individuals and set up the right sort of package for them. One example used is that of an individual who had an independent living fund grant and who was able to ask a carer to do particular tasks. The individual was not bound by a local authority job specification but could work at the behest and need of those in receipt of the independent living fund grant.

That is community care that is intended to work for the individual, who, being assessed to stay at home, if that is the best provision for him, will find himself able to have exactly that. So much of what used to be provided through the independent living fund for a section of the population is now provided for by community care. That is why the independent living fund can be reduced to provide only for the categories of people whom we have mentioned. Community care does the job for others. To see the independent living fund outside the context of community care, as so many Opposition Members have done tonight, is not right. That is why they have been fundamentally misled.

Mr. Sheerman: Will the hon. Gentleman give way?

Mr. Burt: I should like to make some further progress, because I have a number of questions to answer.

[Mr. Burt]

The right hon. Member for Wythenshawe spoke of the worry about sheer practicalities. He asked why, when up to now disabled people have been dealing with only one agency, they should have to deal with the local authority as well. The premise was not based on fact. The majority of disabled people getting help from the independent living fund were also receiving support services from their local authority, and so have always been in contact with two sets of social workers. Therefore, it is much better for the entire package of care to be discussed between the parties concerned. The disabled person will benefit from having a complete personalised package of care.

The 1993 fund will work, as the circular to local authorities explains, by ensuring that all the eligible clients will be people already in touch with their local authority. The social worker assessing the person's needs will say, "You are in the right age group—16 to 65—you are getting the top rate of DLA care component, your income is insufficient to meet your care needs, you need help which will be assessed at roughly, say, £400 a week. That means that you might be eligible for help from the 1993 fund. Do you want to make an application?" The social worker and client will then apply to the fund. The fund's social worker and the local authority social worker will make a joint visit to the client. All three will then agree what package of care is to be provided.

It has been suggested that there may be great disagreement but there is no reason why that should be the case. People are now working to see that the individual needs of those in need of care are provided for. That is in the great spirit of co-operation, about which we hear so much from the Opposition when they are in the business of defending local authorities. They say often that local authorities can do the job. In relation to the disabled, they will be able to do that, and we shall back them.

The right hon. Member for Wythenshawe also asked what would happen about appeals and complaints. That is a fair question. Since April 1991, local authorities have been required to operate complaints procedures in relation to their social services functions. If an individual is dissatisfied with the outcome of the local authority assessment, he can make use of that procedure, which includes referral of the complaint to a panel with independent members if necessary.

Should cash payments be provided? We feel that the partnership arrangement between the individual, the fund and the local authority means that the individual has more not less choice as a total package of care is agreed, rather than some random services being provided by the local authority with a cash top-up from the fund. We do not believe that it is appropriate that the local authority should be able to make cash payments to individuals. There are difficulties in determining which clients would be eligible and in controlling costs. The need to develop funding and monitoring mechanisms is likely to lead to a bureaucratic and inflexible system.

The Government have given careful consideration to local authority payments and we have decided that at this stage it would not be wise to introduce such a provision. However, I see no reason for that to be an irreversible decision. I think I shall be responding to the mood of the House by keeping a close and careful eye on this issue for the future.

Mr. Sheerman: Unless the Minister was asleep when I made my speech, as he obviously is in his own, he should surely respond to those who have asked, including the hon. Member for Mid-Kent (Mr. Rowe), why such a scheme can be permissible in Scotland but not in England. He should explain why we in England and Wales cannot have cash payments. Why is such a system bureaucratic and cumbersome?

Mr. Burt: I have given the hon. Gentleman an assurance that I shall examine extremely carefully the possibility of introducing cash payments in future. At the moment, we are not convinced that it is the right thing to do. Some local authorities find ways of making small cash payments, and that may be the position in Scotland. It is for local authorities to ensure that they keep such payments within bounds.

Some hon. Members have asked whether moneys could be given to charities or trusts to enable them to do the work. When the full flexibility of community care is understood, some of the concerns expressed by Opposition Members will disappear. The objective of community care, and the way in which it can work with the ILF, is to enable local authorities to provide services up to a cost of £200 a week, with £300 available as extra top-up, but they need not be provided by the local authority. A local authority must simply ensure that £200-worth of services are provided, but that could be done through an independent provider. Indeed, the one provider could supply the £500-worth of services. The degree of individualisation and flexibility was not previously understood.

Opposition Members seem to be confused about the responsibilities of the 1993 fund and those of local authorities. The ILF did not remove any responsibilities from local authorities and nor does the1993 fund. The 1993 fund simply provides an additional option for a particular client group—those aged between 16 and 65 years with care needs amounting to between £200 and £500 a week. People who do not fall into that group—that is those over 65 or those with needs that amount to less than £200 or more than £500 a week—will remain the responsibility of the local authority. For the majority of the severely disabled who do not fall into the special group for whom the 1993 fund was intended, the local authority will consider with the client what is the best way of providing or buying in care services. It is untrue to suggest that authorities will opt to pay £800 or £1,000 to place somebody in residential care when such expenditure, or less, could support that individual in the community.

In gist, if somebody is over 65 or is looking for care that will cost more than £500 a week, the local authority will be able to provide the individual care package that the ILF used to be able to supplement when community care did not exist. Opposition Members seem beset with the idea that our proposals should be considered outwith community care. They should understand that the community care individualisation package does the job for the vast majority of people who used to benefit from the ILF. That is why the concerns of Opposition Members are out of place.

In setting up the ILF extension and the 1993 fund, the Government are anxious to reassure those who are now on the ILF that they will be able to receive their new payments —the point was made by my hon. Friend the Member for Worcester—and notice nothing different—no change—except the name on the cheque. For the rest, the new fund

will deal with a much smaller group of people, perhaps only 10 per authority, so the degree of bureaucratic difficulty will not be as great as Opposition Members suggest.

There have been dealings with local authorities. I am convinced that the system will be a great success. I am convinced that, just as Opposition Members have now admitted that they made an error in denying the success of the original ILF, in years to come they will recognise that they have made an error tonight and will acknowledge that this is a good Bill.

Question put and agreed to.

Bill accordingly read a Second time, and committed to a Standing Committee, pursuant to Standing Order No. 61 (Committal of Bills).

DISABILITY (GRANTS) BILL [*MONEY*]

Queen's Recommendation having been signified—

Resolved,

That for the purpose of any Act resulting from the Disability (Grants) Bill, it is expedient to authorise the payment out of money provided by Parliament of grants to—

(a) the Independent Living (Extension) Fund established by a deed dated 25th February 1993 and made between the Secretary of State for Social Security of the one part and Robin Glover Wendt and John Fletcher Shepherd of the other part,

(b) the Independent Living (1993) Fund established by a deed of the same date made between the same parties, and

(c) Motability.—*[Mr. Wood.]*

STATUTORY INSTRUMENTS, &c.

Motion made, and Question put forthwith pursuant to Standing Order No. 101(5) (Standing Committees on Statutory Instruments, &c.) and Order [26 February],

Highland and Islands Shipping Services

That the draft Undertaking by the Secretary of State for Scotland with the consent of Her Majesty's Treasury and of Orcargo Limited, which was laid before this House on 18th February, be approved.—*[Mr. Wood.]*

Question agreed to.

Motion made, and Question put forthwith pursuant to Standing Order No. 101(5) (Standing Committees on Statutory Instruments, &c.),

Official Secrets

That the draft Official Secrets Act 1989 (Prescription) (Amendment) Order 1993, which was laid before this House on 17th February, be approved.—*[Mr. Wood.]*

Question agreed to.

National Health Service (Charges)

10.1 pm

Mr. Bob Cryer (Bradford, South): On a point of order, Madam Speaker. I understand that motions Nos. 5, 6 and 7 are to be taken simultaneously. They have not yet been considered by the Joint Committee on Statutory Instruments. You will appreciate that the timetabling of these statutory instruments for today is an imposition by the Government, not a request of the Opposition. It is quite unfair of the Government to impose them before the Select Committee set up by the House to examine statutory instruments and report back on any defects has had an opportunity to do its work. I hope that you, Madam Speaker, like me, will deprecate the Government's attitude in what is, in my view, a misuse of time and for denying the Committee the opportunity to do its work.

Madam Speaker: I have noted what the hon. Gentleman has said, but he will appreciate that the motions are in order—otherwise, they would not have appeared on the Order Paper for debate today.

10.2 pm

Mr. David Blunkett (Sheffield, Brightside): I beg to move,

That an humble Address be presented to Her Majesty, praying that the National Health Service (Optical Charges and Payments) Amendment Regulations 1993 (S.I., 1993, No. 418), dated 2nd March 1993, a copy of which was laid before this House on 2nd March, be annulled

I understand that it will be convenient also to consider motion No. 6—

That an humble Address be presented to Her Majesty, praying that the National Health Service (Dental Charges) Amendment Regulations 1993 (S.I., 1993, No. 419), dated 2nd March 1993, a copy of which was laid before this House on 2nd March, be annulled

and motion No. 7—

That an humble Address be presented to Her Majesty, praying that the National Health Service (Charges for Drugs and Appliances) Amendment Regulations 1993 (S.I., 1993, No. 420), dated 2nd March 1993, a copy of which was laid before this House on 2nd March, be annulled.

I remind the House of the words you used, Madam Speaker, when you ruled on the manner in which the increases in charges had been announced to the world. You deprecated the way in which the Government had used the procedures of the House to make the announcement, without the opportunity to question Ministers on the regulations. Tonight, I deprecate the fact that the Secretary of State is not here, willing to answer for the Government questions about the increases.

We deprecate the substance of the announcement—the shameful and disgraceful increases in prescription charges, in charges for eye tests and spectacles, and in dental charges. The idea of charging the sick more in order to protect the rich more is a disgraceful act by a Government who have no morality. The increases hit at the most vulnerable people in the country—those who fall just above the income exemption levels or just outside the specific exemption levels. They and others would wish us tonight to question the Secretary of State if she were here, if she had bothered to turn up to defend Government policy, if she were not like Mary Poppins, leaving it to the No. 2 to answer for Government policy and if she were not ducking out of answering for what is a disgraceful act by a Government who know no shame. The Government are

[Mr. David Blunkett]

prepared, through increased prescriptions, to charge those suffering from cystic fibrosis, arachnoiditis, or chronic asthma or who—week in, week out—must take medication for blood pressure.

When that matter was raised with the Minister of State on a recent edition of BBC's "Question Time", he had the temerity to mislead the studio audience and viewers about whether cystic fibrosis was exempt from charging policy. Only last week I received a letter from a Mr. Brian Mott, who wrote to the Minister asking him to put the record straight. I ask the Minister to do so tonight.

Those young adults—and thankfully there are more of them—who reach the age when they qualify for prescription charges, and who previously would have died but for medical science, are compelled, if they have any income over and above the stringent exemption limits, to pay charges. Is it not time that people suffering from debilitating and life-threatening diseases were exempt from paying? Is it not time that the Government had the courage to admit that they were wrong and to widen the exemption limits? Will the Government allay tonight the fear that, far from increasing the number of prescriptions on the exemption list, they have every intention, either in tomorrow's Budget or in the autumn Budget, of reducing the number? Will the Minister of State make it clear tonight that those rumours are incorrect and that the Government will not tax even more of those who are sick or in need of support or help or of remedial action in order to protect the rich? That is what it amounts to.

One remains untouched by the regulations if one has a good job, good income, good health, good sight and good teeth—and one is lucky enough to have a family and friends who are also blessed in equal proportion in those respects. However, if one is in need of regular prescriptions or medication, one will be dealt with quite differently. Instead of the £14,000 a year gain that those earning more than £70,000 a year enjoy under Conservative tax changes, those most in need are taxed because they happen to be sick.

Raising prescription charges by eight times the rate of inflation—2,100 per cent. since 1979—in the course of 15 changes was done after a promise by the former Prime Minister, the guru of the new right, who on 18 April 1979 said:

"We have no intention to raise prescription charges."

Pardon my bad English, but those were the words of the former Prime Minister. In the same speech she said:

"Let me make it clear that the Conservative party has no plans for new NHS charges."

Will the Minister of State repeat the former Prime Minister's promise?

We are mindful tonight that the Government are on the point of breaking a second promise. Having broken their promise not to increase prescription charges from 20p, they are undoubtedly looking—and have already made it clear from the Treasury—to increase charges so that those receiving NHS treatment will pay for the service rather than taxpayers as a whole.

Why is the Secretary of State not prepared to respond tonight? The answer is simple. Just over 20 years ago, in "Poverty Pamphlet No. 8", she made her position clear. She spelt out why it was that people could not afford the 20p that they were then asked to pay towards their prescriptions. She quoted one mother as saying:

"It's a waste of his time and mine".

She was referring to visiting the doctor, because the family could not afford it. The pamphlet went on to say:

"one harassed mother said 'Eight mothers said that they could not afford the twenty pence prescription charge, and were shopping around the market for home-made cures for minor ailments.'"

Those are not my words; they are the words of the Secretary of State, who is so timorous—so unusually timorous; so remarkably timorous—that she will not stand up and answer those questions at the end of my speech. I am delighted that the Secretary of State has turned up, albeit late—less like Mary Poppins than like Cinderella at the ball.

Millions of people are concerned about the changes that we are discussing tonight, and about the way in which they are expected to pay the price of the Conservative Government's failure to deal with the economy. The Government have had to raise charges rather than taxes; they are unwilling to fund from general taxation what should rightly be a benefit for those who need medication most. Not only have they failed to keep promises and to protect people who need the occasional prescription; they have failed to protect those who need multiple regular prescriptions, week in, week out. That is why we are praying against the regulations.

A 50p increase per prescription may seem very little to people who earn vast sums out of the hard work of others. It may seem very little to Conservative Members. For many people, however, it will represent a major burden on their income. Three or four prescriptions will constitute a large imposition on those who are struggling just above income support levels, with just enough income to keep their families together. Such people are often on part-time earnings.

The Parliamentary Under-Secretary for Health (Mr. Tim Yeo): What about the poll tax in Sheffield?

Mr. Blunkett: All that we get from Conservative Members are cheap remarks about people paying their poll tax. The poll tax and the prescription charge have one thing in common: they do not take from the rich, but they load disadvantages on to the poor. They are an alternative form of taxation. The most regressive taxation taxes those in specific need of medication while alleviating the position of those who could well afford to pay for that medication.

It is worse than that, however. It is nonsensical in itself for someone receiving one form of exemption to be exempt from everything, and for those who are not exempt to have to pay everything. Why should people suffering from cystic fibrosis not be exempt, while those suffering from ailments that are already exempt find that everything else falls into place?

Only this morning, I received a letter from a Mrs. Forbes of Aberdeen. Her son, aged 28, has cystic fibrosis, and is struggling for life. She is fortunate, because he is exempt—not because of the major life-threatening ailment from which he suffers, but because of a related problem that enables him to receive prescriptions. It is nonsensical; everyone knows that. The system needs to be changed, and the amounts that people are paying need to be frozen. Tonight, however, we are debating a 50p increase, and the draconian weighting of that increase on those who can least afford it.

Why are we debating the issue on the eve of the Budget? The answer is simple: the Government are not prepared

—as they were not when they made the announcement —to stand up in the light of day and the public arena, knowing that they will be reported, and argue their case. They know that that case is wrong; they know that the charge should not be levied, and that they are being unfair to those who are least able to defend themselves.

10.14 pm

The Minister for Health (Dr. Brian Mawhinney): From 1 April the National Health Service (Charges for Drugs and Appliances) Amendment Regulations 1993, the National Health Service (Dental Charges) Amendment Regulations 1993 and their Scottish equivalents introduce responsible increases in NHS prescription charges and in the maximum and proportional charges for dental treatment. Those charges will be paid only by people who can afford to contribute to the cost of their treatment and medication.

The existing wide-ranging exemptions and remission for people who cannot afford prescription charges are unchanged. No child, no expectant or nursing mother, no state retirement pensioner and no one on income support or family credit pays a charge. They and the people who get free prescriptions because they are exempt on medical grounds or are on a low income are unaffected by the 50p increase.

I shall set the regulations in context. NHS spending is at an all-time high. The gross provision for 1993-94 is over £37 billion, a real terms increase over this year and up by 61 per cent. in real terms since 1978-79. To put it another way, we are spending just over £100 million a day on the national health service. That amounts to £649 for every man, woman and child compared in equivalent constant prices with £417 when the last Labour Government left office.

In 1992-93, £19 of every £20 spent on the NHS will be met from taxes and national insurance contributions. It is estimated that less than 4 per cent. will be met from all the charges in the NHS put together. Nevertheless, that 4 per cent. is not insignificant in terms of better patient care. From 1 April the proposed increase in prescription charges from £3·75 to £4·25 will raise about £278 million a year for the NHS in England alone. Opposition Members may be interested to know that that would fund the building of about seven 300-bed district general hospitals and their running costs, or over 70,000 hip replacement operations or more than 45,000 coronary artery bypass grafts.

Mr. Thomas Graham (Renfrew, West and Inverclyde): Not long ago I wrote to the Minister about a constituent with a chronic disease. The reply that I got only a week or so ago was basically that if the Government gave her an exemption they would need to exempt people with cancer, with dialysis problems, with diabetes—the lot. Does not the Minister realise that our hospital bill will increase if people cannot afford the medicine that will keep them out of hospital? An increase of 50p will deny proper medicine to people on low wages and they will end up in hospital costing £600 to £2,000 a week. Is that the way that the Minister want to go?

Dr. Mawhinney: Of course, there must be some truth in the hon. Gentleman's general proposition, but he was not listening to me. I said that those on low income were exempt from charges. Therefore, the hon. Gentleman's point is not valid.

On average, people who pay prescription charges receive six items a year on prescription. The new prescription charge, which is still much less than the average total cost of a prescribed item to the NHS, will cost such people £3 a year more than they are paying this year. For the minority who pay charges and who are heavier than average users of prescribed items, the prescription prepayment certificates offer real savings. The new proposed cost of four-monthly and annual prescription prepayment certificates will be £22 and £60 respectively. As hon. Members know, other charges will be increased by a percentage similar to the rise in prescription charges.

Perhaps Opposition Members would like to suggest which of our planned improvements in NHS services next year they would like to cut to make up the shortfall. Such cuts would take place without providing any benefit for the least-well-off because they do not pay prescription charges. The charging structure recognises people's differing ability to pay. Four out of every five prescribed items are now dispensed free—more than at any time since the Labour Government reintroduced prescription charges in 1968. When Labour last left power in 1979, only three out of five prescriptions were dispensed free.

We propose to increase the maximum charge for a course of dental treatment which starts on or after 1 April this year from £225 to £250. I noticed that the hon. Member for Sheffield, Brightside (Mr. Blunkett) did not mention dental charges, so I am grateful to him for his support on this aspect of the regulations. That increase will affect less than 1 per cent. of adult courses of treatment. At the same time, the proportion that a patient contributes to the cost of a course of dental treatment will increase from 75 to 80 per cent. Increases in the proportional and maximum charges for dental treatment will raise an estimated £17 million for the national health service in England in 1993-94 and about £25 million in a full year. And £25 million is equivalent to the annual cost of about 250 general dental practitioners.

As with prescription charges, only those who can afford to do so are asked to contribute towards the cost of their dental treatment. All treatment to those under 18 years of age is free and some 21 per cent. of adult courses of treatment are free. Many others on low incomes get treatment at reduced rates. We are seeking to encourage a positive attitude and changed habits to dental care through the provision of free dental treatment for children and the continuing care which the new contract for dentists introduced for all adults.

Since the introduction of the new contract, more people are coming forward for dental treatment and registering with a dentist. Adult registrations at 31 January were more than 21 million, an increase of 3·3 per cent. since 1 July 1992. More courses of treatment are being undertaken on these people. That does not sound to me like a system under which people are so scared of charges that they put off going to the dentist.

Finally, the National Health Service (Optical Charges and Payments) Amendment Regulations 1993, together with their Scottish equivalents, increase the value of optical vouchers by an average of 2·75 per cent. Once again this increase is in excess of the current rate of inflation and should preserve the real terms value of the vouchers. About 34 per cent. of the population are entitled to optical vouchers, including children under 16, students under 19, people on income support or family credit,

[Dr. Mawhinney]

others on low incomes and people who need certain complex lenses. Expenditure on the optical voucher scheme costs the NHS about £100 million a year.

Mr. Jimmy Boyce (Rotherham): Will the Minister be kind enough to explain to the House what he means by "low income" before people have to pay?

Dr. Mawhinney: I think that the hon. Gentleman knows the answer to that question. It relates to qualification for existing social security benefits.

Last year, from 1 April, we carried out a wholesale redefinition of voucher bands. This increased the value of voucher A, the most common voucher, by over 20 per cent. and the majority of customers are considerably better off.

The hon. Member for Brightside set out the Opposition's current position on prescription charges. Year by year during the 1980s the Opposition attacked the Government for asking the limited number of people who actually pay prescription charges to contribute more. Year by year, the hon. Member for Livingston (Mr. Cook) attempted to convince the world that he was outraged. Year by year he won his sound bite on the evening news, so when the time came to write the election manifestos, Conservative Members rushed to have a look at what the Opposition would say and see how they would use this opportunity to put their principles into practice. We looked for their pledge to reverse the rises in prescription charges which they had so vehemently opposed. We looked in vain. Labour devoted two pages of its manifesto to health, but, in all that space, it had precisely nothing to say about prescription charges. The hon. Member for Brightside had nothing to say about them this evening. He was but a poor, pale imitation of the hon. Member for Livingston—and we know where he progressed to.

Of course, in their manifesto, the Opposition were willing to remove £500 million from patient care to fund the minimum wage proposals, so beloved of their union sponsors, but even they baulked at having to remove another £240 million by scrapping prescription charges. Unless the hon. Member for Brightside is able to do better than he has this evening, the pages of his speech and all the words that he will pour forth in sound bites tomorrow and in the weeks to come will wind up in the same paper shredder as the words of the hon. Member for Livingston. The hon. Member for Brightside is trying to have it both ways—outrage but no guts to make a commitment that he would reverse the changes that we are announcing tonight.

All Governments have to make choices. We are committed to increasing spending on the NHS and our record is significantly better that than of the Opposition. However, we also have to balance the needs of the service against finite resources. Available resources should be directed at the greater need. The charges for dental treatment and prescriptions, which will apply from 1 April, are a small but nevertheless important contribution towards the funding of the NHS and will continue to be paid only by those who can afford that contribution.

The public understand the usefulness of a limited additional contribution to the NHS from those who can afford it. Their concern is not to engage in party political point scoring, especially of the spurious type so beloved of Labour politicians, but to have the best possible national health service. Those who share the public concern should vote against the motions.

10.27 pm

Ms Liz Lynne (Rochdale): I welcome the chance to debate the issues, but not the increases in prescription or dental charges. I welcome the increase in the value of the voucher, although it does not go far enough.

This is the 15th rise in prescription charges since 1979. There has been a horrendous increase of 2,000 per cent., a 13 per cent. increase on current levels and, at the same time, an increase of only 1 per cent. in real terms in the whole national health service budget. How can the Government justify a 13 per cent. increase in prescription charges but a real terms increase of only 1 per cent. in the NHS budget? So much for the NHS being free at the point of delivery.

How many more people will be put off going to their general practitioner for a prescription? The pharmaceutical industry has said that increases could be dangerous because many patients will have to choose between which prescription they collect. I know of people in my constituency who have already had to choose between painkillers and antibiotics. Of course, they opt for the painkillers because they want to kill the pain, but they are storing up problems for the future. If they do not take the antibiotics, they will cause long-term problems which will cost the health service more. The Government's attitude is, therefore, very short-sighted.

The Minister has just said that those who cannot afford to pay will not pay, but I disagree. Many people on very low incomes will not be able to afford to pay. They will not be included in the exemptions and they are not included at the moment. For example, students who receive loans are not exempt. Many students do not get free prescriptions, free eye tests or any of the other free services that they used to get. Certain people on invalidity benefit, for example, will not get free prescriptions.

The citizens advice bureaux brought the case of a constituent to my attention. He has to have medication to thin his blood and he cannot get that medication free. The medical exemptions were probably good enough when they were drawn up in 1968, but they must now be changed. I urge the Government to look at the matter seriously and to extend the list of medical exemptions to cover the advances in medicine in the past few years. My constituent might then be included in such a list of exemptions.

I know that the drugs bill is large—nobody disputes that. I know that the Government have said that we cannot afford the present drugs bill. Perhaps we should consider other areas, such as over-prescribing. I know that the Minister has done some work on that, which I welcome. Some general practitioners over-prescribe and issue repeat prescriptions far too often. GPs should also consider referring people for alternative medicine instead of putting them on to particular drugs. I understand that GPs can already do that under extra-contractual referrals, but I believe that many GPs are not aware that they can do that and I should like the Government to make GPs more aware that alternative medicine is available. That could mean that a patient could be referred for chiropractic, for example, instead of being given drugs.

Dental charges are up by 6·7 per cent. I know that that increase is not as great as the increase in prescription charges and I suppose that we should be grateful for small mercies; personally, I do not think that we should be. The patient's contribution is up from 75 per cent. to 80 per cent. As the Minister said, the maximum payable has increased from £225 to £250. In the past few years, NHS dentistry has been damaged beyond repair. Some dentists already refuse to take NHS patients. The regulations will make it even more difficult for patients to get treatment.

I have heard of a child in my constituency—I am looking into the case at the moment, so I do not know how true it is—who has been refused NHS treatment for a brace. She is a fairly young child and her father has brought the case to my attention. These regulations will not help patients to go to the dentist. Many people refuse to go to the dentist now for check-ups because they cannot afford it.

Then we turn to vouchers for glasses. The Federation of Ophthalmic and Dispensing Opticians, in a survey in 1992, found that the cheapest spectacles were £38·55 inclusive of VAT. The voucher was £23·70 and has gone up to £24·40. Where is the £14·15 to come from for those who need glasses and who are supposed to be getting them free? The voucher does not cover the cost of the spectacles.

A mother in my constituency has talked for the past few years to me and to anyone who will listen about her daughter, who keeps falling and breaking her glasses. She can get them repaired, but the voucher does not cover the cost completely. Each time her daughter falls and breaks her spectacles, she has to go to the optician and top up the money over and above the voucher. That is not good enough.

Dr. Mawhinney: May I point out to the hon. Lady that the most recent survey of spectacle retailers showed that 50 per cent. of retailers were able to offer spectacles at within the voucher value?

Ms Lynne: But 50 per cent. is nothing like enough. If one does not live in a constituency where——

Mr. Graham: Does the hon. Lady realise that I represent a rural constituency and that if my people had to keep running into the centre of town for prescriptions, they would pay pounds and pounds in transport costs—if they were lucky enough to get a bus in the first place?

Ms Lynne: I take the hon. Gentleman's point.

The Under-Secretary of State for Health said in 1991 that people would not have to top up. I gather that he meant that they would not have to top up at all. On 11 December 1991, in the Committee that considered the National Health Service regulations, the Under-Secretary said:

"The hon. Gentleman also sought reassurance that voucher values would be sufficient to permit anyone holding a voucher to have access to the purchase of spectacles without needing to pay a supplement. That is, indeed, the Government's view."—[*Official Report, Second Standing Committee on Statutory Instruments, &c.*, 11 December 1991; c. 14.]

Obviously it is not the Government's view any more, because the Minister refers to a figure of 50 per cent. Do the Minister and the Secretary of State think that the vouchers will cover costs in all cases? I doubt whether the hon. Gentleman could stand up at the Dispatch Box and say that, in every case, the voucher would cover the cost of spectacles.

There is real fear that people will not be able to get the treatment that they need. They will not be able to get their prescriptions. In many cases, they will not be able to get the dental care or the eye care that they need.

On 11 March 1993, Virginia Bottomley herself—[HON. MEMBERS: "Order".]—the Secretary of State for Health said:

"above all, the NHS will continue to offer care on the basis of need, not ability to pay."

I hope that the Government take that into account, because if the regulations go through tonight, that will certainly not be the case.

10.37 pm

Mr. Jerry Hayes (Harlow): It is always a joy to follow the hon. Member for Rochdale (Ms Lynne). Whatever she tells the House, she tells it with great aplomb. The trouble is that she never tells us very much. It was most interesting to hear what the hon. Lady had to say. I refer her to a document that her party published in February 1992, entitled "Restoring the Nation's Health". The sum total of the Liberal Democrats' views on prescription charges can be paraphrased thus: the total abolition of charges is not necessarily desirable. So I ask the hon. Lady, "What is the Liberal Democrats' policy?"

Never mind the Liberal Democrats; let us deal with those on the Opposition Front Bench. A great thing happened to this nation last week. Mr. Yentob of the BBC made the cataclysmic announcement that "Eldorado" would be taken from our screens. Some of us occasionally switched on at 7 o'clock in the evening and watched totally inadequate, totally hopeless people limping from crisis to crisis, without any idea of what on earth they were doing. Where will we look now to make us look adequate? I suggest that we look at the health team on the Opposition Front Bench. I cannot attack their policy on prescriptions because I do not know what their policy is, and if I do not know what their policy is, I know that they do not know what their policy is.

In the run-up to the general election, the hon. Member for Livingston (Mr. Cook) said that Labour would freeze prescription charges and that, over time, they would decline in value.

Mr. Paul Flynn (Newport, West): On a point of order, Madam Deputy Speaker. This is a specific debate about the Government's proposals and has nothing to do with Opposition policies. Many hon. Members wish to catch your eye to talk about the specific proposals before us. The hon. Member for Harlow (Mr. Hayes) has spoken for some minutes now without mentioning the Government's proposals.

Madam Deputy Speaker (Dame Janet Fookes): I usually allow a little latitude, but the word is "little". I am sure that that point will be taken on board.

Mr. Hayes: I always obey your rulings in these matters, Madam Deputy Speaker. In my constituency of Harlow, we live in a nuclear free zone. Obviously the Opposition Front Bench lives in a policy-free zone.

I was simply trying to constrast what Opposition Members have been saying with Government policy. That is a perfectly fair and reasonable thing to do. The Opposition spokesman did not tell us what the Opposition were going to do.

Mr. Ron Davies (Caerphilly): Order.

Mr. Hayes: The Opposition are praying against the regulations. They should have the courage to tell us what they are going to do. The House and the general public deserve an answer, but we have not heard an answer tonight.

What did we hear from the hon. Member for Sheffield, Brightside (Mr. Blunkett) tonight? Perhaps he, or one of his colleagues, will tell us later what the Opposition will do. Would they freeze prescription charges or abolish them? Would they bring more money into the health service? Or is the hon. Gentleman going to continue, as the press reports that he is, to attack my right hon. Friend the Secretary of State for Health?

In the *Financial Times* the hon. Member for Brightside accused my right hon. Friend the Secretary of State for Health for caving in to the Treasury. He said that the Government were prepared to tax the sick, not the rich. Therefore, according to the hon. Member for Brightside, my right hon. Friend is caving in to the Treasury. The proposals in the regulations involve £278 million. Is that money going to the Treasury? No, it is going directly to health care and directly to the patients. As my hon. Friend the Minister said so eloquently a moment ago, it will go to hospitals, into coronary bypasses and into reduced waiting lists. *[Interruption.]* I am sorry. The hon. Member for Brightside may have said something about a policy. Is he attacking that amount of money?

The Opposition always talk about cuts. I talk about them as well. I remember the cuts in the pay of doctors and nurses under the last Labour Government.

Madam Deputy Speaker: Order. The subjects of tonight's debate are the regulations that make increases. Those regulations are being prayed against. The hon. Member for Harlow (Mr. Hayes) should consider the pros and cons of the proposals.

Mr. Hayes: You are absolutely right, Madam Deputy Speaker. However, I thought it only fair, right and proper to put the record straight. The trouble is that the Opposition have no policy that we can attack. They have all the balance of a wet blancmange.

Hon. Members have asked me to consider the achievements in the drugs budget. We are talking about more than £2·3 billion being spent every year. Opposition Members said that we are taxing the sick and the poor. Four out of five prescriptions are free. They are free if one is pregnant, a child, elderly, or in receipt of income support. The provisions are the most generous in the western world. If the Opposition had any decency or honesty, they would admit that.

I do not want to provoke any of my Conservative colleagues who might be regarded as the gnomes of Maastricht—mercifully they are not here tonight—but perhaps I can refer to Europe. The Opposition are great at praying in aid what happens in Europe. Let us consider what happens in Europe.

Mr. Ron Davies: Order.

Mr. Hayes: The hon. Gentleman may say, "Order", but my point is directly relevant to the debate. The Opposition tell us what happens in Europe and what should happen in this country in relation to Europe. They tell us how much money we should be spending vis-a-vis Europe. Perhaps I can remind hon. Members what happens in Europe. The German Government intend to reduce the drugs budget by 5 per cent. It is the intention of this Government——

Mr. Kevin Hughes (Doncaster, North): On a point of order, Madam Deputy Speaker. Is the hon. Member for Harlow (Mr. Hayes) trying to address the 50p increase in prescription charges that the Government have imposed on the people of this country or is he auditioning for a part in "Eldorado"?

Madam Deputy Speaker: It is not for the Chair to judge the quality of any contribution.

Mr. Hayes: I am deeply grateful for that.

We are talking about a 50p increase for many people who are not poor, frail or most in need. It is the equivalent of two copies of the *Daily Mirror*, if anyone in his right mind wishes to read the *Daily Mirror* and I am not suggesting that the hon. Member for Doncaster, North (Mr. Hughes) is in his right mind.

Spain and Britain are the only EC countries to exempt pensioners from prescription charges. German pensioners have 6·25 of their state pension deducted. In socialist France, with 3 million unemployed, pensioners are expected to pay £4·60p a day for hospital charges, and in Belgium pensioners pay up to 25 per cent. of a doctor's consultation fee. What are the Opposition praying against? A 50p increase in the charge? We are talking about £278 million that is going not into the hands of the Treasury but directly into patient care. I cannot understand, and I doubt whether the general public can possibly comprehend, what on earth they are complaining about.

10.46 pm

Mrs. Alice Mahon (Halifax): I wish to add my voice to those who object to a tax on the sick. I do not think that the poor or sick will gain any comfort from the speech of the hon. Member for Harlow (Mr. Hayes), and certainly not from the Minister's hard and unfeeling speech. He presented an almost Dickensian figure at the Dispatch Box. Far from protecting those who are on low incomes and need medication, the Government have placed an intolerable burden on them. The Minister tried to defend the indefensible, which probably accounted for his rather heartless rhetoric.

Fourteen months ago, I introduced the Health Benefits Bill, which would have exempted from prescription charges all people in receipt of other benefits. Conservative Members do not realise or recognise that people who claim poll tax benefit, housing benefit, invalidity benefit or disablement benefit are not entitled to free prescriptions, yet their low incomes are recognised by the fact that they need help with such basic needs as housing. The Minister was challenged about the level of incomes of people who are in receipt of benefits, but he did not have an idea. I do not think that he lives in the same world as anybody else.

My Bill would have exempted from prescription charges anybody who was diagnosed as chronically sick. It seems eminently sensible that if people have chronic illnesses the least a caring society should do is to ensure that they have free medication. It would have exempted people requiring long-term medication, to whom my hon. Friend the Member for Sheffield, Brightside (Mr. Blunkett) referred, such as those with chronic bowel disease. A constituent of mine has Crohn's disease. He

received an increase in benefit of just 8 per cent., which took him above the level at which he could get free prescriptions. He needs them weekly—all the time, in fact. So he ended up with a cut in his weekly income of £3.

I wish that the Minister had taken more notice of my Bill, which would have taken care of such people. Those with asthma, multiple sclerosis and cancer do not automatically get free prescriptions.

One of the saddest categories of people whom the Government continually ignore is that of the mentally ill. I have a great deal of contact with a self-help group in Halifax. The group is for people who have suffered from a mental illness, and it is called Calderdale Survivors Speak Out. Its members would clearly tell the Minister about their friends who, when faced with electricity and other bills, often pay the bills but do without their medication. They then get progressively worse and end up back in hospital, costing the system a lot more than if they had had free prescriptions in the first place. It is obvious to all that such people will be badly affected by the increase proposed tonight.

The Bill that I presented drew attention to the help that may be derived from the health benefits scheme. Those benefits are for dental and optical charges, and for travel costs—but they offer little or no help with prescriptions. In practice, the scheme does not meet its objectives. It is terribly bureaucratic, and thousands of people are deterred from claiming health benefits because of the scheme's complexity.

I sent the Minister a copy of the form that people are expected to fill in to claim back small amounts. Its 20 pages contain 50 questions. Not surprisingly, there was no reply from the Minister.

In reply to a question from a Conservative Member almost two years ago, the Secretary of State for Health promised:

"During 1991, the Department of Health will undertake a review of the administration of the low income scheme. The review will produce proposals by the end of 1991 for simplifying the claim form AG1 and other administrative procedures."—[*Official Report*, 22 May 1991; Vol. 191, c. *530*.]

Nearly two years on, we are still waiting for the Secretary of State to do something about this complex and wasteful system.

The system has failed. Almost 1 million people a year try to get help through it. The National Association of Citizens Advice Bureaux said last year that almost 100,000 people a year go to them for help to fill in the forms. Even so, 35 per cent. of all forms are sent back to the claimants because they are incorrectly completed.

The Government have a duty to tell us tonight what they intend to do about the health benefits scheme. It offers some help, but it is so complex that it is failing to help those who need it most.

I felt ashamed this evening to hear the Minister trying to defend the £4·25 that the Government now charge for each prescription. The Minister talked about the last Labour Government. The charge was 20p in 1979. The Minister cannot defend an increase that attacks the most vulnerable people in society—who go without the treatments that they require because the Government have callously decided to tax the sick.

10.54 pm

Mr. Geoffrey Dickens (Littleborough and Saddleworth): There is no question but that our national health service is the finest in the world. It is the envy of the world and many people from all over the world come here to examine in great detail the way in which we handle it. Perhaps because it is the best in the world, it is one of the most costly and the taxpayer does not have a bottomless pit of money. The Government do not have any money at all. What they have is taxpayers' money, which they have to circulate——

Mr. Jim Dowd (Lewisham, West): Do not be stupid.

Mr. Dickens: I am not being stupid. The Government have to recirculate the money and spend it in a wise way, to the benefit of everyone.

I suspect that, if I were in opposition, I might be praying against the regulations. However, I would not be doing it for genuine reasons—I would be doing it to make political advantage, as the Opposition are doing this evening. If only four out of five people pay for prescriptions, aid must be targeted on those in greatest need. It is marvellous that not one pensioner nor person on income support has to pay for a prescription.

I feel sorry for some people—those who are in the narrow band of the poverty trap. They are considered too rich to get any benefits, but they are often a little too poor to keep paying ever-increasing prices. We appreciate that a line has to be drawn somewhere. I often used to get letters from people saying that they would willingly pay more tax to do something about this or that. I would write saying that my local hospital would be grateful to receive a donation towards various units, but those units never got any money from my constituents. Sometimes, such claims are false.

People are nervous about their health and they should be pleased that we have such a wonderful health service. I do not want to make a long contribution, because I know that some—[HON. MEMBERS: "Go on!"] Well, in that case, I will. Many hon. Members wish to speak. We have had some thoughtful contributions.

I congratulate my very dear friends the Secretary of State and the Minister for Health on what they are doing for the health service. Many of our reforms, which cost an awful lot of money, meet initial opposition. All the medics were up in arms and against reforms, but now they are rushing to be budget holders and to be part of an NHS trust. They can see the benefits, but those benefits have to be paid for. As the Secretary of State and the Minister realise that throwing resources at everything is not always the answer, they have introduced streamlining and efficiency. That is why we have such a great health service.

Each and every hon. Member should be honest. We have something very precious. They must not whinge and run it down. If those who can afford have to pay a little more, they should remember that the money will not go to build motorways. It will go into the NHS for further patient care. Who knows, the constituents who write to Opposition Members may need that care and they will thank God that we have a health service. Perhaps they will even thank Him that we charge those who can pay just a little more. We should remember that some people can get a season ticket. [HON. MEMBERS: "Oh!"] Hon. Members asked me to continue.

[Mr. Dickens]

You know me and my generous disposition, Madam Deputy Speaker. I would not take advantage of all those who want to continue to rubbish the health service. One day, Opposition Members, or their constituents, might be glad of the NHS. They should thank God—I know that they are praying against the regulations—that they are fortunate enough to live in the United Kingdom, comforted by a health service second to none—I defy anybody to tell me of a better one—paid for by the taxpayer. He pays for new techniques, new operations and procedures that were not even thought of only a few years ago. We are delivering them now.

Hon. Members should remember that ours is the best health service in the world. I shall now be fair and let others speak in the debate.

11 pm

Mr. Jimmy Boyce (Rotherham): The hon. Member for Harlow (Mr. Hayes), who is no longer in his place, was clowning, as usual. His feet were planted firmly in the air. The hon. Member for Littleborough and Saddleworth (Mr. Dickens) followed the example of his hon. Friend and we heard the same nonsensical rhetoric.

The Opposition are not arguing that the moneys collected from prescription charges will not go to the health service. We are not saying that they will go to the Treasury. We are arguing that the moneys, if necessary, should come from the Treasury. We are engaged in an economic debate because with the rundown in the economy the health service can no longer be funded properly. We are not talking about where the moneys that will be collected from the outrageous increases will be spent. We simply say that the increases are outrageous. After all, we are faced with a current charge of £3·75.

I take four forms of medication a day for a minor ailment. Under the Government's proposal, I would be faced with a charge of £17. I am extremely fortunate because I can afford that.

Dr. Mawhinney: If the hon. Gentleman cared to buy a season ticket, the charge would be £22 for three months.

Mr. Boyce: That is right. I could afford that. In fact, I have a season ticket. The Minister should understand, however, that some people would not be able to afford a charge of £17, let alone £22. People are having to make choices and I doubt whether they are going without their medicine. Indeed, they could not do so. That means that they do not spend on other things. If the poll tax suffers —their payments—they will be hounded. They will be put under pressure for the non-payment of an iniquitous tax. We know that all Conservative Members voted in favour of that pernicious tax and imposed it on working people.

Earlier, I asked the Minister about the level of benefits. The hon. Gentleman said that I should be aware of it. I am only too well aware. After all, it was a rhetorical question. We are talking about those who are slightly above income support level, who are the poorest in society. I knew the answer to my question.

There will be a time of reckoning. The time will come when the Conservative party will have to account for all the misery that it has inflicted on ordinary people. If the Government want to find the money without increasing charges—my opinion may not be shared by all my right hon. and hon. Friends—they should scrap the nuclear arms programme.

11.4 pm

Mr. Thomas Graham (Renfrew, West and Inverclyde): I am astounded that the poor and the sick of our nation are expected to pay increased prescription charges. I never thought that the Government would have the audacity once again to increase the charges. I listened to the hon. Member for Harlow (Mr. Hayes), and I thought that I was listening to Jean Harlow, an actress. As for the hon. Member for Littleborough and Saddleworth (Mr. Dickens), what an example we present of fat, healthy people. However, we have £31,000 a year and can afford the increase in charges. Many people in my constituency cannot pay the current prescription charges.

I have written to the Department on a number of occasions, seeking exemptions for chronically sick constituents. The answers that I received were horrific; they were insensitive to the problems of sick people. How can any Health Minister say that he will not give an exemption to a chronically sick person? How can he say that he will not give an exemption to someone suffering from cancer?

A woman constituent wrote to me about her husband, who was suffering from cancer. She had to buy £16 worth of medicine a week. She did everything possible to give her husband aid and succour in his dying days. I wrote to the Minister about that case. How, for God's sake, can we inflict such pain and suffering on the sick? Can hon. Members imagine being sick, going to the chemist with four prescriptions and saying, "Pick the one I don't need"? A doctor—a professional with the skills and ability at least to try to make someone well—has written four prescriptions, but the patient cannot afford them. Hang your head in shame, Minister——

Madam Deputy Speaker: Order. I know that the hon. Gentleman feels strongly, but would he please remember that he is addressing me, not the Minister?

Mr. Graham: I apologise, Madam Deputy Speaker. Unfortunately, such matters get me wound up. If I do not fight for the sick and disabled, who will?

The Minister cannot get away with simply saying that the orders are the way to save £300 million in the health service. There is no saving when people are being denied proper medication because they cannot afford it. The Government should be trying to improve the provision of medication if there is a problem—and there is. There is a massive problem with thousands and thousands of constituents not getting the medication that they need. People are already suffering because of low pay; the regulations will make matters worse.

I do not want to take up parliamentary time. I am becoming so angry that I am likely to breach parliamentary order and privilege. My sick constituents deserve better from the Government. The hon. Member for Littleborough and Saddleworth said that there was not a bottomless pit. These regulations should be named the Bottomley pit. It is a pit of the Government seeking once again to tax the sick in our community.

There should be a new regime to look after the health of Great Britain, and under no circumstances should it be that lot sitting in the Department of Health. We do not

want anyone—Tory, Liberal, nationalist or Labour voters—to suffer the indignity of a Government driven continually by the market place, by a free market. At the end of the day, millions of people are unemployed and thousands are on low pay. We sat for weeks and weeks listening to the Government talking about a trade union reform Bill. They abolished the wages councils, so we will see the spread of low pay, which will drive people further into bad health and sickness. They will not be able to recover because they will not have enough money to pay for prescriptions—and that will be because of the Government's unthinking, uncaring and sheer heartless attitude.

11.9 pm

Mr. John Gunnell (Morley and Leeds, South): Even though I have been in the House only a short time, I realise that it is traditional to refer to the remarks of the previous speaker. I can truthfully say that I have never been so strongly in agreement with the speaker who immediately preceded me, my hon. Friend the Member for Renfrew, West and Inverclyde (Mr. Graham), as I am now. I will emphasise a number of his points and comment on tonight's announcement and our reaction to it. It is worth remarking on the nature of the announcement, the manner in which it was made, and the Government's defence—although I was able to agree with my hon. Friend that the Government have ceased to defend any of their proposals. The announcement was made in a matter-of-fact way, as if it were just a 50p increase. The point has already been made that prescription charges have in fact increased 2,000 per cent. under successive Conservative Governments.

The 50p rise in prescription charges represents a 13·33 percentage increase. The Government constantly boast about low inflation and the level of wage increases that should be sought—but the charges represent a 13 per cent. increase and the Government do not bat an eyelid. They think that it should be accepted without protest and query the fuss that we are making tonight.

The announcement was cynical and was delivered as though it was of little importance to anyone. The information was just slipped out. We learnt of the increase a week ago through a parliamentary procedure that did not involve a public announcement which would have allowed the public to react. The Opposition had to make it clear that the announcement had been made and to publicise it—just as it is left to the Opposition to comment on the increased charges tonight.

The Government have offered no defence. The Minister says that the poorest will be protected. Even the hon. Member for Littleborough and Saddleworth (Mr. Dickens) pointed out that those at the margin are in the most difficult position. The same was said by my hon. Friend the Member for Renfrew, West and Inverclyde and other of my hon. Friends. To many, the increase represents a massive rise. For them, £4·25 for every prescription that they need is a lot of money. The Minister would not disagree that many people need double prescriptions and they will have to pay £1 more and a total bill of £8·50p. Many at the margin will have great difficulty paying those higher charges.

The hon. Member for Rochdale (Ms Lynne) mentioned certain categories who would suffer, such as students. I have engaged in correspondence with the Minister about a student in my constituency, who wrote to me setting out his budget. He said that he felt that, given his income, he should not have to pay the prescription charges. He was determined to get through his college course without recourse to a student loan; as he explained in his letter, he would much prefer to be free of debt when he graduated. He was trying not to draw heavily on his parents' resources, while also trying to complete his course without a loan.

When I asked the Minister why that student was having to pay prescription charges, it was explained to me that he was being charged as if he had drawn his student loan. He had been told that he had a notional student loan. He had been lent no actual money, but the fact that a loan was available to him apparently meant that the money that he had not claimed still counted against him. That is just one small indication of the lengths to which the Government will go to penalise, in this case, a student who was determined to complete his course and be free to pursue employment—if he could find it, that is—without the hindrance of a loan.

That student was forced to pay prescription charges on the basis that he had claimed a loan that he rightly had not claimed. He is just one of a category of people for whom the imposition of extra charges will be the last straw. A 13 per cent. increase in a charge that is so important to so many people is simply not acceptable. The defence advanced for the charges has been negligible; such a level has never been justified.

Mr. Jack Thompson (Wansbeck): An increase is now being proposed in the number of items being taken off the list that a doctor can prescribe. Those receiving the benefit of not having to pay prescription charges are now having to pay normal chemist shop prices. They are being hit twice. If they are elderly, for instance, they will get away with not paying prescription charges, but they will probably have to pay more for the same medicine than they would have paid otherwise.

Mr. Gunnell: I thank my hon. Friend for raising that important point, which has been raised by others. I only hope that the Chancellor will not impose VAT on medicines tomorrow. I noted that the pamphlet provided by the House of Commons Library included medicines among the items that might attract VAT; certainly, many people would be affected by that. As others have pointed out, there are quite different ways in which a Minister could choose to tackle the allegations of waste in prescribing.

Mr. Barry Porter (Wirral, South): I agree with my hon. Friend the Member for Littleborough and Saddleworth (Mr. Dickens) that our national health service is the best in the world. Can the hon. Gentleman tell me which country in the western industrialised world has lower prescription charges than those proposed in the regulations and which has exemptions more generous than those provided here? There is none.

Mr. Gunnell: I shall have to refer the hon. Gentleman to the paper that I have received from the Library. What I know, however, is that the Conservatives voted against the NHS when it was set up in 1947.

Mr. George Kynoch (Kincardine and Deeside): Will the hon. Gentleman give way?—*[Interruption.]*

Madam Deputy Speaker: Order. If the hon. Member who has the Floor does not give way, hon. Members trying to intervene must sit down.

Mr. Gunnell: I think that I have said enough to make it clear that I, like my right hon. and hon. Friends, find the scale of the increases and the way in which they have been announced unacceptable. Once again the Conservative party is proving that the NHS is not safe in its hands.

Ms Dawn Primarolo (Bristol, South): In the few minutes that are left to me to sum up for the Opposition, it is important to return the debate to the subject of the regulations—the 13 per cent. increase in prescription charges. That is higher than the 1·5 per cent. pay increase that the Government forced on health service workers, whose lobby we saw today. The increases will take dental charges to 80 per cent. of the total cost of treatment for national health service patients. It is part of the Government's strategy to force dentistry out of the NHS.

There has been a great deal of misinformation from the Government about exemptions from charges and about who can or cannot afford to pay the increases. We should be under no illusions. The increases are a result of the Government's failed economic strategy. They are a tax on the sick to pay for the health service because the Government's economic strategy is not delivering the resources.

The increases will weigh heavily on those who just fail to qualify for the benefit that hon. Members have mentioned. Forty per cent. of the population pays national health service charges. Perhaps in his winding-up speech the Minister will reveal the information in the Government's possession about the true failure of their income and exemption schemes. The Minister wrote to Ms Ann Abraham, chief executive of the National Association of Citizens Advice Bureaux, on 16 July 1992. His letter followed the report by the association entitled "Health Warning" which pointed to the problems with the exemption scheme.

For example, people have to apply for exemption on a 19-page form. Even those who administer the scheme find the form difficult to understand and make erratic and incorrect judgments on people's entitlement. What must it seem like to people applying for needed medication? The grounds for exemption are not consistent. For instance, a pensioner is exempt from prescription charges but not from other charges. A pregnant woman can get help with most charges, but not with hospital visits. The maximum help that is available does not cover the total cost of, for example, optical charges.

The Government agreed that the system did not work and that the people they were trying to help were not helped by the system. In his letter to Ms Abraham the Minister said:

"As you know, the Government has been concerned to keep the arrangements for providing help with NHS charges under close scrutiny. The decision to carry out the Review announced by my predecessor shortly before the . . . report . . . was published, reflected our concern to improve . . . the Scheme.

Although the Review has been completed, more detailed work is being carried out on the wider implications of . . . the proposals. This will assist the decision making process."

Where is that review? What does that tell us about the Government's empty promises about helping people in need? Why did they not implement the review before looking at increasing the charges?

If we need further evidence about the complications of the scheme, I refer the Minister to a letter of 10 August 1992 to Baroness Hollis about the disability working allowance—a special allowance to help disabled people get back into work. However, they are not exempt from paying prescription charges, despite the fact that they are on low incomes.

The Royal Pharmaceutical Society of Great Britain said that more people will be unable to have the medicines that they need. The president asked the Government to consider the implications—that people will be forced back to their doctors because they will have to choose between the drugs that they need instead of having them all. The British Medical Association calls this rise a tax on illness. It is illogical; it is unfair; it is discriminatory; and it bears no resemblance to the Government's rhetoric this evening. There should be no increases.

Dr. Mawhinney: With permission, Madam Deputy Speaker. I should have liked to——

Miss Joan Lestor (Eccles): On a point of order, Madam Deputy Speaker. I believe that the Minister has to ask for the permission of the House to speak again. As a Member for the House, having been disgusted by the behaviour of those who have been on the Treasury Bench during the debate, I should like to deny the Minister the opportunity to speak again. If I may give you my reasons for this——

Madam Deputy Speaker: Order. That is not necessary. A single objection, when a Minister seeks leave to speak again, is sufficient.

Mrs. Mahon: Further to that point of order, Madam Deputy Speaker. May I add my voice to that of my hon. Friend the Member for Eccles (Miss Lestor).

Madam Deputy Speaker: Order. There is no need for that. A single objection is sufficient.

Several hon. Members *rose*——

Mr. Rhodri Morgan (Cardiff, West): On a different point of order, Madam Deputy Speaker. *[Interruption.]*

Miss Lestor: Perhaps I may explain why I do not believe that the Minister should be allowed to speak again.

Madam Deputy Speaker: Order. We do not need to have a debate about that. A single voice uttering dissent is sufficient.

Several hon. Members *rose*——

Madam Deputy Speaker: Order. No more.

11.28 pm

The Secretary of State for Health (Mrs. Virginia Bottomley): Once again, Madam Deputy Speaker, we have had a catalogue of whingeing and moaning and a lack of policy from the Opposition. My hon. Friends are not prepared to put up with their diatribes. Time and again——

Several hon. Members *rose*——

Madam Deputy Speaker: Order.

Miss Lestor *rose*——

Madam Deputy Speaker: Is this a point of order?

Miss Lestor: Yes. The right hon. Lady came in late to

this debate. [HON. MEMBERS: "You weren't here, either".] Oh, yes I was. *[Interruption.]*

Madam Deputy Speaker: Order.

Mr. Kevin Hughes: On a point of order, Madam Deputy Speaker.

Madam Deputy Speaker: Order. I am already dealing with a point of order. *[Interruption.]* Order. I do not expect to be interrupted when I am addressing the House. Objection was taken to the Minister replying to the debate. Therefore, it seemed to me to be perfectly reasonable that the Secretary of State for Health should be given the opportunity to speak.

Mrs. Virginia Bottomley: Every week, Madam Deputy Speaker, there are 2 million more free prescriptions than there were in 1979.

Mr. Kevin Hughes: On a point of order, Madam Deputy Speaker.

Madam Deputy Speaker: Is this a different point of order?

Mr. Hughes: Yes. When the Secretary of State for Health stood up at the Dispatch Box, my hon. Friend the Member for Eccles (Miss Lestor) was on her feet. She ought surely to have been allowed to finish what she was saying.

Madam Deputy Speaker: Order. That is a matter for me. If the criticism is of me, there is a regular way of dealing with it, which is by substantive motion tabled in the House—not now.

Several hon. Members *rose*——

Madam Deputy Speaker: Order. The Secretary of State.

Several hon. Members *rose*——

Mrs. Bottomley: The Opposition are trying to deprive the House of the opportunity of hearing the sensible reasons why we have taken these decisions.

Mr. Gordon Prentice (Pendle): On a point of order, Madam Deputy Speaker.

Madam Deputy Speaker: Is it a different point of order?

Mr. Prentice: Is it appropriate for the Secretary of State to reply to the debate as she arrived late and did not hear all the contributions?

Madam Deputy Speaker: It is for the occupant of the Chair to decide who to call.

Mrs. Bottomley: I have full confidence in the Minister. He was ably explaining to the House the reasons for the decisions, but the Opposition refused to hear them.

Mr. Morgan *rose*——

Madam Deputy Speaker: Order. The House is not behaving well. Is it a different point of order?

Mr. Morgan: Could you, Madam Deputy Speaker, tell the House whether you have received a request for a statement on the collapse of the Government's court case between the Welsh Office——

It being half-past Eleven o'clock, MADAM DEPUTY SPEAKER *put the Question pursuant to Standing Order No. 15 (Prayers against statutory instruments, &c. (negative procedure)).*

The House proceeded to a Division——

Mr. Hayes *(seated and covered)*: On a point of order, Madam Speaker. Will you rule on whether there has been a gross abuse of procedure? Although the Opposition objected, properly, to my hon. Friend the Minister of State speaking, when my right hon. Friend the Secretary of State rose to speak, they refused to hear her arguments.

Madam Deputy Speaker: It is not appropriate for me to deal with that now. Points of order taken during a Division must relate to the Division.

The House having divided: Ayes 229, Noes 289.

Division No. 184] **[11.30 pm**

AYES

Abbott, Ms Diane
Adams, Mrs Irene
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Allen, Graham
Anderson, Ms Janet *(Ros'dale)*
Armstrong, Hilary
Ashton, Joe
Austin-Walker, John
Banks, Tony *(Newham NW)*
Barnes, Harry
Barron, Kevin
Battle, John
Bayley, Hugh
Beckett, Rt Hon Margaret
Beith, Rt Hon A. J.
Benn, Rt Hon Tony
Bennett, Andrew F.
Benton, Joe
Bermingham, Gerald
Berry, Dr. Roger
Betts, Clive
Blunkett, David
Boateng, Paul
Boyce, Jimmy
Boyes, Roland
Bradley, Keith
Bray, Dr Jeremy
Brown, Gordon *(Dunfermline E)*
Brown, N. *(N'c'tle upon Tyne E)*
Bruce, Malcolm *(Gordon)*
Burden, Richard
Byers, Stephen
Caborn, Richard
Callaghan, Jim
Campbell, Mrs Anne *(C'bridge)*
Campbell-Savours, D. N.
Canavan, Dennis
Carlile, Alexander *(Montgomry)*
Chisholm, Malcolm
Clapham, Michael
Clarke, Eric *(Midlothian)*
Clarke, Tom *(Monklands W)*
Clelland, David
Clwyd, Mrs Ann
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cook, Robin *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Corston, Ms Jean
Cousins, Jim
Cox, Tom
Cryer, Bob
Cummings, John
Cunliffe, Lawrence
Cunningham, Jim *(Covy SE)*
Cunningham, Rt Hon Dr John
Dafis, Cynog
Darling, Alistair
Davidson, Ian
Davies, Bryan *(Oldham C'tral)*
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Ron *(Caerphilly)*
Davis, Terry *(B'ham, H'dge H'l)*
Denham, John
Dewar, Donald
Dixon, Don
Dobson, Frank
Donohoe, Brian H.
Dowd, Jim
Dunwoody, Mrs Gwyneth
Eagle, Ms Angela
Eastham, Ken
Enright, Derek
Etherington, Bill
Evans, John *(St Helens N)*
Fatchett, Derek
Field, Frank *(Birkenhead)*
Fisher, Mark
Flynn, Paul
Foster, Don *(Bath)*
Fraser, John
Fyfe, Maria
Galbraith, Sam
Galloway, George
Gapes, Mike
Garrett, John
Gerrard, Neil
Godman, Dr Norman A.
Godsiff, Roger
Golding, Mrs Llin
Gordon, Mildred
Graham, Thomas
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Gunnell, John
Hain, Peter
Hall, Mike
Hanson, David
Hardy, Peter
Harman, Ms Harriet
Hattersley, Rt Hon Roy
Heppell, John
Hill, Keith *(Streatham)*
Hinchliffe, David
Hoey, Kate
Hogg, Norman *(Cumbernauld)*
Hood, Jimmy
Hoon, Geoffrey
Howarth, George *(Knowsley N)*
Howells, Dr. Kim *(Pontypridd)*

Hughes, Kevin *(Doncaster N)*
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport E)*
Hughes, Simon *(Southwark)*
Illsley, Eric
Ingram, Adam
Jackson, Glenda *(H'stead)*
Jackson, Helen *(Shef'ld, H)*
Jamieson, David
Jones, Barry *(Alyn and D'side)*
Jones, Lynne *(B'ham S O)*
Jones, Martyn *(Clwyd, SW)*
Jowell, Tessa
Kaufman, Rt Hon Gerald
Keen, Alan
Kennedy, Jane *(Lpool Brdgn)*
Khabra, Piara S.
Kinnock, Rt Hon Neil *(Islwyn)*
Kirkwood, Archy
Leighton, Ron
Lestor, Joan *(Eccles)*
Lewis, Terry
Litherland, Robert
Livingstone, Ken
Lloyd, Tony *(Stretford)*
Llwyd, Elfyn
Loyden, Eddie
Lynne, Ms Liz
McAllion, John
McAvoy, Thomas
Macdonald, Calum
McFall, John
McKelvey, William
Mackinlay, Andrew
McLeish, Henry
McMaster, Gordon
McNamara, Kevin
Madden, Max
Mahon, Alice
Mandelson, Peter
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester, S)*
Martin, Michael J. *(Springburn)*
Maxton, John
Meacher, Michael
Meale, Alan
Michael, Alun
Michie, Bill *(Sheffield Heeley)*
Milburn, Alan
Miller, Andrew
Moonie, Dr Lewis
Morgan, Rhodri
Morley, Elliot
Morris, Rt Hon A. *(Wy'nshawe)*
Morris, Estelle *(B'ham Yardley)*
Morris, Rt Hon J. *(Aberavon)*
Mowlam, Marjorie
Mudie, George
Murphy, Paul
Oakes, Rt Hon Gordon
O'Hara, Edward
Oiner, William
Orme, Rt Hon Stanley
Parry, Robert
Pendry, Tom
Pickthall, Colin
Pike, Peter L.
Pope, Greg
Powell, Ray *(Ogmore)*
Prentice, Ms Bridget *(Lew'm E)*
Prentice, Gordon *(Pendle)*
Prescott, John
Primarolo, Dawn
Purchase, Ken
Quin, Ms Joyce
Randall, Stuart
Raynsford, Nick
Rogers, Allan
Rooker, Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Ruddock, Joan
Sheerman, Barry
Sheldon, Rt Hon Robert
Short, Clare
Skinner, Dennis
Smith, Andrew *(Oxford E)*
Smith, C. *(Isl'ton S & F'sbury)*
Smith, Llew *(Blaenau Gwent)*
Soley, Clive
Spearing, Nigel
Spellar, John
Squire, Rachel *(Dunfermline W)*
Steel, Rt Hon Sir David
Steinberg, Gerry
Stevenson, George
Strang, Dr. Gavin
Taylor, Mrs Ann *(Dewsbury)*
Taylor, Matthew *(Truro)*
Tipping, Paddy
Turner, Dennis
Walker, Rt Hon Sir Harold
Wallace, James
Walley, Joan
Wareing, Robert N
Watson, Mike
Wicks, Malcolm
Williams, Rt Hon Alan *(Sw'n W)*
Williams, Alan W *(Carmarthen)*
Wilson, Brian
Winnick, David
Wray, Jimmy
Wright, Dr Tony
Young, David *(Bolton SE)*

Tellers for the Ayes:
Mr. Jack Thompson and
Mr. Peter Kilfoyle.

NOES

Adley, Robert
Ainsworth, Peter *(East Surrey)*
Alexander, Richard
Alison, Rt Hon Michael *(Selby)*
Amess, David
Ancram, Michael
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Arnold, Sir Thomas *(Hazel Grv)*
Ashby, David
Atkins, Robert
Atkinson, Peter *(Hexham)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Bates, Michael
Batiste, Spencer
Bellingham, Henry
Bendall, Vivian
Beresford, Sir Paul
Biffen, Rt Hon John
Blackburn, Dr John G.
Body, Sir Richard
Booth, Hartley
Boswell, Tim
Bottomley, Peter *(Eltham)*
Bottomley, Rt Hon Virginia
Bowden, Andrew
Bowis, John
Boyson, Rt Hon Sir Rhodes
Brandreth, Gyles
Brazier, Julian
Bright, Graham
Brooke, Rt Hon Peter
Brown, M. *(Brigg & Cl'thorpes)*
Browning, Mrs. Angela
Bruce, Ian *(S Dorset)*
Budgen, Nicholas
Burns, Simon
Burt, Alistair
Butler, Peter
Butterfill, John
Carlisle, Kenneth *(Lincoln)*
Carrington, Matthew
Carttiss, Michael
Cash, William
Channon, Rt Hon Paul
Clappison, James
Clark, Dr Michael *(Rochford)*
Clarke, Rt Hon Kenneth *(Rushcliff)*
Clifton-Brown, Geoffrey
Congdon, David
Conway, Derek
Coombs, Anthony *(Wyre For'st)*
Coombs, Simon *(Swindon)*
Cope, Rt Hon Sir John
Couchman, James
Cran, James
Currie, Mrs Edwina *(S D'by'shr)*
Curry, David *(Skipton & Ripon)*
Davies, Quentin *(Stamford)*
Davis, David *(Boothferry)*
Day, Stephen
Deva, Nirj Joseph
Dickens, Geoffrey
Dorrell, Stephen
Douglas-Hamilton, Lord James
Dover, Den
Duncan, Alan
Duncan-Smith, Iain
Dunn, Bob
Durant, Sir Anthony
Dykes, Hugh
Eggar, Tim
Elletson, Harold
Emery, Rt Hon Sir Peter
Evans, David *(Welwyn Hatfield)*
Evans, Jonathan *(Brecon)*
Evans, Nigel *(Ribble Valley)*
Evans, Roger *(Monmouth)*
Evennett, David
Faber, David
Fabricant, Michael
Fenner, Dame Peggy
Field, Barry *(Isle of Wight)*
Fishburn, Dudley
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fox, Dr Liam *(Woodspring)*
Fox, Sir Marcus *(Shipley)*
Freeman, Roger
French, Douglas
Fry, Peter
Gale, Roger
Gallie, Phil
Gardiner, Sir George
Garel-Jones, Rt Hon Tristan
Gill, Christopher
Gillan, Cheryl
Goodlad, Rt Hon Alastair
Goodson-Wickes, Dr Charles
Gorman, Mrs Teresa
Gorst, John
Grant, Sir Anthony *(Cambs SW)*
Greenway, Harry *(Ealing N)*
Griffiths, Peter *(Portsmouth, N)*
Grylls, Sir Michael
Hague, William
Hamilton, Rt Hon Archie *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hannam, Sir John
Hargreaves, Andrew
Harris, David
Haselhurst, Alan
Hawkins, Nick
Hawksley, Warren
Hayes, Jerry
Heald, Oliver
Heathcoat-Amory, David
Hendry, Charles
Higgins, Rt Hon Sir Terence L.
Hill, James *(Southampton Test)*
Horam, John
Hordern, Rt Hon Sir Peter
Howard, Rt Hon Michael
Howarth, Alan *(Strat'rd-on-A)*
Howell, Rt Hon David *(G'dford)*
Hughes Robert G. *(Harrow W)*
Hunt, Rt Hon David *(Wirral W)*
Hunt, Sir John *(Ravensbourne)*
Hunter, Andrew
Hurd, Rt Hon Douglas
Jack, Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert B. *(W Hertfdshr)*
Jopling, Rt Hon Michael
Kellett-Bowman, Dame Elaine
Key, Robert
Kilfedder, Sir James
King, Rt Hon Tom
Kirkhope, Timothy
Knapman, Roger
Knight, Mrs Angela *(Erewash)*
Knight, Greg *(Derby N)*
Knox, David
Kynoch, George *(Kincardine)*
Lait, Mrs Jacqui
Lang, Rt Hon Ian
Legg, Barry
Leigh, Edward
Lennox-Boyd, Mark
Lester, Jim *(Broxtowe)*
Lidington, David
Lightbown, David
Lilley, Rt Hon Peter
Lloyd, Peter *(Fareham)*
Lord, Michael
Luff, Peter
Lyell, Rt Hon Sir Nicholas
MacGregor, Rt Hon John
MacKay, Andrew
Maclean, David
McLoughlin, Patrick
McNair-Wilson, Sir Patrick
Madel, David
Maitland, Lady Olga
Malone, Gerald
Mans, Keith
Marland, Paul
Marlow, Tony
Marshall, John *(Hendon S)*
Martin, David *(Portsmouth S)*
Martin, Michael J. *(Springburn)*
Mawhinney, Dr Brian
Merchant, Piers
Milligan, Stephen
Mills, Iain
Mitchell, Andrew *(Gedling)*
Mitchell, Sir David *(Hants NW)*
Moate, Sir Roger
Monro, Sir Hector
Montgomery, Sir Fergus
Moss, Malcolm
Needham, Richard
Nelson, Anthony
Neubert, Sir Michael
Newton, Rt Hon Tony
Nicholls, Patrick
Nicholson, David *(Taunton)*
Nicholson, Emma *(Devon West)*
Norris, Steve

Onslow, Rt Hon Sir Cranley
Ottaway, Richard
Page, Richard
Paice, James
Patnick, Irvine
Pattie, Rt Hon Sir Geoffrey
Pawsey, James
Peacock, Mrs Elizabeth
Pickles, Eric
Porter, Barry *(Wirral S)*
Porter, David *(Waveney)*
Portillo, Rt Hon Michael
Rathbone, Tim
Redwood, John
Renton, Rt Hon Tim
Richards, Rod
Riddick, Graham
Rifkind, Rt Hon. Malcolm
Robathan, Andrew
Roberts, Rt Hon Sir Wyn
Robertson, Raymond *(Ab'd'n S)*
Robinson, Mark *(Somerton)*
Roe, Mrs Marion *(Broxbourne)*
Rumbold, Rt Hon Dame Angela
Ryder, Rt Hon Richard
Sackville, Tom
Sainsbury, Rt Hon Tim
Scott, Rt Hon Nicholas
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shephard, Rt Hon Gillian
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Sims, Roger
Skeet, Sir Trevor
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Speed, Sir Keith
Spencer, Sir Derek
Spicer, Sir James *(W Dorset)*
Spicer, Michael *(S Worcs)*
Spink, Dr Robert
Spring, Richard
Sproat, Iain
Squire, Robin *(Hornchurch)*
Stanley, Rt Hon Sir John
Steen, Anthony
Stephen, Michael
Stern, Michael
Stewart, Allan
Streeter, Gary
Sumberg, David
Sweeney, Walter
Sykes, John
Taylor, Ian *(Esher)*
Taylor, John M. *(Solihull)*
Taylor, Sir Teddy *(Southend, E)*
Temple-Morris, Peter
Thomason, Roy
Thompson, Sir Donald *(C'er V)*
Thompson, Patrick *(Norwich N)*
Thornton, Sir Malcolm
Thurnham, Peter
Townend, John *(Bridlington)*
Townsend, Cyril D. *(Bexl'yh'th)*
Tracey, Richard
Tredinnick, David
Trend, Michael
Twinn, Dr Ian
Vaughan, Sir Gerard
Waldegrave, Rt Hon William
Walden, George
Walker, Bill *(N Tayside)*
Waller, Gary
Ward, John
Wardle, Charles *(Bexhill)*
Waterson, Nigel
Watts, John
Wells, Bowen
Wheeler, Rt Hon Sir John
Whitney, Ray
Whittingdale, John
Widdecombe, Ann
Wiggin, Sir Jerry
Wilkinson, John
Willetts, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macc'f'ld)*
Wolfson, Mark
Wood, Timothy
Yeo, Tim
Young, Sir George *(Acton)*

Tellers for the Noes:
Mr. Sydney Chapman and
Mr. Nicholas Baker.

Question accordingly negatived.

Wessex RHA (Computer Project)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Robert G. Hughes.]*

11.43 pm

Mr. John Denham (Southampton, Itchen): I am extremely grateful for the opportunity to initiate this Adjournment debate. Over a period of eight years, Wessex regional health authority spent more than £60 million on the failed regional information systems plan—or RISP—computer project. Millions were wasted. The Public Accounts Committee will now examine the Wessex saga in detail, but it might not have done so had it not been for inquiries by *Computer Weekly*, *The Independent* and myself.

Ministers have known everything that I am about to say for months and, in some cases, years. They have done nothing to reveal the full facts. It is only today, faced with the prospect of this debate, that Ministers have announced new measures to control computer projects in the health service. Control will never be successful, however, until the full lessons of Wessex have been learnt.

I have four main concerns: the failure of the Department of Health to control Wessex and its active connivance at the cover-up; the network of personal, political, commercial and corporate interests that exploited Wessex and their interest in concealing the truth; the way in which Wessex sought to divert attention from key aspects of the RISP project, particularly those personally involving Sir Robin Buchanan, the chairman of Wessex and now of the NHS supplies authority; the abject failure in nearly every case to recover public funds or to take effective action against companies or individuals.

In September 1986, Arthur Andersen and Co. and IBM received the main RISP contract. Public concern broke out almost immediately because in May 1986 the tendering process had been reopened to enable the IBM-Andersen bid to move from fourth place to become the prime contractor.

The report that the Government had wanted to suppress reveals that, during that process, the RHA chair and/or the regional general manager were lobbied aggressively by people with vested interests: Jim Foster, who was an RHA member and also a board member of IBM; Sir Edwin Nixon, the then chairman of IBM, who became deputy chairman of Natwest; Sir Anthony Cleaver, the chief executive of IBM; and the noble Lord Jenkin, a consultant to Arthur Andersen, who clearly had unusual knowledge of rival bids which the district auditor implies were wrongly obtained through other Andersen consultancies with Wessex. At one stage, Andersen was allowed to accompany a Wessex visit to the United States to assess a DEC bid even though Andersen was a direct rival in competition. Andersen also took part in Wessex debriefings. There was much to cover up.

At least one company protested to the Department of Health. In 1986, the district auditor submitted a report in confidence which I am informed covered all the major issues revealed in the 1992 confidential auditor's report.

The Department knew what had happened, but immediately moved to conceal the truth. In December 1986, my hon. Friend the Member for Holborn and St. Pancras (Mr. Dobson) asked the then Minister of State, the right hon. Member for Braintree (Mr. Newton), who had advised Wessex on any aspect of the prospective contracts before tenders were invited. He was given a list of consultants employed between October 1984 and October 1985, but those arbitrary dates excluded Andersen's role dating back to 1983. The Minister did not draw attention to Andersen's role in 1986. At the time that that question was answered, the hon. Member for Derbyshire, South (Mrs. Currie) was a junior Health Minister. Her husband and brother-in-law worked for Andersen.

On 17 December 1986, my hon. Friend the Member for Cynon Valley (Mrs. Clwyd) asked the right hon. Member for Braintree on what basis, and by whom, the tendering companies for the Wessex RHA were selected. That question was answered five months later on 15 May, the day when Parliament was dissolved for the 1987 general election in which health was to be a major issue. A major scandal involving companies with individuals at the heart of the NHS and involving senior members of the Conservative party would have done grave damage to the Government. What better way to conceal a disingenuous answer than to wait five months until everyone's attention was elsewhere.

Not much happened in those five months. On 15 May the Minister told my hon. Friend the Member for Cynon Valley:

> "I understand from the regional health authority that the tendering companies were selected under the EC-GATT arrangements."—[*Official Report*, 15 May 1987; Vol. 116, c. *431*.]

On 21 October, the Parliamentary Under-Secretary of State for Health, the hon. Member for Bolton, West (Mr. Sackville), told me

> "There is no record of any correspondence between the right hon. Member for Braintree and the then Regional General Manager . . . it is possible that such assurances were given verbally although it would now be impossible to verify . . . it is clear that this procedure was not followed on subsequent re-evaluation of the tenders, which led to the contract being awarded to a different company than that originally selected."

It took five months to make one alleged and unrecorded telephone call to produce an answer which was simply wrong and which the Department must have known, or suspected, was wrong.

It is not clear whether the district auditor who compiled the 1992 confidential report was asked to examine or was given access to the Department of Health's files on RISP. Last July, Wessex said

> "the people with principal responsibility for RISP in the period 1982 to 1989 are no longer employed by the RHA."

That was carefully worded and calculated to divert attention from three people associated with RISP after 1989. Sir Robin Buchanan became chairman in August 1988 after chairing the Bath district health authority when he must have been aware of the problems with RISP. Far from wrapping up RISP, he drove it forward long after health district support had collapsed.

Harry Tuffill was seconded to Wessex from IBM at Buchanan's request and reported directly to him. He was to abuse the conflict of interest inherent in the position that Buchanan had created for him. He did not leave Wessex until 1990.

The third was not a matter for Wessex staff: Philip Sellers was chairman of CSL. CSL advised Wessex on the privatisation of its computer division—the division responsible for RISP—and, through subsidiaries CFM and WIS, took over services. As the district auditor noted,

"The involvement of CSL as consultant and supplier was contrary to accepted best practice."

The WIS contract was negotiated before Buchanan became chair and signed just afterwards. It effectively enabled Sellers' company to determine Wessex's computer budget in the company's interests. According to the district auditor,

"at worst, CSL knowingly or recklessly intended to promote its own interests and those of its subsidiary, WIS, at the expense of the RHA and public funds."

Did Sir Robin end this deplorable situation? Far from it. He tried to raise a loan from Sellers to fund RISP in Bath, which, given WIS's position, would have been used to fund work by Sellers' companies, CSL and CFM, which enjoyed a unique ability to exploit the region, and would have been repaid by the taxpayer.

Sir Robin personally renegotiated the WIS contract in February 1990 on terms even more favourable to WIS. By this time, RISP was collapsing. Eight out of 10 districts had refused to accept the system. RISP should have been closed down, but Sir Robin went ahead. Bypassing the region's internal and external legal advisers, he brought in solicitors, Blake Lapthorn, who had never worked for the RHA before and who reported directly to him. The contract removed penalty and performance clauses. New provisions, which Deloittes advised against, were incorporated in the new contract that Sir Robin personally negotiated.

What was the position? WIS, a private company, could undertake work for other organisations knowing that its staff costs and overheads were already paid for—even overpaid for—by Wessex. The contract signed with WIS paid for 40 staff more than worked for the company. Work done by WIS for Rampton and Broadmoor was undertaken at non-commercial rates but was of course pure profit. Wessex was meant to get a share of the profits, but the original 50:50 split was altered under Sir Robin's chairmanship to become two to one in favour of WIS. According to the district auditor, there are strong grounds for questioning whether Wessex regional health authority has received full credit for profits earned on outside work undertaken by WIS. A payment of £68,000 "would appear suspect", as WIS recorded a turnover of £4·7 million.

When WIS and its parent company, CFM, ended their relationship with Wessex in 1991, they took possession of office equipment and personal computers. According to the auditor,

"it is probable that the equipment taken by CFM included items that were the property of Wessex. CFM should be required to prove that equipment they had taken possession of had not been paid for by Wessex."

Under the contract, WIS records should have been made available to the auditors. To date, the confidential report records that

"these records have not been examined by Wessex or its internal auditors."

Sir Robin Buchanan attempted to borrow money from Sellers to implement the RISP project. He negotiated the WIS contract in Mr. Sellers' favour, but he did not apply elementary audit procedures to Sellers' companies. Sir Robin Buchanan is now chairman of the NHS supplies authority, responsible for £4 billion a year of public money.

The Department had said that the WIS contract should be tightened. It knew that it had not been. The Department did nothing. I understand that one district auditor who reported on RISP to the Department of Health from 1986 to 1989 finally resigned from the service in frustration, sending a file to the Department.

The district auditor said that Wessex should take action against CSL for breach of contract. He said that it should take action against CSL and WIS in respect of neglect and/or fraudulent advice and should recover money paid ultra vires or for work not needed by, and in respect of which no benefit accrued to, the regional health authority. He also said that Wessex should take action against Andersen/IBM; and that IBM should be asked to return part of the money paid for a 3090 computer, bearing in mind that the RHA had a good legal claim against the IBM secondee, Tuffill, who advised against cancellation.

I have, before this debate, tabled a series of early-day motions covering the auditor's main conclusions about the action that Wessex should have taken. To date, all action against IBM and Andersen has been dropped. Ministers have told me in parliamentary answers that this is entirely a matter for Wessex, but Wessex is the very organisation chaired by the very individual with the most to lose from full exposure of these facts in a court of law.

Wessex is now attempting to avoid court action involving WIS and its parent companies, again avoiding exposure and public scrutiny of private settlements. No doubt Ministers will say that this is a matter for Wessex as well, but it is all a convenient means of hiding the truth.

Full exposure would not just hit those directly associated with the Wessex saga. In his report, the auditor criticises the NHS management executive for lack of co-ordination, lack of effective management and project control, little attempt to cost-justify it, and too much reliance on suppliers. Much responsibility for the state of affairs that allowed Wessex to be exploited must lie with the chief executive of the NHS management board. From 1986 to 1989 the chief executive of the board was Sir Leonard Peach, now chairman of the Police Complaints Authority. He had been seconded to that post from IBM, which continued to pay his salary.

The drive to bring business principles into the NHS laid bare the heart of the NHS to business exploitation and a network of influence with close connections to the Conservative party. That, above all, is why everyone has been so anxious to cover up the RISP affair.

The Public Accounts Committee inquiry is welcome, but I believe that an inquiry is also needed into the conduct of Ministers and the Department. I believe that at every stage there were Ministers and officials who were aware of what was happening in Wessex, but did nothing about it. I want an inquiry that will reveal how much the Department knew, when it knew it, who was informed, what advice Ministers gave, what decisions were taken about what, if anything, to reveal, and why so little was done. I want to know tonight whether the Government will encourage and support such an inquiry.

Meanwhile, the people of Wessex should be compensated for what they have lost. Tonight in aging Victorian wards at the Royal South Hants hospital in my constituency, patients will be settling down to sleep in wards that are run down, outdated and impossible to maintain at today's standards. Despite the care that patients receive from staff, those conditions should not exist in the NHS. It would cost £10 million to replace those wards—money that has been wasted on the RISP scandal. Will the Government refund the people of Wessex for what they have lost because of their neglect in recent years?

[Mr. John Denham]

On 11 February, the hon. Member for Bolton, West told my hon. Friend the Member for Bradford, South (Mr. Cryer):

"I have every confidence in Sir Robin Buchanan".—[*Official Report*, 11 February 1993; Vol. 218, c. *762*.]

Does he still have that confidence? When I raised this matter at Question Time on 23 February, the Minister told me:

"Waste is something that we do not recognise."—[*Official Report*, 23 February 1993; Vol. 218, c. 749.]

I wonder whether the Minister can now recognise what has been happening in our health service. When the NHS was set up under a Labour Government by Nye Bevan, the idea was that the wealth of the community should be used to banish the pain and suffering arising from ill health. When we see how companies and powerful individuals, who read like the roll call of the British establishment, have got into the NHS and used and manipulated it for their own benefit, we realise how far we have come and how low the Government have sunk.

11.59 pm

The Parliamentary Under-Secretary of State for Health (Mr. Tom Sackville): I congratulate the hon. Member for Southampton, Itchen (Mr. Denham) on his success in the ballot for a debate on the Adjournment of the House. As I know from previous questions of his interest in information systems in the NHS, it is no suprise that he has chosen today to raise the matter of the Wessex regional information systems plan. However, there is no connection between the debate and the announcement of various future monitoring systems for the procurement of information technology in the NHS, made at Health Care Computing 1993. That is the largest such event in Europe, so it is not surprising that I made such an announcement in Harrogate this morning.

Before I reply to the points made by the hon. Gentleman, I think that it is important to make abundantly clear, in case any hon. Members or the public are under any misconception, that those events did not occur yesterday, this year or even in this decade. The matters to which he referred were proposed first by the Wessex regional health authority in the early 1980s, and were developed from 1984 until cancelled in early 1990 by the then new regional general manager of Wessex RHA.

That is not to say that I am trying to, or would, defend what occurred on the project during that period. We do not defend what appears to be a gross mishandling of public money, and neither does the regional health authority. That is why my right hon. Friend the Secretary of State for Health said on 10 February that she welcomed the decision by the Public Accounts Committee to commission a further report on the project for the Comptroller and Auditor General. We believe that it is important that the matters should be studied and lessons learnt. That is also why I welcome the opportunity to reply to the hon. Gentleman on that important matter.

Before I go any further, I must say that the hon. Gentleman has used his parliamentary privilege to cast aspersions on the integrity of a number of people in public life. I found particularly regrettable the mention, which he did not develop, of my hon. Friend the Member for Derbyshire, South (Mrs. Currie) and her work with a certain company. I think that he would not dare repeat several of his remarks outside the House.

Mr. Denham: If the Minister reads the official record, he will see that I put together a conjunction of simple factual statements. I have not repeated certain allegations that were made in 1986 about the hon. Member for Derbyshire, South (Mrs. Currie). Does the Minister agree that the best way to resolve the issues involving that hon. Member and others would be for him to support an independent inquiry into the conduct of the Department of Health, and of Ministers, which I urged on him earlier in the debate?

Mr. Sackville: The hon. Gentleman knows that the Public Accounts Committee will be investigating all those matters.

I do not propose to defend the actions of individuals previously employed by Wessex RHA. As the hon. Gentleman knows, some of those individuals appeared in court in Winchester earlier this month to answer for their actions. I am here to defend the actions of the current management of Wessex RHA, which has devoted a considerable amount of time to ensuring that all factors contributing to that have been fully investigated and that budgetary, financial and management lessons have been identified and learnt.

It is important to remember that it was the current regional general manager, fully supported by his regional chairman, Sir Robin Buchanan, who took urgent action on his arrival in the region to rectify the weaknesses inherited from the previous general manager which were the root cause of the RISP affair. It was these remedial actions that the district auditor commended in his report in the public interest.

The hon. Gentleman suggested that on many occasions the Wessex RHA tried to cover up or suppress the events concerned with RISP. That is rubbish. I remind him that it was the RHA which invited the district auditor to carry out his investigations. It was the RHA which held a press conference in July 1992 to announce the findings of the district auditor. It was the RHA which on several other occasions held press conferences at which it always answered questions put to it. In addition, the RHA and its staff have complied fully with requests from the National Audit Office, the District Audit Service, the Public Accounts Committee and the NHS Management Executive for any information or clarification on matters relating to RISP. I know that they will continue to do so despite allegations to the contrary from sections of the press and the hon. Gentleman. I find the hon. Gentleman's allegations all the more remarkable as I understand that the regional chairman wrote to him in November 1992 offering to discuss his concerns and to answer fully any questions that he wished to put. I am aware that the hon. Gentleman has now taken up that offer to discuss the matter personally.

With regard to requests that Ministers should——

Mr. Denham: Will the Minister note that I accepted the invitation before I knew that I had secured tonight's Adjournment debate?

Mr. Sackville: Indeed the hon. Gentleman did—several months after the offer was made.

I have mentioned the very thorough actions taken by Wessex RHA to rectify the organisational and financial

weaknesses where they were found to be the main cause of the failure of RISP. Before I turn to the actions that my Department has taken as a result of this and other problems with computer systems in Wessex, the west midlands and elsewhere, I should mention that legal actions are being taken by Wessex RHA as a result of its and the district auditor's inquiries.

As recommended in the district auditor's report, Wessex RHA has taken comprehensive legal advice. As a result of that advice, the RHA has reached a settlement with one of the computer suppliers, AT and T Istel. It was also decided at that time, on the basis of independent legal advice, not to pursue legal action against Arthur Andersen and Co. and IBM in respect of the contract for three of the five core systems which were to make up RISP. The RHA is taking actions against other companies involved in RISP and it would be inappropriate at this time to comment further on that. I would wish to reassure the House, however, that Wessex RHA is pursuing all avenues for legal redress. In addition, on the basis of the confidential information provided by the district auditor, the Hampshire constabulary has been pursuing its own inquiries into possible criminal charges resulting from the RISP project.

I turn to the actions taken by my Department to seek to ensure that events such as this one cannot be repeated. Earlier, as I have said, I addressed the 1993 conference in Harrogate. I was able to announce a series of measures to be taken to increase our control over future investment in information technology. Before describing them, I would not wish you, Madam Deputy Speaker, or anyone else, to gain the impression that the example that has been quoted is in any way typical of the investment that the NHS has made and makes in IT.

At today's prices, there are about £800 million-worth of computers operational in the NHS. Most of the money spent has gone into operational systems in hospitals such as patient administration systems, pathology and radiology. The majority of these systems are working day in and day out without problem. Unfortunately, things can and do go wrong. The events in Wessex and the west midlands, and unfortunately in the London ambulance service, are the results of what happens when things do go wrong.

There is never any simple explanation. We shall continue to study all the projects to learn from our mistakes. We have already identified some common threads, especially managers and IT professionals losing touch with the end users of systems; unrealistically high expectations; lack of formal project control, including financial control; lack of informed involvement by senior management; and, in some places, a level of IT skills that does not match what is required.

Mr. Denham: The Minister's list is interesting, but it does not include corruption, the use of influence, the use of insider knowledge, close relationships between NHS staff and suppliers of equipment, and the exploitation of those weaknesses by unscrupulous firms. Does he agree that those should also be on his list of what has gone wrong with the health authorities in Wessex and other places?

Mr. Sackville: If any of those allegations are proven, appropriate action will be taken.

Last December I announced the launch of a national strategy for IT. I stipulated that all future IT investments of more than £1 million would be reviewed by the management executive in the Department of Health against explicit criteria. I shall briefly list them—a properly structured business case based on good investment appraisal; a clear plan for benefits realisation; sufficient skilled and experienced IT staff; commitment from the chief executive, board chairman, clinicians, nurses and everyone involved to implementation and benefits realisation; proper project management; an adequately resourced and structured training programme; and a clear post-implementation evaluation of investment. I stress, as I did at the conference earlier today, that not only projects costing more than £1 million will be evaluated against the criteria; I have asked all authorities approving all substantial investments to use them.

I reiterate my appreciation to the regional chairman and the regional general manager of Wessex for their considerable efforts both in dealing with the affair and in the efficient and effective way that the health service is managed in Wessex. I have every confidence in Sir Robin Buchanan as chairman of the Wessex RHA and, indeed as chairman of the supplies authority. Only with his strong backing has the regional general manager been able to take the necessary actions, so commended by the district auditor, to rectify the weaknesses that led to the events mentioned in the debate. I have full confidence in the work that they and the authority have done to investigate these matters fully.

Question put and agreed to.

Adjourned accordingly at twelve minutes past Twelve o'clock.

House of Commons

Tuesday 16 March 1993

The House met at half-past Two o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Oral Answers to Questions

EMPLOYMENT

TEC Courses (Sheffield)

1. **Mrs. Helen Jackson:** To ask the Secretary of State for Employment what percentage of students entering TEC courses in the Sheffield area *(a)* complete their course and *(b)* obtain employment when they finish.

The Parliamentary Under-Secretary of State for Employment (Mr. Patrick McLoughlin): In Sheffield in 1991-92, 34 per cent. of people leaving youth training and 61 per cent. of those leaving employment training had completed their agreed training. 51 per cent. and 32 per cent. respectively of all those leaving courses were in employment six months after leaving.

Mrs. Jackson: In view of those appalling figures, showing that, at the end of youth training, two out of every three people on the scheme have no job to go to, and that two out of every three students on employment training are still out of work six months later, does the Minister accept that it is now time to put resources and money into real education and training for manufacturing jobs, and to make resources available so that local authorities can finance students properly through discretionary grants?

Mr. McLoughlin: I am sure that the hon. Lady will welcome the fact that, since 1986, unemployment in her constituency has fallen by about 24 per cent., and in the constituency of Sheffield, Central by 21 per cent. In Sheffield, Brightside, unemployment has fallen by 21 per cent. since 1986, and in Sheffield, Hallam by about 36 per cent. I should have thought that even the hon. Lady would have welcomed that.

Mr. Sykes: Is my hon. Friend aware that, some time ago, when Hamleys, the famous toy shop in Regent street, wanted to resettle in Sheffield, it was said that its rates in Sheffield would be higher than the rates in Regent street? Does my hon. Friend not agree that that is an example of the kind of ridiculous practices that Sheffield city council has pursued over the past 25 years?

Mr. McLoughlin: My hon. Friend's point about recruitment is true. That is why I am pleased that the Meadow Hall development has opened and made Sheffield council think carefully about how to attract business to its area.

Mr. Tony Lloyd: Is it not astonishing that the Minister should answer the supplementary question asked by my hon. Friend the Member for Sheffield, Hillsborough (Mrs. Jackson) by citing unemployment figures, of all things? For how many months now have the Government increased unemployment? Yet the Minister cites unemployment figures in their favour. Is not the reality that the training, whether on ET or YT, and whether in Sheffield or nationwide, is pathetic, and that fewer than a quarter of the people on ET and fewer than one third of those on YT obtain a qualification? The last thing we need today is more promises of cheap low-quality training. What does the Minister intend to do to give decent-quality training to people out of work?

Mr. McLoughlin: What is pathetic is the way in which the Opposition continually carp and talk about training, yet have opposed every training scheme that the Government have introduced.

Mr. Evennett: Will my hon. Friend confirm that Britain is the only country in Europe that offers training places to 16 and 17-year-olds without a job? Should we not therefore be grateful, and encourage young people to take up the training places, with a view to getting jobs at the end of the placement?

Mr. McLoughlin: Indeed, my hon. Friend is right. Most young people who go on courses appreciate that youth training has been a substantial help in finding employment. The Opposition have said many times that we are failing to meet the youth training guarantee, but they have gone off talking about that subject because of the successful manner in which the TECs have managed to fulfil the guarantee overall.

Labour Statistics

2. **Dr. Wright:** To ask the Secretary of State for Employment if she will give figures on employment levels in manufacturing industry in each year since 1979.

The Secretary of State for Employment (Mrs. Gillian Shephard): Employment in manufacturing in Britain was 4,593,000 in September 1992 compared with 7,253,000 in June 1979. Information for the intervening years can be obtained from the NOMIS database in the House Library.

Dr. Wright: Does not the Secretary of State understand that those figures tell the whole story about what has been happening to this economy since 1979? Three million jobs have been lost in manufacturing industry and half a million jobs have been lost in manufacturing in the west midlands alone. Does she not understand that it is an economic disaster because, when we get a competitive devaluation, we do not have a competitive base to take advantage of it? It is a social disaster because it destroys lives, families and communities—[HON. MEMBERS: "Question."] Finally, the question to the Secretary of State is this: when she spoke to the Chancellor of the Exchequer this morning, did she say, "Come on: the Prime Minister has told us we made a mistake. The time now is for jobs, jobs and more jobs"? Or did she say, "Let's have"——

Madam Speaker: Order. I call the Secretary of State.

Mrs. Shephard: As for what transpired this morning, the hon. Gentleman will have to possess his soul in patience—if he is capable of doing that. Instead of doing what the Labour party usually does and talk down British

achievements, the hon. Gentleman should be congratulating British manufacturers on their highest ever export levels and on their outstanding improvements in productivity and profitability over the past decade. Or perhaps the hon. Gentleman advocates a return to Labour's manufacturing policy: overmanning, millions of working days lost through strikes and Red Robbo.

Sir Michael Neubert: Is not employment in manufacturing declining in most major industrialised countries, even in Germany, whose workers are now the most expensive in the world? Is it not extraordinary that, with its commitment to the statutory minimum wage and support for the social chapter, the Labour party wants to take us down that uncompetitive path?

Mrs. Shephard: Yes, that is indeed extraordinary. As my hon. Friend has said, manufacturing employment peaked in this country in the mid-1960s, and there has been a steady decline under all Governments since, as there has been in all other major industrialised countries. However, if we followed the policies of the Labour party, we would quickly cease to be competitive.

Mr. Barry Jones: Does the right hon. Lady know that, in my constituency, 500 of the best kind of manufacturing jobs have been lost at British Aerospace, Broughton, on the airbus project? Is she aware that it is feared that very soon more jobs will be lost in the same factory on the production line of the world-beating executive jet, the 125 series? May I have her assurance that she will tell the Cabinet that development area status should not be taken from my constituency? Does she understand that manufacturing jobs and regional policy go together? We want a national strategy for manufacturing.

Mrs. Shephard: I am reminded of the hon. Gentleman's passionate advocacy of free trade in our employment debate last week. I note what he says about the status of his constituency. As he will know, that is not a matter for me: the potiential job losses that he mentions are a matter of commercial decisions for the company concerned. However, whatever, happens, my Department in the form of TECs and the Employment Service, stand ready to help wherever people face unemployment.

Labour Statistics

3. **Mr. Robathan:** To ask the Secretary of State for Employment what measures she intends to bring foward to assist the unemployed in the east midlands.

Mr. McLoughlin: New arrangements, announced at the time of the autumn statement, will offer almost half a million more opportunities on our programmes in 1993-94 than we are providing this year.

Mr. Robathan: I thank my hon. Friend for that response. He will know that my constituency of Blaby is not one of those badly affected by the current high rates of unemployment. While recognising the awful and tragic consequences of unemployment, will my hon. Friend add his not inconsiderable weight in support of the excellent work of the Leicestershire TEC in my area and, in particular, the imaginative approach of the career choice scheme which is encouraging disaffected youngsters to go back into employment training, the child care voucher scheme——

Madam Speaker: Order. May we have a question?

Mr. Robathan: Will my hon. Friend particularly add his support to the close involvement of the TEC with the Leicestershire city challenge scheme and initiative fostering a partnership between the private and public sectors?

Mr. McLoughlin: My hon. Friend's point is correct. I shall be in Leicester tomorrow to sign the city challenge agreement between the Government and the city challenge organisation.

Mr. Janner: Does the Minister agree that the hon. Member for Blaby (Mr. Robathan) is as wrong as his noble predecessor in his approach to the handling of unemployment, and that what matters in Leicester and the rest of the east midlands, where the traditional manufacturing industries of hosiery, knitwear and footwear are collapsing, is not to train unemployed people for jobs that will not exist but to help existing industries to stay alive and employ people?

Mr. McLoughlin: I am surprised that the Chairman of the Employment Select Committee downgrades and denigrates the training opportunities that are provided throughout Britain. That is an appalling indictment of him. The important factor is the amount of inward investment which has been attracted. The east midlands has benefited greatly from that inward investment. I should have thought that even the hon. and learned Gentleman might have welcomed that.

Mr. Nicholas Winterton: Does my hon. Friend consider that those who wish to undertake training should be encouraged? Therefore, does he believe that a good idea for helping the unemployed in the east midlands might be to make expenses incurred in whatever way in undertaking training allowable against tax?

Mr. McLoughlin: My hon. Friend asks a junior Minister to comment on tax matters. Today in particular, I do not wish to embark on that.

Mr. Barnes: If the initial pit closure programme is implemented in Derbyshire and Nottinghamshire, some 30,000 jobs in coal mining and associated industries will be lost. What will that do to help unemployed people's prospects of getting work in the east midlands? Will he have a word with the Secretary of State for Trade and Industry to tell him that it is time to call the dogs off?

Mr. McLoughlin: My right hon. Friend the President of the Board of Trade will make a statement on the White Paper in due course. I should have thought that even the hon. Gentleman might welcome the Toyota investment in Derbyshire. That £700 million investment is the largest single investment in any country for some considerable time.

Jobcentres (Gloucestershire)

4. **Mr. Clifton-Brown:** To ask the Secretary of State for Employment how effective the jobcentres in Gloucestershire have been in placing people back into work.

The Minister of State, Department of Employment (Mr. Michael Forsyth): Since 1 April 1992 jobcentres in Gloucestershire have placed 12,270 people in work—an increase of 18 per cent. on the same period last year.

Mr. Clifton-Brown: My hon. Friend will be aware that every person who is newly unemployed is entitled to go to a jobcentre and have an in-depth interview for up to 45 minutes—*[Interruption.]*—to plan how to get back into work. Is not that, combined with the success of the jobcentres which my hon. Friend has just announced, a practical measure which shows that the Government are prepared to help the unemployed, unlike the Labour party, which merely utters platitudes?

Mr. Forsyth: My hon. Friend is right. I am sure that the House will have noticed the jeers from Opposition Members when he referred to the excellent work done by the Employment Service. Of those people who become unemployed, two thirds find work within six months as a result of the efforts of the Employment Service. We owe a debt of gratitude to the Employment Service. For the longer-term unemployed, a range of measures, including job clubs, have been successful in placing long-term unemployed people back into work.

Child Care (West Midlands)

5. **Mr. Anthony Coombs:** To ask the Secretary of State for Employment what steps the TECs have taken to encourage the provision of child care in the west midlands.

Mrs. Gillian Shephard: The work of TECs to set up child care provision in the west midlands will be boosted by the £45 million child care grant which I announced on 16 December last year, to be introduced this April.

Mr. Coombs: Given that Britain employs a higher proportion of the female population than any other country in Europe bar one, and that in the past three years the number of registered day nurses has doubled, does my right hon. Friend agree that there is enormous potential in the private sector to provide child care such as that provided by the excellent Hickory Dickory Dock nursery in my constituency? Will she do everything that she can to encourage that?

Mrs. Shephard: I am delighted to hear of my hon. Friend's enthusiasm for the Hickory Dickory Dock scheme. He is right: there has been a large growth in private child-minding and nursery provision. However, there is no doubt that my initiative, which has been keenly welcomed by playgroups the working mothers associations and others, will be a very useful supplement to the work that he describes, including that of the Hickory Dickory Dock scheme.

Job Clubs (Wales)

6. **Mr. Sweeney:** To ask the Secretary of State for Employment what assessment she has made of the performance of job clubs in Wales.

Mr. Michael Forsyth: The job club programme is very effective in helping long-term unemployed people in Wales. In the last year, job clubs in Wales have helped nearly 12,000 people, the majority of whom have found work as a resul, with others going on to training, further education or self-employment.

Mr. Sweeney: Will my hon. Friend join me in congratulating those who operate the job clubs on their success? Does he agree that the effectiveness of their work is vital in maintaining the morale of those who become unemployed?

Mr. Forsyth: I am very happy to join my hon. Friend in congratulating those who run the job clubs. Eighty per cent. of the clubs have been contracted out to private-sector organisations, and approximately 53 per cent. of the people participating in job clubs in Wales are going on to employment, with a further 14 per cent. going into further education, training or self-employment. That is one reason why we will be expanding the number of job club places by some 75,000 during the next year.

Mr. Wigley: Does not the Minister realise that what we need in Wales are not job clubs, but jobs themselves? Does he not recognise that, in the old coal-mining areas and the old slate quarrying areas, we have long-term unemployment among the under-25s? What is he going to do to provide jobs for those people, rather than the apology provided by his job club regime?

Mr. Forsyth: If the hon. Gentleman had been listening, he would have heard that job clubs are singularly successful, in placing people in work, particularly in Wales. The hon. Gentleman should also know that more than 80 per cent. of people placed in jobs by job clubs are filling vacancies which have not been advertised through jobcentres.

The hon. Gentleman ought to be a little less gloomy. The facts are that, in the last year, manufacturing output is up, exports are up, investment is up and real incomes are up. The hon. Gentleman really ought to cheer up and give credit where credit is due.

Working Carers

7. **Mr. Wicks:** To ask the Secretary of State for Employment what attention her Department is giving to the needs of those who work and also care for relatives.

Mr. McLoughlin: The Department's policy of encouraging flexible working arrangements is of particular benefit to those who combine work with family responsibilities.

Mr. Wicks: Given the significance of the worker/carer issue—one in eight full-time employees and one in five part-time employees have caring responsibilities—will the Government introduce firmer employment measures to complement the community care strategy?

Mr. McLoughlin: There are a number of areas in which the Government have helped. The Department is always willing and ready to advise employers on the best way to arrange flexibility for people with care responsibilities.

Mr. Rowe: Does my hon. Friend agree that the community care proposals have already brought into being an extraordinary range of varied provision for all kinds of people with such difficulties, which are very real? Will he give an assurance that his Department will join the Department of Health in encouraging the further expansion of these very desirable developments?

Mr. McLoughlin: I give my hon. Friend that assurance.

Work in the Community

8. **Mr. Michael Brown:** To ask the Secretary of State for Employment what plans she has to encourage work in the community.

Mrs. Gillian Shephard: Opportunities to undertake community work are currently available on employment action and other programmes run by my Department. My hon. Friend will be aware that training for work, which comes into force at the end of the month, will combine employment training and employment action.

Mr. Brown: Is my right hon. Friend aware that the employment action programme currently enables people to work in the community, cleaning up heritage sites and removing graffiti? Can she give some idea of how she might expand this programme? May I suggest that the railway stations between Newark and Cleethorpes, which suffer from graffiti, could come within the ambit of the scheme?

Mrs. Shephard: There is no doubt that the various tasks undertaken by people on the employment action scheme are not only useful but valuable. My hon. Friend clearly has his own enthusiasms—other tasks include helping elderly people, teaching literacy and numeracy skills and, in my constituency, running a museum.

Mr. McAllion: If the Secretary of State is serious about encouraging work in the community, why does she not intervene directly in the community of Dundee, where the management of Timex have sacked the entire work force for the crime of exercising their legal rights under the Government's trade union legislation? Is the Secretary of State content to add to the ranks of mass unemployed and so create the conditions in which those out of work envy those in work, those in work fear those out of work and bad employers such as Timex can drag down wages and conditions by exploiting the existing conditions?

Mrs. Shephard: The issues between Timex and its employees are a matter for the company; I note that the Advisory, Conciliation and Arbitration Service has not yet been called in.

Mrs. Peacock: Does my right hon. Friend agree that more people who are presently unemployed would be willing to become involved in voluntary work if they did not lose their entitlement to benefits when they undertook that work?

Mrs. Shephard: Unemployed people can engage in unpaid voluntary work and retain their benefits as long as they continue to look for work and are willing to give up that voluntary work at 24 hours' notice. My hon. Friend makes a valid point and, as she doubtless knows, we intend to build on the successes of employment action with other schemes.

Vacancies

9. **Mr. Hardy:** To ask the Secretary of State for Employment how many unfilled vacancies are currently recorded by her Department; and what is the extent of duplication of these numbers where vacancies are listed at more than one office.

Mr. Michael Forsyth: Some 104,700 in January 1993. There is no duplication, as each vacancy is counted only once.

Mr. Hardy: Will the Minister give the House a categorical assurance that no duplication has previously occurred and been counted? Does he accept that if duplication has occurred, it may provide an innocent explanation for ministerial claims to have observed the green shoots of economic recovery? In that case, the cause would have been duplication and error, not villainy, as some of us suspect.

Mr. Forsyth: I am astonished at what the hon. Gentleman has said. I should have thought that he would know that the Employment Service in South Yorkshire has placed about 50 per cent. more people in jobs than two years ago. The Employment Service advertises a minority of the vacancies, which is why it has been advertising for more employers to place vacancies with it. The hon. Gentleman is well aware—as is everyone in the House—that there is a recession. However, the Employment Service is doing an excellent job and I am sorry that the hon. Gentleman seeks to denigrate its excellent activities.

Mr. Forman: I welcome my hon. Friend's clarification that there is no duplication, but is it not also true that the officially recorded statistics for vacancies understate the true number as they do not take account of those that are privately notified?

Mr. Forsyth: My hon. Friend is absolutely right. Vacancies may be advertised in several jobcentres so that people have an opportunity to apply for the jobs. We do not count the vacancies twice, but individually.

Mr. Dobson: Will the Minister confirm that, according to the Government's figures, there are 31 people chasing every job vacancy in the Chancellor's constituency, 181 people chasing every job vacancy in the Chief Secretary's constituency, and no fewer than 195 people chasing every job vacancy in the constituency where the Prime MInister grew up?

Mr. Forsyth: What I will confirm is that, if the hon. Gentleman had had his way and there was a minimum wage and a payroll tax, and we had embraced the social chapter, there would be 2 million more people out of work in this country.

Workfare

10. **Mr. Steen:** To ask the Secretary of State for Employment what research her Department is currently undertaking into workfare; and if she will make a statement.

Mrs. Gillian Shephard: We are considering a range of options to help unemployed people to use their time constructively.

Mr. Steen: Does the Secretary of State remember that in 1975 I, with Sir Leon Brittan, wrote to *The Times* advocating that the young unemployed, while waiting to join the work force, should be encouraged to become a force for good by being given opportunities to provide personal service in the community for the benefit of people less fortunate than themselves and should be paid a wage equivalent to their unemployment benefit? Eighteen years on, the situation has not changed. Young people should be given an opportunity to do something, rather than take taxpayers' money and do nothing in return.

Mrs. Shephard: Of course, I remember my hon. Friend's letter very well. I know that his interest in these matters goes back a considerable time. He has always argued that the principle of mutual responsibility should be applied in the designing of schemes for unemployed people—particularly young unemployed people—and I agree.

Mr. Cryer: Is not it the job of the Government to avoid mucking about with marshmallow schemes like workfare to create fake jobs and instead to adopt an economic policy that will encourage manufacturing industry to provide proper jobs for all our people? While the right hon. Lady is about it, will she condemn those people who take taxpayers' money but do nothing in return, such as Tory Members of Parliament, who take their salaries and also line their pockets with the proceeds of outside job after outside job?

Mrs. Shephard: Some hon. Members take two lots of money from the taxpayer. I refer, for instance, to those who have a dual mandate in Europe. Conservative Members know that people want real jobs. That is why our policies have been aimed at producing the lowest inflation rate that we have had for 25 years, the lowest interest rates in the European Community, a competitive exchange rate, the lowest level of business taxation, and non-wage costs at 61 per cent. of the level of those in Germany. That is what we mean, but not what the hon. Gentleman means, by the right framework for real jobs.

Mr. Paice: When considering workfare, will my right hon. Friend look behind the hype of exploitation and all the other adjectives that are used to describe the scheme? Will she recognise that, for many people, doing something useful in return for the money that they receive as benefit is a means of retaining some pride in themselves and that there is a sound and valid argument for the introduction of the widest possible opportunity for this to happen?

Mrs. Shephard: It is certainly desirable that unemployed people be helped to keep in touch with the world of work while they are being assisted to seek and to train for work. My hon. Friend will be aware of employment action and of the range of opportunities that are thereby made available. As I said earlier, we intend to build on success of that kind.

Mr. Galbraith: May I congratulate the Minister of State for rebuking the Prime Minister's ideas on workfare? In the 5 February issue of *Today*, the hon. Gentleman said:

"I have seen workfare, and it does not work."

Can the Secretary of State confirm that her Minister of State and her Department will continue their opposition to workfare and not simply use it as a cheap form of labour or as another means of fiddling the unemployment statistics?

Mrs. Shephard: For the hon. Gentleman's information, I can say that the Prime Minister, in his Carlton club speech, did not suggest that all-embracing, large-scale schemes should be introduced to require people to work in return for benefit. Nor, indeed, did he use the word "workfare". Given the close attention that the hon. Gentleman pays to these matters, I am surprised that he did not notice that the Minister of State, my hon. Friend the Member for Stirling (Mr. Forsyth), condemned some of the schemes that he had seen in the United States as being costly and ineffective.

Retraining

11. **Mr. Rathbone:** To ask the Secretary of State for Employment what assessment she has made of the need for retraining of those in jobs to meet present and future job requirements.

Mr. McLoughlin: Our assessment is that more effective investment in the skills of people in work is needed. The Government's policies are operating to encourage such investment. In particular, training and enterprise councils are promoting the use of the new "Investors in People" standard.

Mr. Rathbone: Does my hon. Friend accept that, with fast-developing technology, there is a continuing requirement for the retraining of people in jobs and the retraining of management and that TECs, such as Sussex TEC, have a special role to play?

Mr. McLoughlin: I agree with my hon. Friend. The TEC movement has an important role and it is interesting to note that each TEC develops policies most suited to its own area.

Mr. Enright: Since the Government have squandered substantial oil revenues and have frittered away immoral earnings from gas, electricity and water, what confidence can ordinary working people have in their investment in retraining?

Mr. McLoughlin: They can have the confidence that they have shown in the last four elections by re-electing us.

Mrs. Browning: Is my hon. Friend aware that one group of people who are particularly anxious to be retrained are those aged over 45? Will he guarantee that he will do all that he can to encourage the TECs and other training organisations not to discriminate against people on grounds of age? Over-45s have much to offer and they are as entitled to a restart as anyone else.

Mr. McLoughlin: I agree entirely with my hon. Friend. If I hear of any TECs that are discriminating against older people, I will take up the matter with them.

Low Pay

12. **Mr. Burden:** To ask the Secretary of State for Employment what is her estimate of the numbers working in the public sector earning less than the Council of Europe's low pay threshold analysed between *(a)* full-time male employees, *(b)* full-time female employees, *(c)* part-time male employees and *(d)* part-time female employees.

Mr. Michael Forsyth: There is no recognised Council of Europe low pay threshold.

Mr. Burden: The Government may not recognise it, but poverty pay does exist. Does the Minister recognise that a hospital domestic, for instance, earns £121·14 for a 39-hour week, less than is paid at Tescos and £78 per week less than the average for women's pay? Does he recognise that Government pay policy, which they intend to impose,

will give that woman 90p extra? Is not it disgraceful that the Government are prepared to condemn their own employees to poverty pay?

Mr. Forsyth: If the hon. Gentleman is concerned about poverty, he should recognise that the biggest single cause of poverty is unemployment and that his party's commitment to a minimum wage would add 2 million to the unemployed. The hon. Gentleman asked about European standards on minimum wages. Those countries that have embraced a minimum wage are the countries which are struggling with the highest unemployment, like socialist Spain.

Mr. John Marshall: Does my hon. Friend agree that the low paid would prefer a job with low pay to no job? Is not it immoral for hon. Members to seek to legislate for the unemployment of their constituents rather than their continued employment?

Mr. Forsyth: I agree entirely with my hon. Friend. Both in the House and in Europe, people have to recognise that passing legislation for better working conditions does not deliver better working conditions unless they have been earned. One thing that we have to do if we are to get unemployment down is to be more competitive. The continual attempt by Opposition Members to add to the cost of employment will add to the numbers on the dole.

Ms Quin: Is not the gap between the highest and the lowest paid wider now than at any time since 1886? Whereas in other European countries the pay gap has remained constant in recent years, it has widened dramatically in Britain. Does not that show clearly that besides the large numbers of people who are unemployed there is also a great problem of people on low pay? Are not all those people getting a poor deal from Tory Britain today?

Mr. Forsyth: Even Mr. Delors has recognised the problem of Europe pricing itself out of world markets. He suggested the other day that we needed a global social chapter to address that problem. I venture to suggest that the hon. Lady should look at the figures. Germany now has 50 per cent. of its labour costs—[HON. MEMBERS: "Oh!"] Labour Members may jeer, but half of German labour costs arise from non-wage costs. That compares with 10 per cent. in Pacific rim countries and 25 per cent. in Japan. If we cannot compete, jobs will leave Europe and go elsewhere. The hon. Lady should recognise that.

Mr. Nigel Evans: Does my hon. Friend agree that many British businesses carefully monitor their total wage costs and that if a minimum wage were imposed on them they might have to get rid of some of their employees? Does he further agree that higher wage costs would lead to higher inflation, at which Labour Members are experts?

Mr. Forsyth: I agree with my hon. Friend. The key to competitiveness and employment lies in keeping wage costs down and ensuring that they reflect performance and productivity. That is the way forward. The best way to determine wages and conditions in the workplace is negotiation between the employer and employees. That is not a matter for government either at national or European level.

Redundancies (West Midlands)

13. **Mr. Robert Ainsworth:** To ask the Secretary of State for Employment what was the total number of redundancies in the west midlands in the last quarter for which figures are available.

Mr. McLoughlin: The latest available figures from the quarterly labour force survey show that 25,000 people were made redundant in the west midlands in the three months before the survey of the summer of 1992.

Mr. Ainsworth: Does the Minister accept that that is proof that redundancies are continuing at a staggering rate? There are now 7,266 people out of work in my constituency, with 62 people chasing every job vacancy in the west midlands. Do the Government have any responsibility for that?

Mr. McLoughlin: The hon. Gentleman said that unemployment in his constituency is 7,266, but he failed to say that that it is 16 per cent., or 1,406, lower than in 1986. Unemployment in the constituency of Coventry, North-West is 12 per cent. lower and in Coventry, South-East it is 23 per cent. lower. I should have thought that the hon. Gentleman might have welcomed that.

Mr. Fabricant: Has my hon. Friend visited Stuttgart or Munich recently and seen the number of BMWs and Mercedes that are sitting unsold in car parks? Does not he welcome the 350 new jobs that have been created by Lucas, the hundreds of new jobs that will be created by Jaguar and the 3,000 new jobs that will be created by Toyota?

Mr. McLoughlin: I am grateful to my hon. Friend. I do not share his travel experience, but I very much welcome the investment that has been made in Britain, which would not have been made if we had followed the policies proposed by the Opposition.

Mr. Grocott: Does the Minister remember the heady days of the 1960s, when he was at school and when engineering companies in the west midlands were thriving, engineering apprentice schools were full to overflowing and there was optimism abroad and plenty of jobs? Is not it crystal clear that the records of the Labour Governments of the 1960s and 1970s on manufacturing industry show that Labour Governments work and Tory Governments do not?

Mr. McLoughlin: That is rather strange coming from the Member who represents Telford, given the amount of inward investment that Telford has been fortunate enough to secure. I should have thought that the hon. Gentleman would welcome that for his constituents.

Unemployment (East Hertfordshire)

14. **Mr. Wells:** To ask the Secretary of State for Employment what measures she is bringing forward to assist the unemployed in east Hertfordshire.

Mrs. Gillian Shephard: The new employment and training measures that will begin in April offer the widest range of help to unemployed people that we have ever provided. We expect to offer almost half a million more opportunities in our programmes in 1993-94 than we are providing this year.

Mr. Wells: I thank my right hon. Friend for that constructive and helpful reply, for which my constituents in Hertfordshire and Stortford will be grateful. Are not the depressing remarks that are constantly made by Labour Members about unemployed people being on the scrapheap entirely refuted by her constructive words?

Mrs. Shephard: My hon. Friend is right to point out the extremely positive work that is done by the Employment Service, which last year placed 1·4 million unemployed people back in work.

Mr. Oiner: Does not the Minister realise that not only in east Hertfordshire but all over the country people need proper employment? Is she aware that only last week Rolls-Royce announced further redundancies of very highly skilled personnel? When will the Government recognise that the manufacturing base of this country is disappearing fast under their leadership? When will they go and let people who want to work work properly?

Mrs. Shephard: I have to point out to the hon. Gentleman that, although, of course, I share his concern for anyone who is facing unemployment or redundancy, he and his hon. Friends have absolutely no constructive or uniform views on either the economy or employment. It would be a great help to him and his hon. Friends if the official Opposition spokesman on employment stopped his vendetta against employers, whom he continues to describe as scum, and bankers, whom he now describes as shortsighted, stupid and on the make. That is not a very constructive approach to employment.

PRIME MINISTER

Engagements

Q1. **Mr. Byers:** To ask the Prime Minister if he will list his official engagements for Tuesday 16 March.

The Prime Minister (Mr. John Major): This morning, I had meetings with ministerial colleagues and others. In addition to my duties in the House, I shall be having further meetings later today.

Mr. Byers: The Prime Minister will know that, according to the latest Government figures, there are now 39 unemployed people chasing every job vacancy. Is the Prime Minister aware that this morning Littlewoods pools stated that the odds against winning a dividend on their coupon are 39 to one? Can the Prime Minister explain to the House how it is that, after 14 years of Conservative Government, an unemployed person has as much chance of getting a job as of winning the pools?

The Prime Minister: The hon. Gentleman neglected to mention that in recent years in his constituency unemployment has fallen by 20 per cent. Perhaps that is something that he should have borne in mind.

Mr. Bill Walker: Is my right hon. Friend aware that the taking-stock exercise has gone down extremely well in Scotland? Will he confirm that this Government will never bring forward proposals for unwanted, expensive regional assemblies in England, where over 80 per cent. of taxpayers and the population live, nor will they bring forward proposals for assemblies in Wales, Scotland and Northern Ireland?

The Prime Minister: I can confirm that, as, indeed, I did at the last general election. We do not believe that such extra assemblies would be helpful either to democracy or to good government in any part of the United Kingdom. I know that there are contrary views in the House. On the Opposition Benches we find unionists, federalists, separatists and devolutionists. That does not add up to a great deal; often not even effective opposition.

Mr. John Smith: Will the Prime Minister publish the report by the Department of Trade and Industry on the state of Britain's manufacturing industry?

The Prime Minister: The report to which the right hon. and learned Gentleman refers was private advice to Ministers and I do not propose to publish it all. I am surprised that the right hon. and learned Gentleman should raise that question the day after the news that manufacturing output rose to its highest level for 18 months and that it was up on the year before. Perhaps for once the right hon. and learned Gentleman will acknowledge good news.

Mr. John Smith: So much for open government. The Prime Minister knows that he is the first to publish information whenever it suits him. Why does he wish to conceal from the British public the devastating assessment of the Department of Trade and Industry in his own Administration—I quote from its report—that our manufacturing product base is weak and deteriorating?

The Prime Minister: The right hon. and learned Gentleman is up to his old tricks yet again. Whatever he can do to talk down British industry, he will do. If he read a little further in the report from which he gleans his information he would recognise that our productivity has improved faster than that of Germany, France, Italy or the United States. I ask again: when will the right hon. and learned Gentleman help to talk up British industry and stop talking it down?

Mr. John Smith: Does not the Prime Minister now see that he should publish the report, because it also says that the main source of new products is imports, that British industry is fundamentally weak, suffering from inadequate investment in new technology, and that there are flaws which it will take decades to remove? Is not it clear to everyone that the reason why he is frightened to publish it is that it reveals that 14 years of Conservative government have done deadly damage to British industry?

The Prime Minister: Perhaps the right hon. and learned Gentleman will explain why output in the engineering industry is rising, computers are rising and textile output is rising. Perhaps he will explain why the CBI survey shows yet another increase in output expectations—— *[Interruption.]*

Madam Speaker: Order. The House must come to order.

The Prime Minister: They cannot accept anything but bad news as far as this country is concerned, so they will not like the fact that manufacturing investment has risen in each of the past three quarters. Those are the figures which the right hon. and learned Gentleman never mentions. He knows them, but they never pass his lips.

Mr. Brazier: Does my right hon. Friend agree that the measure introduced temporarily last November to ease the

Treasury rule on capital receipts for housing authorities was sensible? Will he join me in condemning what is happening in Canterbury, where the Treasury rule is being abused and the housing account is being raided by the Liberal-controlled authority to squander funds on leisure facilities?

The Prime Minister: I was not myself aware of that particular point, but my hon. Friend has made me aware of it in a most forceful way. I shall pass it on to my right hon. Friend.

Q2. **Mr. McAvoy:** To ask the Prime Minister if he will list his official engagements for Tuesday 16 March.

The Prime Minister: I refer the hon. Member to the answer I gave some moments ago.

Mr. McAvoy: Hon. Members on both sides of the House know that one sign of a weak Prime Minister is constant clarification of what he really meant to say. Last Tuesday the Prime Minister talked about "when" Scottish water will be privatised and then tried to cover up by saying that he should have added the words "if implemented". Does the Prime Minister accept that such weak behaviour fully justifies the Paul Johnson quote:

"Major is what he is: a man from nowhere, going nowhere, heading for well merited obscurity as fast as his mediocre talents can carry him"?

The Prime Minister: When the hon. Gentleman gets here, perhaps he can make that sort of remark.

Q3. **Mr. Rathbone:** To ask the Prime Minister if he will list his official engagements for Tuesday 16 March.

The Prime Minister: I refer my hon. Friend to the answer I gave some moments ago.

Mr. Rathbone: Following my right hon. Friend's answer to the Leader of the Opposition, is he aware that people in manufacturing are indebted to him for his confirmation of the importance of those who work making things? Will he spend a moment today commending the engineering skills that make that possible?

The Prime Minister: I shall certainly be happy to do as my hon. Friend says. As he knows, and as I have repeatedly made clear, I believe that manufacturing is vital to the United Kingdom economy and that engineers have a key part to play in that. Figures released yesterday showed an encouraging picture, with output in electrical and mechanical engineering rising strongly, as did manufacturing output overall.

Mr. Eric Clarke: This is the first chance that I have had to ask the Prime Minister a question. When are the Government going to implement the recommendations of the Industrial Injuries Advisory Council, which stated that emphysema and bronchitis should be considered as industrial diseases for people who have had mining experience? Is the delay one that saves the Government money since, as we have seen in the past, the claimants die off?

The Prime Minister: The report has been with my right hon. Friend the Secretary of State for Social Security, who has been discussing it with colleagues. I hope that an announcement will be able to be made very shortly.

Sir Michael Grylls: Does my right hon. Friend agree that it is rather a sorry reflection on the standards of the Opposition that the Leader of the Opposition has to rely on the material——

Madam Speaker: Order. Let me remind the hon. Gentleman that the Prime Minister is responsible only for Government policy, not for what the Leader of the Opposition gets up to.

Sir Michael Grylls: Will my right hon. Friend encourage the Leader of the Opposition to visit British industry, where he could see some of the great successes such as in motor cars, television and the chemical industry, where we are now leading the world?

The Prime Minister: I would endeavour to encourage that understanding opposite. I am sure that the right hon. and learned Gentleman heard what was said and I look forward to him taking note of it.

Q4. **Mr. Tony Banks:** To ask the Prime Minister if he will list his official engagements for Tuesday 16 March.

The Prime Minister: I refer the hon. Member to the answer I gave some moments ago.

Mr. Banks: I realise that everyone's mind is on the Budget, but may I ask the Prime Minister to give some thought today to the future plight of great whales, which has a price beyond calculation? Does he recall when some of us came to 10 Downing street to present a petition signed by half a million people protesting about Norway's intention to carry on with commercial whaling? Will he now make a protest to the Norwegian Prime Minister so that she and everyone else in Norway knows that if Norway goes ahead with commercial whaling, there will be no place for it in the Community and that appropriate sanctions will be taken against that country?

The Prime Minister: I will certainly raise the point that the hon. Gentleman mentions, which he has raised with me before and which we have raised with Norway on a number of occasions in the past. But I will not take the hon. Gentleman's advice on the second point. Norway is keen, I think, to join the Community and I hope that in due course she will.

Q5. **Mr. Faber:** To ask the Prime Minister if he will list his official engagements for Tuesday 16 March.

The Prime Minister: I refer my hon. Friend to the answer I gave some moments ago.

Mr. Faber: In the light of reports last week that about 30 per cent. of 14-year-olds now achieve a reading age of between nine and 11, does my right hon. Friend agree that it is more important than ever that these children are rigorously tested regularly and that the results are made available to their parents? Will my right hon. Friend join me in condemning the disgraceful action proposed by the National Association of Schoolmasters/Union of Women Teachers which will wreak havoc in the classroom?

The Prime Minister: I very much agree with the thrust of my hon. Friend's remarks. No one can be happy with the level of achievement in English that is thrown up by the report, but if we are to help pupils and raise standards, we need testing and the national curriculum. If we get the tests, we shall see which children are falling behind and we shall then be in a position to take action to help them. I

would certainly deplore any action to disrupt those tests and I look for support in that from every part of the House.

Mrs. Fyfe: Would the Prime Minister like to demonstrate his support for open government by instructing the Secretary of State for Scotland to publish details of the secret correspondence he had with the leader of the Scottish National party?

The Prime Minister: I rather thought that it had been published.

Q6. **Mrs. Gorman:** To ask the Prime Minister if he will list his official engagements for Tuesday 16 March.

The Prime Minister: I refer my hon. Friend to the answer I gave some moments ago.

Mrs. Gorman: During his visits behind what used to be the iron curtain, did my right hon. Friend have a chance to go shopping, as I did recently on a visit to Kiev, where I discovered that the contents of the very best department store were about the equivalent of a boot sale on a bad Sunday afternoon? Is not it true that, despite the attempts of the Opposition to talk this country down, this is still the best democracy in the world? But, before we hand over our government to Brussels, should not we consult the British people through a referendum?

The Prime Minister: For one magical moment I thought my hon. Friend was going to carry me entirely with her. I strongly agree with the first part of her question and I think that no one is in any doubt about the acutely difficult situation faced by the Russian Parliament and by the Russian leadership at the moment. We very much hope that the Group of Seven will be able to help the reform movement in Russia and we certainly intend to do so. So far as the referendum is concerned, I can give no comfort to my hon. Friend.

Q7. **Mr. Miller:** To ask the Prime Minister if he will list his official engagements for Tuesday 16 March.

The Prime Minister: I refer the hon. Member to the answer I gave some moments ago.

Mr. Miller: On 31 March last year, the Chancellor of the Exchequer told Channel 4 News:

"We will not have to increase taxes. I cannot see any circumstances in which that will be necessary."

Does the Prime Minister appreciate that if the Chancellor breaks that pledge in a few moments' time, no one will ever trust anybody on the Government Benches again?

The Prime Minister: The hon. Gentleman will not have long to wait on that point. It is an odd question to come from him, when the leader of his party said recently:

"Well, we change our policies as we move towards a different election. We're not necessarily committed to what we did at a particular election."

Mr. Bennett: On a point of order, Madam Speaker. May I ask you to confirm that it is the normal convention of the House that when a Minister quotes from a document, that document should be placed on the Table of the House? As the Prime Minister quoted from a report on the state of manufacturing industry, can we take it that that report will now be placed on the Table of the House?

Madam Speaker: If a direct quotation was made from a state paper, the Minister in question should table that paper for the entire House.

WAYS AND MEANS

Budget Statement

Mr. Deputy Speaker (Mr. Michael Morris): Before I call the Chancellor of the Exchequer, it may be for the convenience of hon. Members if I remind them that, at the end of the Chancellor's speech, copies of the Budget resolutions will be available to hon. Members in the Vote Office.

3.31 pm

The Chancellor of the Exchequer (Mr. Norman Lamont): In my Budget last year, I announced a far-reaching reform that was supported, I believe, on all sides of the House. From November this year, public expenditure and taxation will be brought together in one annual Budget statement.

The advantages of the new system are clear. Ensuring that tax and spending decisions are taken at the same time will allow better control over Government borrowing. Indeed, that is the main purpose of the change. With tax, spending and borrowing decisions presented in a single statement, the relationship between them will be much easier to understand. However, for now, our existing, and, to me, rather antiquated, procedures remain in place. I shall therefore concentrate today largely on the tax side of the accounts. My Budget should nonetheless be considered alongside the autumn statement that I delivered just four months ago.

In that statement, I set a firm limit on public sector wage increases. This was essential and we shall stick to it. And I established tight overall spending ceilings for the next three years. But I also gave priority to programmes that would help to promote growth and the long-term performance of the economy. In this way, the autumn statement played a key role in putting Britain on course for recovery.

My Budget today is designed to ensure that this recovery will be sustained. Above all, this Budget has two objectives: first, to support the recovery in the year ahead; and secondly, to set out a clear medium-term strategy for bringing the borrowing requirement back towards balance. The "Financial Statement and Budget Report," with a number of press releases filling out the details of my proposals, will be available from the Vote Office as soon as I have sat down.

WORLD ECONOMIC BACKGROUND

It is impossible to review the short-term prospects for the British economy without first considering what is happening in the world outside. Many people talk as if Britain's economic problems were unique, as if we can somehow insulate ourselves from the economic tides that sweep across the world. The truth, of course, is quite different. As ours is an open economy which exports a third of its output, developments abroad have a profound impact on Britain.

The one ray of light on the world scene has been the recovery in north America, and particularly in the United States. The United States economy grew by over 2 per cent. last year, with growth in the final quarter revised up to an annual rate of 4¾ per cent., but the success of the United States stands in marked contrast to developments elsewhere.

Industrial production has been falling in many of the world's largest economies—over the last year it has fallen 2 per cent. in Italy; by 2½ per cent. in France; by 6½ per cent. in Germany; and by 7 per cent. in Japan. By contrast, in Britain, industrial production has actually risen, and the recent indicators of GDP confirm this gloomy world picture. Even Japan has now been visited by the prospect of recession, with gross domestic product declining by ¾ per cent. in the second half of 1992. France and Italy have also had to cope with falling output. And Germany, still struggling with the costs of reunification, has now suffered three successive quarters of declining GDP.

It was against this background that my right hon. Friend the Prime Minister and I secured agreement at the Edinburgh Council last December to a European growth initiative. This was closely modelled on my own autumn statement, and was designed to deal with the most serious problem facing the European Community—and the seemingly inexorable rise in unemployment across the continent.

Last year, unemployment in the Community rose by 1¼ million, and it is projected to rise further this year, to some 11 per cent. of the work force. France, like Britain, has 3 million unemployed; in Ireland and Spain more than one in six are out of work. Even in west Germany, unemployment is rising once again.

To a large extent, this pattern reflects the impact of recession, but, particularly in the European Community, the recent rise in unemployment comes on top of a relentless upward trend. In the Community as a whole, unemployment rose in every single year from 1973 to 1985; and although it fell back in the boom of the late 1980s, it has stayed at well over twice the level of 20 years ago.

Unemployment in Europe is much higher than in many other parts of the world; and it cannot be reduced simply by stimulating demand. A deep-seated problem needs more fundamental solutions. It requires more flexible markets, not just for labour but also for goods and services, and it requires support given by Governments to be directed less at propping up declining industries and more at helping the unemployed to rejoin the work force.

Above all, if we are to secure a lasting reduction in unemployment over the years ahead, we must continue to resist the imposition of job-destroying measures emanating from Brussels.

The high-cost economies of the European Community cannot insulate themselves from the world outside—from the more flexible economies of the Pacific rim and north America. Nothing would do more damage to job prospects, not just in Britain but across Europe, than the imposition of further tax or regulatory burdens on employers. That is why this Government will never sign the social chapter.

UNITED KINGDOM ECONOMY

While activity has been falling in many parts of the world, GDP in Britain rose slightly in the second half of last year. With interest rates down by four percentage points in just six months, Britain enters the year ahead in a more favourable position than most of our major competitors. That is confirmed by the European Commission, which expects Britain to be the fastest growing of all the major European economies both this year and next.

The substantial interest rate cuts I have made provide a solid foundation for recovery this year, and they come alongside the measures in my autumn statement to revive business confidence. We are already beginning to see their effects.

Lower interest rates have contributed to a pick-up in the growth of narrow money, while retail sales have been on a steady upward trend for almost a year. The abolition of car tax has prompted a surge in activity in the motor trade, right at the heart of British manufacturing. New car registrations were nearly 16 per cent. higher in the latest three months than a year earlier.

By the end of this month, the additional money that I provided in the autumn statement will have taken about 20,000 properties off the housing market. Although house prices remain weak, building society commitments and advances are stronger, and both house builders and estate agents are now reporting increased activity.

The extra support that I announced for British exporters will reinforce the competitiveness of our companies trading overseas, while exports in the last three months of 1992 were already at record levels; and the temporary increase that I announced in capital allowances will provide a continuing boost to business investment over the next six months. According to the CBI, manufacturers are more optimistic now than at any time for almost five years.

The recovery we have seen in confidence rests, above all, on one crucial foundation—the dramatic progress that we have made in getting inflation down. There has been much debate about Britain's experience with the ERM. Today I wish to make just two observations. First, it was absolutely vital to get inflation in this country down. The two years that we spent in the ERM were tough, but the war against inflation was one we had to fight, and one we had to win. Secondly, once sterling left the ERM, and with inflation sharply down, we were right to take the opportunity that that gave us to relax policy and get interest rates down.

Inflation is now at its lowest level for over 25 years. The rapid fall in the headline rate is, of course, partly the result of the reduction in mortgage rates; but even more significant is the fall in the underlying rate. That is down in the last year from 5½ per cent. to 3¼ per cent. Except for a few months in 1986, after the collapse in the oil price, underlying inflation has not been this low since February 1968.

SHORT TERM PROSPECTS

In my Mansion House speech, I announced the establishment of the panel of independent forecasters. My intention in doing so was to demonstrate more clearly that the judgments the Government have to make are not based on one single forecast.

I have now received the panel's first report, and I am most grateful to it for its contribution. The panel recognises that the substantial relaxation of monetary policy has greatly improved the prospects for recovery in 1993. Its forecasts for growth this year vary between ¼ and 2 per cent., with an average of just over 1 per cent.

The Treasury's forecast is very similar. Broadly in line with the average of the panel's forecasts, we expect GDP to grow by 1¼ per cent. this year, with the recovery gathering pace through the year. Growth in the year to the second half of 1993 might reach 1¾ per cent., rising to 3 per cent. in the first half of 1994.

However, as the panel stresses, uncertainties remain. It is possible that growth this year may exceed the 1¼ per cent. forecast that I have made, but there are significant downside risks, too. It is very difficult to be sure when consumers will feel that their finances are sound enough to support a stronger growth of spending, and there are, as I have said, considerable doubts about the prospects for our major export markets.

This will inevitably affect the prospects for the current account. The deficit in 1992 was about £12 billion, and as the economy recovers and the unfavourable short-term effects of the fall in the exchange rate feed through, I expect the deficit to widen this year to £17½ billion. But the measures that I shall be putting in place today should help to strengthen our trade position over the years ahead; and I expect the deficit in the meantime to be readily financeable.

THE MEDIUM TERM

The key to an improved trade performance lies in the competitiveness of our products, and the signs are encouraging. Earnings are now growing more slowly than at any time for 25 years. Labour productivity has been rising rapidly; and while unit wage costs in manufacturing have been rising in Japan and Germany, here they showed no increase at all during 1992. British business now has a great opportunity to expand into overseas markets and to replace imports at home; but costs must be kept under firm control.

The Government's task is to provide a clear and predictable framework for policy—to ensure that business has the freedom and the support it needs to get on with the job. Our strategy for sustained growth rests on three key principles: first, that growth comes from the private sector, not from Whitehall; secondly, that a continuing commitment to low inflation is vital if competitiveness is to be maintained; and thirdly, that the only way to increase the country's long-term growth rate is by improving the supply side performance of the economy.

SUPPLY SIDE POLICY

Supply side improvements are seldom the stuff of headlines, but the policies that this Government have pursued have begun to improve the way that markets work. We have transferred to private ownership some two thirds of the state sector we inherited; and our labour market reforms have given back to management the power to manage, so that last year the number of days lost to strikes was the lowest for a century.

But we still have a long agenda of unfinished business. In my autumn statement, I set out proposals to increase

the role of the private sector in modernising Britain's infrastructure. I also announced additional resources to underpin the education reforms that we have set in train.

The wealth of a nation depends largely upon the skills of its people; and nothing could be more important for the long-term performance of the British economy than the steady improvement in education and skills that this Government are determined to bring about.

INFLATION AND MONETARY POLICY

However, if long-term improvements in economic performance are determined largely by the supply side, we have seen all too often in the past 20 years how short-term prospects can be blown off course by inflation. I am absolutely determined that this should not happen again.

The Government's objective is to keep the underlying rate of retail price inflation within the range of 1 to 4 per cent.; and to bring it down to the lower half of that range by the end of this Parliament. I expect underlying inflation to be 3¼ per cent. at the end of this year, close to the top of its target range, but inflation should fall further over the medium term. Monetary policy is set to meet that objective.

The detailed framework for monetary policy was set out in my letter to the Treasury and Civil Service Select Committee last autumn; and since then, I have introduced two further developments to demonstrate our determination to conduct monetary policy in a way that will deliver our inflation target. We now publish a monthly monetary report which shows the information that guides our decisions. I have also asked the Bank of England to provide regular reports on our progress towards meeting our inflation objective.

Interest rate decisions are based on a continuing assessment of monetary conditions, measured principally by the growth of narrow and broad money, and movements in the exchange rate and asset prices. Alongside the target for inflation, I am setting monitoring ranges for both the narrow and broad measures of the money supply; for the period of this Parliament the ranges are 0 to 4 per cent. for M0 and 3 to 9 per cent. for M4.

In judging the prospects for inflation, I have to weigh the evidence from all the indicators, taken together. If any one is out of line, it is particularly important to assess its significance against the performance of the others.

Following the recent substantial reduction in interest rates, M0 growth may be above its monitoring range in the period ahead, but, on the basis of the indicators taken together, I believe that interest rates at their current level are consistent with the achievement of the Government's inflation objectives. At the lowest level in the European Community, they are also fully consistent with the prospects for recovery this year.

FUNDING

I turn now to funding, a subject of peculiar fascination for many City commentators and of particular interest to a number of my right hon. and hon. Friends. The Government's full fund policy ensures that their borrowing does not add to inflationary pressures. I am clear that this policy remains appropriate, but, from time to time, it has been right to reconsider its detailed application.

I have therefore decided that transactions by banks and building societies in gilts will, from now on, be included in the funding definition. In periods when banks and building societies reduce their holdings of gilts, extra sales to other sectors will be needed, but in current conditions the change I am making will help to ease the pressures on liquidity and avoid complicating money market management. If it also leads to some strengthening in the growth of M4, that would be no bad thing.

In the year ahead, sales of gilts will, as usual, form the bedrock of the funding programme, but national savings will again make an important contribution.

FISCAL POLICY

In controlling inflation, monetary policy must of course be supported by a sustainable fiscal policy. I expect a PSBR in the current financial year of £35 billion—slightly lower than projected at the time of my autumn statement, but, because unemployment tends to increase for a while, even after growth has resumed, and because some taxes, particularly corporation tax, are collected a year in arrears, I expect borrowing next year to rise further. The PSBR for 1993-94 has therefore been set at £50 billion, some 8 per cent. of GDP.

Unless action is taken, large deficits will continue over the medium term. The PSBR could still be around 6 per cent. of GNP in 1996-97, the last year of this Parliament. I do not believe that borrowing on that scale is acceptable, and I shall be announcing measures today to reduce it progressively over the years ahead.

In the early 1980s, we took steps to bring the public finances back under control. We turned a PSBR of over 5 per cent. of GDP into a surplus of 3 per cent., and we nearly halved the ratio of public sector debt to GDP. We did not shrink from making the necessary changes then and I shall not shrink from making them today.

The rise in the PSBR since 1989-90 is largely due to the recession, and, because of the reduction in the national debt in the 1980s, I have been able to allow the so-called "automatic stabilisers"—the increases in public spending and the reduction in tax receipts that directly reflect the weakness of the economy—to operate fully. It was right, I believe, to do this to maintain the level of demand during the recession. However, just as a business cannot go on year after year ignoring a fall in cash flow caused by a downturn in the economy, so too the Government cannot keep on running up debt in the hope that recovery will solve our problems. Even if the higher debt we now face was largely caused by the recession, the extra borrowing still has to be financed. As debt mounts up, so does the debt interest. In this way, what might have started off as a cyclical deficit could soon become a structural deficit unless action is taken to bring borrowing down.

All around the world, we see countries striving to reduce their fiscal deficits or suffering from their failure to do so sooner. President Clinton's programme shows that the need for fiscal discipline is now widely understood. The deficit which the Italians are now having to deal with is a salutary warning to those who think that a problem postponed is a problem solved. Those who argue that there is no need for action should confront the consequences of such a course—the consequences not just for the public finances but also for the level of interest rates.

For all these reasons, I believe that the greatest threat to sustained recovery in Britain would come not from a lack of demand, but from excessive Government borrowing over the medium term. We have to address that problem now.

Action to bring the fiscal deficit down clearly has to start with the amount that the Government spend. The new control arrangements that I put in place last year were an important first stage, and we now have firm ceilings for expenditure over the next three years that will keep the growth of spending below that of the economy as a whole.

But proper control of public expenditure cannot be achieved simply by setting targets. It requires a continuous examination of each and every Department and of all the functions of Government. What was once a desirable role for the public sector may no longer be appropriate today. That is why the fundamental reviews of public spending are so important. Those reviews will inevitably take time, so I have also had to look at the revenue side of the accounts.

BUDGET JUDGMENT

In doing so, I have had to balance two key objectives: first, the essential task of helping recovery; secondly, the need to tackle the deficit so that the recovery will be sustained. I believe that my proposals today strike that right balance. In the year ahead, 1993-94, their effect will be broadly neutral, thus allowing the recovery to take hold, and I will be announcing later some measures to improve that prospect by helping business and the unemployed.

However, for subsequent years, as the economy strengthens, my proposals are designed to build in a wedge of steadily rising revenue. Overall, they will raise revenue by £6½ billion in 1994-95 and by £10½ billion in 1995-96 —the equivalent of 1½ per cent. of GDP.

In setting out the Government's plans for raising revenue, good intentions are not enough. I intend that, as far as possible, these proposals should be legislated for this year, in this year's Finance Bill. Taken together with the tight public spending plans that I announced in the autumn statement, they should ensure that the PSBR returns towards balance over the medium term; but if further action proves necessary, I shall not hesitate to take it.

REVENUE MEASURES 1993-94

Taxation objectives

The proposals I shall be announcing today are part of a continuing programme of tax reform—a programme which has strengthened work incentives and improved the efficiency of the economy. In deciding where to look for additional revenue, I have been guided by a number of principles: first, that, where possible, money should be raised in a way that will not damage the working of the economy; secondly, that in general this means that reducing the value of allowances and broadening the tax base is preferable to increasing marginal tax rates; thirdly, that taxation should support social, health and environmental objectives.

I will deal with my revenue-raising proposals in two parts. I will start with my proposals for the year ahead, 1993-94; I will then describe the measures that I propose for the two years thereafter. For the year immediately ahead, as I have said, my proposals are very broadly neutral. The objective has been to strengthen the recovery by giving help to business, but, in order to pay for that, I have had to raise revenue from other sectors of the economy.

Allowances

The first is income tax. With inflation down to levels not seen for a generation, I propose for the year ahead to freeze the personal allowances, the married couple's and related allowances, the basic rate limit and the income limit for age-related allowances. The threshold for inheritance tax, the capital gains tax exempt amount and the earnings limits for tax relief on pension contributions will also remain unchanged. This will save some £670 million this year.

Excise duties

The second is excise duties. The removal of customs controls at the channel has been welcomed by many thousands of travellers who are now seeing the benefits of the single market at first hand. It has also brought many benefits to British business, including some 10 million fewer forms this year. But there is a natural concern as well about the impact of an increase in cross-border shopping, and the effect that it might have on British businesses, particularly in the south-east.

In considering what changes to make to excise duties, I have had to balance that against the need to raise revenue. I have therefore decided to raise the duties on most alcoholic drinks by only 5 per cent. this year. From 6 pm today, the total tax on a pint of beer will rise by about 1½p, and that on a bottle of wine by about 5½p.

I have also received many representations this year about the taxation of spirits, and, in particular, the taxation of whisky. This is one of Britain's most successful exporting industries. I promised in my Budget speech last year to resist proposals from Brussels to introduce tax rules that would hit whisky sales in Europe; but, having succeeded in that, it is important that our own tax regime does not further disadvantage the industry. I have therefore decided to make no change in the duty on spirits this year. I am sure that that will be welcomed by hon. Members on both sides of the House, and especially in Scotland.

I turn next to tobacco. Last July, my right hon. Friend the Secretary of State for Health published a White Paper containing our commitment to maintain the real value of the taxation on tobacco products, but again I have also had to take into account the impact of the single market. I propose, therefore, to increase the overall burden of duty by some 6½ per cent, four percentage points above the rate of inflation. This will add 10p to a typical pack of 20 cigarettes—and, I regret to say, some 4½p to a pack of five small cigars. But I also propose to make this increase in a different way from usual.

As the House will recall, cigarettes are subject to two different excise duties: a "specific" duty, which is a flat-rate charge per cigarette, and an "ad valorem" duty, on their price. Given that the health objective is to tax the harm that cigarettes do, it is better to tax the cigarettes themselves than to tax their price. I therefore propose to increase the specific duty on cigarettes by 10 per cent., while cutting the ad valorem duty from 21 per cent. to 20 per cent. This will mean a proportionately bigger tax increase for cheap cigarettes, many of which are imported.

I also propose this year to increase the duty on most gaming machines by 20 per cent. Taken together, those changes will raise £290 million in 1993-94 and £365 million in 1994-95.

I turn now to motoring taxes, where I propose to combine raising revenue with tax reforms. When I abolished car tax in my autumn statement, I said that I would recoup the cost from other motoring taxes. I therefore propose to raise all fuel duties by 10 per cent. from 6 pm today, putting 12p on a gallon of unleaded petrol and 15p on a gallon of four-star. From midnight tonight, vehicle excise duty for cars—the tax disc—will also rise, by £15, to £125.

Taken together with the abolition of car tax, those measures will raise a net £400 million in 1993-94. The overall impact will be to shift the tax burden from car buyers to car users; and to help both the environment and the industry. Together with the increases that I have announced on alcohol and tobacco duties, it will add a quarter of a percentage point to the RPI in April, compared with indexation.

Fuel scales

Alongside the increase in fuel duties, I propose to increase by 20 per cent. the scale charges for free fuel supplied to company car drivers for private use. I also propose to abolish the 50 per cent. discount currently available to drivers doing more than 18,000 business miles a year. Employees can, of course, avoid this tax altogether by paying for the full cost of all fuel provided for private journeys themselves. The environmental impact of my proposals on fuel duties will be strengthened by reducing the number of motorists who use fuel at no direct cost to themselves. This measure will raise £65 million in the year ahead and £70 million in 1994-95.

Company cars and vans

I turn next to the tax treatment of company cars. From its introduction in 1976 until 1988, the income tax charge on company cars significantly under-estimated their true value. Since then, charges have been steadily raised to more appropriate levels. I propose this year to complete that process, by bringing the car scales up to a level which fully reflects the true value of the benefit of a company car. That requires an increase in car scales of 8 per cent., bringing additional revenue of £100 million in 1993-94.

However, as I said last year, the structure of the current regime remains unsatisfactory. In most cases, the value put on the benefit, and the tax that is payable, are determined not by the price of the car, but by the size of the engine. That might have mattered less when the scale charges were very low, but it now gives rise to serious distortions.

Following consultation with the industry, I propose from 1994-95 to replace the current car scales with a simple system based on the price of a car. The annual benefit of a company car will be valued for income tax purposes at a fixed percentage of the manufacturer's list price. To ensure that the reform is revenue-neutral, I propose to set that percentage at 35 per cent. Company car users will then pay income tax at their marginal rate on that amount.

However, I do not believe that it would be right to apply the full rigour of the charge to those who use the company car largely for business purposes. I therefore propose that there should be a discount of one third for those company car users who drive more than 2,500 miles a year on business, and a discount of two thirds for those who do more than 18,000 business miles. In future, the tax on company cars will rise or fall automatically with the price of those cars. It follows that there will no longer be any need to set the tax charge each year in the Budget.

My reform will reduce tax distortions in the car market and enable manufacturers and fleet managers to plan production and purchasing in a more rational and stable system. For these reasons, I believe that it will be welcomed. I also propose to replace the existing complex arrangements for taxing employees' private use of company vans with a simple scale charge, covering both the van and any fuel provided, set at the modest level of £500. This will raise £10 million in the year ahead and £35 million in 1994-95.

Anti-avoidance

In addition, I intend to close a number of loopholes which have been exploited by people to avoid tax. First, from midnight last night I propose to exclude from the business expansion scheme all schemes which involve the provision of loans to BES investors. The BES was set up to encourage investment in small business—not to provide highly subsidised loans for top-rate taxpayers. Secondly, I intend to end the practice whereby group companies buy up other companies with capital losses simply in order to set those losses against their own capital gains. Thirdly, I intend to restrict the situations in which changes in company ownership can create scope to avoid advance corporation tax. Finally, I propose to tighten the rules for foreign companies under United Kingdom control.

Full details of these and other measures are provided in a series of Inland Revenue press notices being issued today. The revenue is not insignificant. Taken together, the measures should raise some £70 million in the first year, rising to over £460 million in the following year.

TAURUS

Before leaving my proposals for 1993-94, I wish to make clear the position on stamp duties on securities and property other than land and buildings. Following the decision by the Stock Exchange last week to abandon TAURUS, stamp duty will remain in place at least for 1993-94, raising £1 billion during the coming year. I will review the position further in the light of the conclusions of the securities settlement task force set up by the Bank of England.

The measures that I have proposed so far will raise £2·4 billion in 1993-94, not including stamp duty. Of this, £750 million is required to finance the abolition of car tax. I will be using a large part of the rest to reduce taxes on business.

REVENUE MEASURES 1994–95 AND BEYOND

Before I turn to business taxes, I intend to set out my tax proposals for 1994-95 and the years thereafter. As I have already explained, these tax proposals will build up over the years, creating a wedge of increasing revenue, which, as far as possible, will be legislated for in the coming financial year.

National Insurance Contributions

In my autumn statement, I took some tough decisions on current spending to maintain capital programmes, but, to protect the poorest and most vulnerable members of society, we also decided to uprate social security benefits in full. That decision was warmly welcomed on all sides of the House. However, had no further action been taken, the effect of that decision, combined with the rise in unemployment, would have been to push the national insurance fund into deficit. To prevent this, I introduced a new Treasury grant, and legislation to implement this has been taken through the House.

This makes sense at a time when ensuring economic recovery is our priority, but it is clearly not a fair or reasonable basis for financing the national insurance fund over the medium term. A Treasury grant is paid for by the general body of taxpayers, including millions of pensioners who have already made a full contribution to the fund throughout their working lives. Accordingly, my right hon. Friend the Secretary of State for Social Security and I propose to place the finances of the national insurance fund on a firmer footing.

I do not propose to increase national insurance contributions in the coming year. However, from April 1994 my right hon. Friend and I propose to increase the class 1 main rate of employee national insurance contributions by 1 per cent., to 10 per cent., and the class 4 rate for the self-employed by 1 per cent., to 7·3 per cent. The arrangements for employees earning below the lower earnings limit and the self-employed with profits below the lower profits limit will be unchanged by these measures. The necessary legislation will be brought before the House in the coming year.

Taken together, these increases will raise about £1·8 billion in 1994-95 and £2·2 billion in a full year.

However, that will still leave a deficit in the national insurance fund of £2·8 billion in 1994-95 and a similar sum the following year. National insurance contributions are, of course, paid not just by employees and the self-employed, but also by employers; and when a deficit of this size emerges in the fund, it is natural to look to all contributors to make up the balance. The remaining deficit is roughly equivalent to an increase in the employer national insurance contribution rate of 1·2 per cent. from 10·4 per cent. to 11·6 per cent. However, having reflected carefully, I do not believe that it would be appropriate to increase the burden on employers. I therefore propose to retain a smaller Treasury grant to make up the continuing shortfall in the fund.

North Sea Fiscal Regime

One of the main objectives of this Government's tax reforms has been to eliminate tax rules which distort investment decisions. This was the driving force, for example, behind the far-reaching reform of the corporation tax system in 1984. Today I wish to carry this principle through into another important sector of the economy—the North sea, and in particular petroleum revenue tax, or PRT.

When PRT was introduced in 1975, the North sea oil sector looked very different—oil prices were very high and the typical oilfield was relatively large. The purpose of the new tax was to ensure that the Exchequer got its fair share of the large profits to be made in the North sea, while companies were left with a reasonable return on their investments.

However, as the North sea has developed, the PRT regime has come to look increasingly anachronistic. As profits in many existing fields attract a marginal tax rate of over 83 per cent. there is little incentive for companies to keep costs under control or for additional investment in existing fields. Moreover, as a result of the uniquely generous allowances that are available, the Exchequer is no longer getting a fair return. In 1991-92, the PRT regime actually cost the Exchequer £200 million.

As many in the oil industry recognise, this is neither reasonable nor sustainable. The North sea tax regime has to be placed on a clear long-term footing, so today I intend to set out a major reform which will raise revenue in the medium term and give the oil industry a stable framework to plan ahead.

I propose from 1 July this year to reduce the PRT rate on existing fields from 75 per cent. to 50 per cent., and for new fields I propose with effect from today to abolish PRT entirely.

It follows that, for new fields, I also intend to scrap all the allowances that go with the existing PRT system, including, for example, relief for exploration and appraisal expenditure that can be set against PRT on existing fields: but contracts entered into before today for exploration and appraisal will continue to get relief against PRT on existing fields for the next two years. Allowances that can be claimed within existing fields will remain essentially unchanged.

This reform will greatly simplify the tax regime for new fields, disapplying at a stroke some 300 pages of complex legislation; and it means that the only tax on new oil fields in the North sea will be corporation tax—at 33 per cent., the lowest rate of business tax in the industrialised world. Britain will have a competitive tax regime which strikes a reasonable balance between the interests of the industry and those of the nation as a whole.

The paradox of this reform is that, despite the abolition of PRT for new fields, and the reduced rate for existing fields, after 1993-94 it will actually raise revenue for the Exchequer. I expect the yield in 1994-95 to be some £300 million and in the following year to be some £400 million.

Relocation Expenses

I turn now to another area where reform is long overdue—the tax treatment of job-related relocation expenses.

When a company asks its employees to move house, it may offer help with relocation expenses. Usually, that involves paying for the cost of the removals, but sometimes, if the move is to a more expensive area, the employer will also pay allowances towards the employee's higher living costs.

For the past 40 years, we have allowed employees to receive most of this help tax-free, provided the employee has sold his existing home—a condition which has been the subject of much criticism. That means that someone whose employer gives them as much as £25,000 might pay no tax on it at all. On the other hand, people who decide to move to find work and pay their own costs get no help whatsoever from the tax system.

I see a case for some measure of relief where employers help meet employees' removal expenses, but it is difficult,

in my opinion, to find a convincing rationale for a system of tax relief whose effect is to give the biggest subsidy to those moving to the highest-cost areas. With these reliefs expected to cost the Exchequer no less than the staggering sum of £800 million this year, I believe that the time has come for reform.

I am therefore asking the Inland Revenue to withdraw the present extra-statutory concession which helps people moving to a more expensive area, and I propose to restrict relief on removal expenses to payments of up to £8,000 for people whose employers require them to relocate after 6 April this year. Under the new system, the existing home need no longer be sold to qualify for relief.

Although these changes come into effect immediately, they will not start to raise revenue until the year after—about £200 million in both 1994-95 and 1995-96.

Mortgage Interest Relief

I turn now to mortgage interest relief. The rapid expansion of home ownership is one of this Government's most enduring achievements, and I have no plans to change the existing ceiling for mortgage interest relief of £30,000, but in the last few Budgets we have taken steps to improve the focus of mortgage interest relief and to contain its costs—most recently in my 1991 Budget—by restricting the relief to the basic rate.

Even so, mortgage interest relief is expected to cost the Exchequer £4·3 billion next year alone. I propose, therefore, to reduce the rate at which relief is given from 25 per cent. to 20 per cent., but I propose to defer the implementation of this change until April 1994. In all, this change will yield £900 million in 1994-95 and £960 million in the following year.

At the current mortgage rates, no borrower will be more than £10 a month worse off from the reduced rate of relief, and for many with mortgages below £30,000 the increase in payments will be even smaller. Moreover, it is the level of interest rates, not the amount of tax relief, that is the most important determinant of the cost of a mortgage. Because interest rates have fallen so far since October 1990, payments on the average mortgage have been cut by over £150 a month, so the cost of the change I am proposing is equal to just a fraction of the benefit mortgage payers have already received from lower mortgage interest rates.

I know that there are some elderly people with life annuity home income plans which allow them to draw down some of the savings that they have invested in their houses. Such schemes will continue to attract relief at 25 per cent.

I am fully aware that, despite some encouraging signs of increasing activity, the housing market remains fragile. That is why the changes I have described will not come into effect until next year; and it is also why I have one further proposal which will affect people buying houses. Whereas my proposals on mortgage interest relief do not apply until April 1994, this measure comes into effect immediately. I propose to double the stamp duty threshold to £60,000 for documents executed from today and not stamped before 23 March, when the required Budget resolution has been considered by the House.

This means that the cost of buying homes priced at between £30,000 and £60,000 will be reduced by up to £600. From today, the number of transactions in the housing market liable to stamp duty will be halved. This will be of particular benefit to first-time buyers, who tend to buy less expensive homes. With mortgage interest rates at their lowest level for decades, this reduction in stamp duty should provide a further stimulus to the housing market. The change will cost £220 million in 1993-94 and about £270 million in the following year.

Last year, I announced a significant change in the treatment of the married couple's allowance, giving couples greater flexibility in allocating it between them. Today, I have a further important change to propose.

At present the married couple's allowance reduces a taxpayer's liability at his or her marginal rate. A taxpayer on the 20 per cent. lower rate benefits by £344, but a higher rate taxpayer gets £688—twice as much. There is no good reason why an allowance intended to recognise the responsibilities of marriage should give least to those on low incomes and most to those right at the top of the income scale.

From 6 April 1994, therefore, I propose to restrict relief for the married couple's allowance to the lower rate of 20 per cent. It will then be worth the same amount to taxpayers at all levels of income. The allowances which are linked to the married couple's allowance for those aged under 65 will be similarly restricted.

Because of the higher level of MCA to which they are entitled, this change will bear harder on elderly married couples, so, also from 1994-95, I propose to increase by £200 the married couple's allowance for those aged 65 and over. This will ensure that pensioners paying tax at the basic rate are affected by the change in the same way as any other basic rate taxpayer, and some elderly married couples in the lower rate band will actually gain slightly.

As I have said, these changes will not come into effect until 1994-95. They will then raise about £900 million in 1994-95, and £1·2 billion in 1995-96.

Green Measures

In recent years, there has been much debate on the subject of global warming and the role that tax measures can play in combating it. This has led the European Commission to propose a Communitywide carbon tax. There may indeed be a case for further co-ordinated international action on global warming, but I remain unpersuaded of the need for a new European Community tax. Tax policy should continue to be decided here in this House, not in Brussels.

Individual countries should, of course, take their own measures to give people the right signals to encourage the efficient use of energy. Today, I shall propose measures designed to do just that, and to raise revenue at the same time.

Last June, my right hon. Friend the Prime Minister signed the United Nations convention on climate change at Rio. This was a milestone in international efforts to halt global warming.

When Britain and other countries have ratified the convention, the Government will be committed to bringing forward measures aimed at returning greenhouse gas emissions from this country to 1990 levels by the year 2000. My right hon. Friend the Secretary of State for the Environment published last December a consultation paper which set out the various options.

The largest contribution to the growth in United Kingdom carbon dioxide emissions in the coming years is expected to come from the transport sector. I therefore

propose to make clear today the Government's long-term intention on road fuel duty. We intend to raise road fuel duties on average by at least 3 per cent. a year in real terms in future Budgets, in addition to the increase I have already announced for this year.

In deciding the level of duty to be levied in any particular Budget, we will, of course, take full account of conditions at the time—including, if charges for motorways and urban roads are introduced, the overall level of taxes and charges which road users are paying. However, my announcement today will help manufacturers and consumers to plan ahead. It should provide a strong incentive for motorists to buy more fuel-efficient vehicles, and it will raise at least a further £520 million in 1994-95 and £950 million in 1995-96.

However, in order to meet the commitment that we entered into at Rio, action will be required not just in the transport sector, but across the whole economy, and in deciding how best to meet our carbon emissions target, we will need to ensure that the right incentives are in place throughout the economy—encouraging people to consume less and conserve more. Above all, it is crucial to avoid taking measures that will have a disproportionate impact on the competitiveness of British industry.

Against this background, I have one further measure to propose that will not only encourage greater energy efficiency in every household in the country, but will also raise a considerable amount of revenue for the Exchequer over the years ahead.

Fuel and energy supplies to industry pay VAT in Britain. Those to the home do not. In this respect, we are unique in the European Community. I therefore propose, over the next two years, to end the zero rate of VAT on domestic fuel and power. Again, this change will not come into effect immediately, but in 1994. VAT will be charged at 8 per cent. from 1 April 1994 and at 17½ per cent. from 1 April 1995.

This measure will raise some £950 million in 1994-95, £2·3 billion in 1995-96 and around £3 billion a year thereafter. For the first time, the rate of VAT on domestic fuel and power will be the same as that charged on goods like loft insulation material, which improve energy efficiency. This will bring to an end the current anomaly, which makes nonsense of any attempt to use the tax system to improve the environment.—*[Interruption.]*

Mr. Deputy Speaker: Order. The House should listen to the Chancellor.

Mr. Lamont: My intention is to legislate for this proposal this year.

Social security benefits will, of course, rise automatically to reflect the price effect of this change, but I recognise that this will cause particular problems for those on low incomes. My right hon. Friend the Secretary of State for Social Security will take this into account when the income-related benefits are uprated next year.

Taken together with the measures which have already been announced, these tax proposals take Britain two thirds of the way to meeting the Rio target, and they will do so in a way that does the least possible damage to the competitiveness of British industry. I am confident that the remaining gap can be filled through sensible energy-saving measures, as and when the convention is ratified by our major industrial competitors.

The measures I have announced so far will raise substantial revenue in 1994-95 and beyond. I turn now to my measures for business.

DEREGULATION

Self-assessment and simplification

As the House is aware, the Government have embarked on a major drive to reduce the burden of regulation on industry. I will therefore start with three significant measures of deregulation, which should be of particular benefit to the self-employed and to small businesses generally. Self-assessment of income tax has operated successfully in many countries, including the United States, but none of my predecessors has found a way of introducing it here. For most people, that has not been a problem—the PAYE system already deals very simply with the tax affairs of some 16 million employees—but for the 8 million taxpayers who have to fill in a tax return each year, the current arrangements are very far from simple.

Following a detailed consultation exercise, I now propose to offer these people, including 4 million self-employed, the option of self-assessment on income tax. Legislation will be brought forward in next year's Finance Bill to implement the proposal from the earliest practicable date, which is 1996-97.

For those who choose to take it up, self-assessment should provide a significant reduction in bureaucracy and paperwork; and it will also bring out more clearly the link between public spending and the burden this places on the individual taxpayer. A more transparent tax system can only lead to more informed choices and debate; and I believe that self-assessment for a third of all taxpayers will contribute to that.

But for self-assessment to work, the system has to be simple enough for taxpayers themselves to be able to fill in their own returns. My second reform will achieve a significant simplification, particularly for the self-employed. One of the least attractive features of our present tax system is that it is simply too complicated for them to work out how much tax they owe: people setting up in business on their own are more or less forced to employ an accountant.

Since 1926, the self-employed, working under the so-called "preceding year" basis of assessment, have generally paid a tax bill based on profits they made up to two years previously. People with several different sources of income may be assessed on a number of different bases, with separate tax bills and payment dates for each. It would be difficult to invent a more complicated system for taxing the self-employed, even if one set out with that very intention.

Under my new proposals, people will have just one tax bill each year, covering all their income, and the self-employed will pay tax on the profits they make in the current year, not the preceding year. This should be a major simplification; and I am sure it will be warmly welcomed.

Taken together, these two measures amount to the most fundamental reform of income tax administration since the introduction of pay-as-you-earn in 1944.

STATUTORY AUDIT

My third announcement is of particular interest to smaller businesses.

At present, all businesses which are incorporated have to have their accounts audited. While it is clearly important that accounts should be reliable and indeed that the Inland Revenue and other users should have the assurance they need that the accounts have been drawn up properly, the current statutory audit requirement imposes a disproportionate cost on many small businesses. My right hon. Friend the President of the Board of Trade will therefore shortly be issuing a consultative document setting out options for reducing this burden, at least for the very smallest businesses that are incorporated. This would deliver significant savings and would represent a major step in cutting out red tape and bureaucracy.

BUSINESS TAXES

Reducing the Government's borrowing requirement will benefit business by ensuring that the recovery is sustained, but, as I said in my Mansion House speech last October, the Government are determined to keep our policies under continuous review to ensure that British business has the backing it needs to compete in world markets. This is particularly true of our tax policies.

Britain already has the lowest rate of tax on business profits in the industrialised world, and we have a personal tax system which makes it attractive for entrepreneurs and managers to live and work in Britain. We intend to see that continue.

Britain has had an outstanding record over recent years in attracting investment from overseas—indeed, we have attracted no less than a third of all foreign investment into the European Community over the last few years—but we cannot be complacent. With the advent of the single market, the competition in Europe to secure inward investment has become ever more intense. So my Budget sets out to ensure that our business tax regime retains its clear competitive edge.

SURPLUS ACT AND THE TAXATION OF DIVIDENDS

In discussions with business organisations over the last few months, one issue has come up again and again—the problem of surplus advance corporation tax, or ACT. Many believe that this feature of our tax system both penalises successful British-owned international companies and distorts investment decisions.

This issue has, of course, been with us for many years, and it has so far defied solution. Nonetheless, I made a commitment in my Budget last year to return to this subject, and I am pleased to be able to report to the House that I have now found a way forward.

I hope that the House will bear with me, as I am afraid that my proposals are complex, but they do attack the problem of surplus ACT, they are central to the strategy of this Budget, and they raise significant amounts of revenue.

At present, ACT is paid on dividends at 25 per cent. This funds a tax credit which covers the basic rate income tax bill of the shareholder, but, as its name implies, it is also an advance payment of the company's corporation tax bill.

In normal circumstances, the system works very well, but sometimes it does bring problems, particularly for companies which earn a large proportion of their profits overseas. These companies often end up paying an ACT bill on their dividends that is greater than their entire United Kingdom corporation tax liability. The so-called "surplus ACT" that results cannot be claimed back, so in effect it becomes an extra tax on profits.

This can have damaging economic effects. For example, it gives some companies a strong incentive to move important activities, including research and development, abroad, leading to the loss of skills and jobs in this country. It cannot be right to distort the commercial decisions of British companies in this way or to give companies a positive incentive to move elsewhere in Europe; so today I am putting forward some proposals that will go a long way towards alleviating the problem.

First, I shall establish a special tax regime from 1994-95 to help foreign-owned international companies which are considering setting up their headquarters in the United Kingdom. This will make it more attractive for international companies to base their operations in Britain, and it will further promote London's position as Europe's leading financial centre.

Secondly, I am today issuing a consultation document proposing a scheme under which British companies may choose to class any dividend paid out of overseas profits as a "foreign income dividend". Unlike normal United Kingdom dividends, this will not carry any tax credit, and although ACT would initially be payable in the usual way, the company will be entitled to a refund if it gives rise to surplus ACT. Once fully operational, this scheme could reduce the build-up of surplus ACT by some £250 million a year.

Finally, I have one further proposal which will help not just companies with surplus ACT, but all dividend-paying companies; and it will do so in a way that will raise considerable revenue. I propose simply to reduce the rate of ACT in two stages, from 25 to 22½ per cent. in 1993-94 and then to 20 per cent. in 1994-95. This will give companies which pay dividends a cash flow benefit of about £2 billion over the next two years, and it will reduce the build-up of surplus ACT by about £300 million next year.

I also propose to reduce from 25 to 20 per cent. in 1993-94 the tax credit that shareholders get when they receive a dividend.

Those who are familiar with these issues—a select few, I fear—will know that tax credits affect two main groups of shareholders. Those with no tax liability, particularly pension funds, can claim a cash payment from the Inland Revenue for the tax credit, and higher rate taxpayers have to make up the difference between the 40 per cent. top rate of tax and the 25 per cent. tax credit they receive.

The reduction in the tax credit that I am proposing will therefore have two important effects. First, the payments that lower rate payers, non-taxpayers and particularly pension funds, get from the Inland Revenue will be reduced by five percentage points, saving the Exchequer no less than £1 billion a year. Secondly, higher rate payers will have to pay an extra 5 per cent of tax on the dividends they receive in order to discharge their liability to tax at the top rate of 40 per cent. This, in turn, will yield an extra £200 million a year.

Finally, in order to ensure that most ordinary shareholders are not affected by this change, I propose to reduce the rate of tax on dividends from the current basic rate of 25 to the lower rate of 20 per cent. The effect of this, combined with the change to the tax credits, is to leave basic rate taxpayers neither better off nor worse off than they are now.

Thus, these proposals achieve three objectives at the same time. They will give companies a £2 billion cash flow boost over the next two years, they will significantly reduce the problem of surplus ACT for the future, and they will raise £900 million extra revenue for the Exchequer from 1995-96 onwards.

There is, however, one group for whom I believe it would be desirable to ease the immediate effect of these changes. I therefore propose for charities to phase in the effect of the reduction in the tax credit over a four-year period. I also have some further measures for charities, to which I shall turn later.

Export credit

The House will be relieved to hear that my next measure is a little less opaque, but it is equally important for the long-term success of British manufacturing.

In the autumn statement, I announced a substantial increase in export credits to help British businesses win major contracts abroad, but the fact remains that export credit insurance has proved expensive for the taxpayer. For that reason, the Government have negotiated hard over the years to secure a reduction in the subsidies offered by other countries. Some progress has been made, and we shall continue in that effort, but in the meantime British firms, in my opinion, are sometimes at a competitive disadvantage in seeking business overseas. My right hon. Friend the President of the Board of Trade and I have therefore looked again at the whole range of ECGD services and have decided to make some important changes.

The first relates to premiums. Last year, premiums were cut on average by about 20 per cent., but there is scope to do more. We have therefore decided to make a further reduction of 7½ per cent. in the average level of ECGD premiums. This means that, while premiums for individual export markets will always differ, the average level of premiums paid by British exporters next year will be down to around the average paid by their G7 competitors.

The second is export credit cover. In the autumn statement, I increased the cover available to exporters by £200 million this year, and by a further £500 million for 1993-94. Over the next three years, my right hon. Friend and I propose that additional cover of £1·3 billion should be made available for those exporting into some of the fastest growing and most important markets around the world. Taken together with my autumn statement announcement, this means that the annual cover for these markets will have increased by more than 75 per cent. in just four years.

As a result, British firms will now be able to go into export markets with greater confidence that they can compete on a more equal basis with their overseas competitors. I am sure that they will seize the opportunities that are now available to them.

Insurance

Over the years, one of Britain's most successful exporting industries has been insurance, but for some years now the industry has argued that the tax reliefs available to some of their European counterparts put them at a competitive disadvantage. In fact, that is not the whole story; in other respects, our own tax system is very favourable. Nevertheless, having reviewed the position again, I believe that there may indeed by a case for allowing tax relief on certain types of equalisation reserves covering occasional, exceptional losses.

However, if such reserves were to be allowable for tax, they would also have to be within the regulatory framework for the industry. This would be a major departure for both the tax and regulatory systems. A consultation document will be issued later this spring to consider the options.

Lloyd's

I also propose to introduce a significant reform of the tax regime for Lloyd's. I propose to tax the gains on the disposal of assets which form the premiums funds of Lloyd's names in the same way as those of corporate insurers, and I intend to replace the current reserve arrangements with a better targeted reserve, which should enhance Lloyd's ability to deal with the particularly volatile type of risk which makes up most of its business.

My proposals will greatly simplify the taxation of Lloyd's. Lloyd's has certainly had a difficult time recently, but it remains vital if London is to retain its pre-eminent position in the world insurance market. Taken together, the two reforms I am proposing will cost the Exchequer nothing.

SMALL BUSINESS

The measures I have announced so far will be of help particularly to large businesses, but small firms play a crucial role in our economy. Small businesses do not follow the economy; they lead it. That has been demonstrated time and time again. In this Budget, I shall set out some further proposals which will help small businesses to lead the recovery once again.

Loan guarantee scheme

Following heavy losses in recent years, the banks are bound to be more cautious in their lending in future. Moreover, the fall in property prices has reduced the security for many of their loans. As the recovery progresses, small firms may therefore find that their prospects for expansion are increasingly threatened by a shortage of bank finance. My first proposal is directed precisely at that problem.

The Government's loan guarantee scheme helps entrepreneurs who have viable projects but who do not have the track record or loan security to attract sufficient finance on their own. It enables them to borrow with a Government guarantee, usually for 70 per cent. of the value of the loan, in return for paying a premium of 2½ per cent. on the guaranteed part of the loan.

In Germany and the United States, a large proportion of lending to small businesses is done at fixed rates of interest. By contrast, in Britain, most borrowing is linked to the level of base rates. I have long believed that many small businesses would benefit from making more use of fixed-rate finance, which would give them more stability and would enable them to plan ahead.

I propose therefore to make a substantial reduction in the loan guarantee scheme premium for guarantees on fixed-rate lending. This will fall to ½ per cent. and will, I hope, encourage more fixed-rate lending. I also intend to reduce the premium on other variable rate loans to 1½ per

cent. The premiums will henceforth apply to the whole loan, not just the guaranteed portion. This change should take effect in the next month or so.

I also propose that the limit on the size of loan allowed to such businesses should be raised from £100,000 to £250,000, and the proportion of the loan guaranteed increased from 70 per cent. to 85 per cent. I am sure that those proposals will be warmly welcomed by small businesses. My right hon. Friend the President of the Board of Trade and I will be taking this forward urgently with the banks.

CGT REFORM

My second measure relates specifically to entrepreneurs who have built up successful businesses and now wish to sell them in order to start up a new one.

The current capital gains tax regime provides generous annual exemptions to those who make regular capital gains from trading in shares, but it is much less generous to the entrepreneur. Typically, he sells shares in his own company only once, so has only one year's annual exemption to set against gains built up by hard work over a lifetime. Thus, for every £100 taken out of the old company at the margin, he has only £60 to invest in a new one. It is hardly surprising that entrepreneurs complain that they are locked in by the CGT regime, and prevented from investing their talents elsewhere.

For this reason, I propose in future to defer the payment of CGT for any entrepreneur whose gains from the sale of his own company are reinvested in another qualifying unquoted trading company, or companies. I know that this will be widely welcomed by the venture capital industry.

I also propose to relax the conditions for CGT retirement relief by reducing the qualifying shareholding from 25 per cent. to 5 per cent.; and to extend this relief to cover full-time employees as well as directors. These changes will cost £50 million in a full year.

VAT THRESHOLD

I turn now to the VAT regime, which for many small businesses takes up a great deal of time and can be a particular source of worry. The best way to help is to keep them out of the VAT system altogether. I am therefore raising the VAT threshold to the maximum extent possible. The new threshold will be £37,600.

CASH ACCOUNTING AND BAD DEBT RELIEF

Over the past couple of years, I have also announced measures to allow traders to reclaim VAT on debts which remain unpaid after 12 months, and to encourage firms to take advantage of the cash accounting scheme under which traders only have to pay VAT to Customs when they themselves have been paid by their customers. I now intend to take this further in a way that will help many small businesses.

I propose to increase the ceiling on turnover below which firms may join the cash accounting scheme by £50,000 to £350,000. This will allow an extra 15,000 businesses to benefit, on top of the 400,000 that qualify already.

I also intend to help businesses which are too big to take advantage of the scheme. At present, VAT can be reclaimed on any invoice which remains unpaid after 12 months. I propose to halve that qualifying period to six months.

These measures will give considerable help to companies, improving traders' cash flow by some £150 million in the year ahead.

VAT PENALTIES

In addition, I have a further series of reforms to propose to the current system of VAT penalties.

First, I intend to focus the rules better so that only larger errors and the most persistent offenders will incur the "misdeclaration penalty". This will reduce the number of penalties imposed by over 40 per cent. Secondly, I propose to place a three-year limit on the number of years' interest that can be charged when tax has been underpaid. Thirdly, I have decided to reform the VAT default surcharge so that traders will be notified sooner of default and surcharged at a lower rate, and only on larger defaults. This will make the surcharge more effective, but remove some 125,000 small traders from the default surcharge altogether. I know that this will be welcomed by small businesses.

KEITH REPORT

I have one final reform of the VAT penalty system. Following Lord Keith's 1983 review, the Government concluded that it would be wrong to give Customs discretion over the level of VAT penalties. After considerable debate, this conclusion was eventually accepted by the House—I remember the strong debates very well—but the controversy has continued ever since, and, over time, more and more people have come to believe that it is wrong to have a penalty regime which is almost entirely automatic.

I have considered this matter all over again, and I have concluded that the time has come to make a change. I propose, therefore, that Customs should be given some discretion to mitigate the penalties for misdeclarations, to enable them to take account of the individual circumstances of the trader. If necessary, of course, the trader will still be able to appeal to a VAT tribunal, which will also have greater scope for discretion.

These reforms will put the VAT compliance system on to a secure long-term basis. They will be of most benefit to small businesses, for whom the burden of compliance is heaviest; and I know that they will be widely welcomed on both sides of the House.

BLOODSTOCK

I have already announced my intention to extend value added tax to domestic fuel and power from 1 April next year. I have one further announcement to make on VAT.

As the House knows, it has long been this Government's intention to switch the burden of taxation from direct taxes on income to indirect taxes on consumer spending. It is perhaps less well known that Britain has one of the lowest effective rates of VAT in the European Community.

Against this background, and in a Budget designed to place the public finances on a sound footing, I have inevitably had to look very carefully at the whole structure of our current VAT regime, and particularly at whether all

of our existing zero rates should be maintained. Some of these zero-rated goods—for example, food and water—are clearly amongst the most basic necessities of life. Others —for example, sewerage and newspapers—perhaps fall into a different category.

Having reflected carefully, I have decided nonetheless not to extend the VAT base beyond fuel and power. I do, however, have one further announcement on VAT, which will I hope offer some consolation to those hon. Members who would rather be at Cheltenham today, watching the Champion Hurdle.

For some time, the bloodstock industry has been concerned about competition from other EC countries which levy a lower rate of VAT on horses. The single market has exacerbated this problem and created a major incentive to move bloodstock business abroad, threatening 30,000 jobs.

There have been intensive discussions between the Jockey Club and Customs, and I am pleased to announce that a way forward has been found. As a result of proposed changes in the Jockey club's rules, owners who wish to do so will now be able to organise their racing activities in a more commercial way. This in turn will enable them to meet the normal business test for VAT registration and to claim credit for VAT on purchases, subject to the usual rules.

I know that there have been representations on this from both sides of the House, and I know that registration on this basis meets the industry's concerns over this problem. No Government have done more for racing than this one—and quite rightly so, for it is an important industry, and a vital part of our national life. This measure will be welcomed by the industry and by its many supporters in this House.

UBR

I have one final announcement, which will be of direct help to many businesses.

My last Budget helped many thousands of firms by altering the business rates transitional arrangements to accelerate the gains of those who gained most from the change in the system, while freezing real rates bills which otherwise would have risen substantially.

The freeze applied for one year only, so many businesses now face a substantial increase in their rates bills in the year ahead—up to 20 per cent. over and above inflation on large properties and up to 15 per cent. on small properties.

It would, I believe, be wrong to impose such increases in present circumstances. I therefore propose for a further year to freeze in real terms the rates bills of those losing from the new system.

As a result of this and last year's measures, no business will face a real increase in its rates bill in the year ahead, and many will benefit from reductions. In cash terms, that means that no bill will rise by more than 3·6 per cent.—the increase in the RPI in the year to last September.

Subject to Parliament's approval, the Government will again pay extra sums into the business rates pool to ensure that the income of local authorities is not reduced. My right hon. Friend the Secretary of State for the Environment will shortly introduce a Bill to implement these proposals. Full details will be published today in a press notice.

The new measure will reduce the total business rates bill in England and Wales next year by 2·6 per cent. Bills in Scotland and Northern Ireland will likewise be reduced by 2·6 per cent. in aggregate. My right hon. Friends the Secretaries of State for Scotland and for Northern Ireland will be announcing the details.

These measures will again bring significant and early benefit to many thousands of businesses throughout the United Kingdom. About 800,000 business properties will benefit. The revenue cost is estimated to be some £370 million in 1993-94, and some £260 million in 1994-95.

Taken together, the measures I have announced will reduce the burden on business by about £1 billion in the year ahead. I hope that the House will agree that this is the best possible use for the sums I have been able to raise this year.

NATIONAL LOTTERY AND CHARITIES

The House is aware, also, of the Government's plans to introduce a national lottery from next year. This will provide a substantial increase in resources for a number of good causes: charities, sport, the arts, the national heritage and the millennium fund. I have no doubt that the lottery will be both popular and successful.

We have always made it clear that the national lottery will be taxed. In deciding the tax rate, I have taken into account the level of tax on other forms of gambling and the extent to which spending is likely to be diverted from other taxed activities. Much, of course, will depend on how the lottery develops and I shall keep the position under review, but for the first year of its operation I propose that national lottery tickets should be taxed at a rate of 12 per cent. Existing society and local authority lotteries will be exempt. Winnings will incur no tax whatsoever. I believe that these proposals will make sure that the national lottery gets off to a good start.

Since 1979, the Government have done an enormous amount to help charities. Indeed, their special position in society is recognised by the substantial tax reliefs, approaching £1 billion, that they already receive, and they will also benefit from the new lottery. I now have two further changes to propose.

First, I intend to raise the annual limit for income tax relief under the payroll giving scheme from £600 to £900 with effect from 6 April. Secondly, I propose that the minimum gift attracting tax relief for single donations under the gift aid scheme should be reduced from £400 to £250 from today, thus increasing substantially the incentive, through the tax system, to charitable giving.

These measures build on the principle that tax reliefs for charity should focus on what individuals give, rather than what charities themselves spend. Taken together, they will boost tax relief on donations to charities by some £30 million in a full year.

EMPLOYMENT MEASURES

In the autumn statement, the Government announced a number of measures to help the unemployed, and in my Budget I have set out my further proposals to help business and sustain recovery. That it the best way to promote employment.

However, we know from experience that unemployment may continue to rise for a while even after growth has resumed. That is a matter of great concern to the whole country, and it is a concern which I fully share. My right

hon. Friend the Secretary of State for Employment and I have therefore decided to take further special measures to help an extra 100,000 unemployed people.

First, we have decided to provide more help for those who wish to set up their own businesses under the business start-up scheme. This offers advice and financial assistance, and has been one of the most successful employment schemes. We propose to offer an additional 10,000 places in 1993-94. That will give a direct boost to small business creation and self-employment in years ahead.

Secondly, the Secretary of State for Employment proposes to introduce a new initiative to allow the long-term unemployed to learn the practical skills they need to find work. In the past the benefit rules have been an obstacle to allowing them to study. We intend to introduce an education allowance that will enable 30,000 long-term unemployed people to study on full-time vocational courses.

Thirdly, it is widely agreed that, in every community, there are plenty of jobs needing to be done, and plenty of people who want to do them. My right hon. Friend the Prime Minister has recently indicated the importance of offering more unemployed people the opportunity to undertake some form of useful work or other activity. We are therefore launching a new community action programme to allow 60,000 of the long-term unemployed to do part-time work in their local communities, organised by voluntary groups. Those involved will be paid an allowance based on their previous benefit rates plus a small premium. The scheme will start as soon as possible.

Those who have been unemployed for a long time tend to lose touch with the job market, and the problem is that they find it increasingly difficult to find an employer who wants to take them on. We propose to test in pilot schemes the feasibility and effectiveness of a new approach under which, rather than pay benefit to the long-term unemployed to do nothing, payments will instead be made, for a limited period, to an employer who recruits them. Employers taking on people who have been out of work for at least two years will receive a one-year subsidy based on the benefits which would otherwise have been paid. That subsidy will taper off as the period of employment progresses. Pilot schemes using different approaches will be launched this summer in four parts of the country. If they can be made to work, I believe that they could be useful, and would lead to permanent jobs for the long-term unemployed as the economy recovers.

Finally, the establishment of training and enterprise councils throughout the country has successfully brought local business people into the design and running of training and enterprise programmes for the unemployed. I now propose to offer the TECs a new £25 million fund. My right hon. Friend the Secretary of State for Employment will invite TECs to submit competing applications to develop the most imaginative schemes to help the long-term unemployed and stimulate job creation. The degree of local business involvement will be an important criterion against which each application will be judged.

These measures will cost £230 million, and will give special help to those who need it most, including disabled people. The disabled will be given priority in the vocational education initiative and in community action, helping us to build on our achievements in helping the disabled back to work. In the first nine months of 1992-93 the Employment Service found jobs for 31,000 unemployed disabled people, 25 per cent. more than in the same period of 1991-92. I am sure the House will welcome this.

PRIVATE FINANCE

Mr. Deputy Speaker, in my autumn statement I announced significant changes to the rules for the private financing of major infrastructure projects. This initiative has met with an enthusiastic response, and today I have a number of specific developments to announce.

First, hon. Members will recall that legislation has already passed through both Houses permitting the construction of a new fast rail link that will cut the journey time between Heathrow and Paddington. I can now announce that BAA plc and British Rail have agreed to proceed with this project, the Heathrow Express. This is a major new joint venture, involving private sector investment of nearly £300 million. As well as providing a substantial boost to the construction industry, this project will significantly enhance the transport infrastructure of the nation's capital.

Secondly, there is crossrail, a public sector project first proposed in 1989 to reduce congestion in central London. The Government remain committed to securing for London the benefits that crossrail will bring, but we now believe it would be preferable to take this project forward as a joint venture with the private sector. The present proposals for crossrail will therefore be re-examined. Our aims will be to maximise the participation and financial involvement of the private sector and to secure the best value for money for the taxpayer.

One of the most ambitious civil engineering projects ever conceived has been made possible by private finance. I refer, of course, to the channel tunnel. This will provide a fast link between Britain and Paris, cutting journey times dramatically, but those times could be cut still further by reducing the time taken for journeys within Britain itself. For that to happen, a new rail link will be required—from London down to the channel tunnel itself. This will be a massive undertaking—one of the largest infrastructure projects in this country since the war—but, after careful consideration, the Government have decided to make a firm commitment to the project. So I can announce today that the channel tunnel rail link will go ahead.

My right hon. Friend the Secretary of State for Transport will be inviting the private sector to come forward with bids so that the project can be taken forward as a joint venture as soon as possible. We will discuss timing with the private sector. We hope to be able to introduce a Bill as soon as the legislative timetable permits, and to see the new line fully completed around the end of the decade. The Government will make their own financial contribution, recognising the benefits that will accrue to domestic travellers from the new link. Full responsibility for the project, its management and completion will be transferred to the private sector.

Subject to the results of detailed work by British Rail over the next few months, the London terminus of the new link will be located at St. Pancras. This will provide a new lease of life for this magnificent Victorian building, which will become the gateway to London for international passengers. My right hon. Friend the Secretary of State for Transport will make a statement on the details of the route shortly.

Over the years ahead, my private finance initiatives will play an ever increasing role in the modernisation of Britain's infrastructure. The projects I have announced today represent a considerable step forward. They will not only improve the country's transport network; they will also create jobs. I am sure they will be warmly welcomed by the country and by the House.

INCOME TAX

I turn finally to income tax. My priority in this Budget has been to set out a clear strategy for reducing public sector borrowing over the medium term. I am therefore unable this year to reduce the basic rate of income tax. I also propose to leave the higher rate of tax unchanged at 40 per cent.

However, in my Budget last year, I opened up an alternative route for moving over time towards our ultimate objective—a 20p basic rate of income tax for everyone. The new lower rate band I announced last year at a stroke took 4 million taxpayers on low incomes down to the 20 per cent. rate, cutting their marginal rate of tax by a fifth.

In this Budget, I have taken my reform a step further. The Government's 20p pledge not only involves a reduction in marginal tax rates for 19 million basic rate taxpayers, but, also, when the basic rate is eventually brought down to 20p, tax reliefs for basic rate taxpayers will, of course, be worth 20p in the pound, too. In this Budget, I have brought forward that change by restricting three specific tax reliefs to 20 per cent., not just for basic rate taxpayers, but for all taxpayers.

First, I have reduced the tax credit on dividends to 20 per cent., to cut the rate of advance corporation tax which companies pay on dividends. Secondly, I will be reducing the rate of relief on mortgage interest payments to 20 per cent., to cut the subsidy on borrowing and to pay for a reduction in the tax on housing transactions. Thirdly, I will be restricting the tax relief for married couples to 20 per cent., to make it worth the same for all taxpayers.

All these measures are sensible reforms in their own right. When revenue has to be raised, it is far better to do this by broadening the tax base than by increasing tax rates; but, in addition, the restrictions I have introduced will also allow me to make further progress in getting income tax rates down.

I therefore propose to increase the width of the new 20p band in 1993-94 by £500 to £2,500. That will help all taxpayers currently paying tax at 25 per cent., and it means that, in the coming year, nearly 5 million taxpayers will face a marginal rate of income tax of only 20 per cent. Already, for about a fifth of all taxpayers, I will have delivered on our promise of a 20p rate in the first Budget of the Parliament, and I will have done so by a sensible and fair reform of the tax system.

But I can also go further. The measures I have announced today will also allow me to make a further extension of the 20p rate in 1994-95. From 1 April next year, I propose that the 20p band should cover the first £3,000 of taxable income, £500 more than in the year ahead; and we shall continue to widen the 20p band in the years to come—year by year, we will make our progress towards our objective: a 20p basic rate of tax for everyone.

CONCLUSION

In the first Budget of this Parliament, I have set out the Government's economic strategy. I have cut the tax burden on business; and given help for small businesses, exports and the unemployed. I have demonstrated clearly how we will bring Government borrowing down in the years ahead. That is the only way to sustain growth and build a strong and sound economy in the 1990s.

This is a Budget for sustained recovery and a Budget for jobs—not just for this year and next year, but right through this decade. I commend it to the House.

PROVISIONAL COLLECTION OF TAXES

Motion made, and Question,

That, pursuant to section 5 of the Provisional Collection of Taxes Act 1968, provisional statutory effect shall be given to the following motions:—

(a) Beer (rate: existing regime) (motion No. 2);
(b) Wine and made-wine (motion No. 5);
(c) Cider (motion No. 8);
(d) Tobacco products (rates) (motion No. 9);
(e) Hydrocarbon oil (rates) (motion No. 11);
(f) Vehicles excise duty (rates: general) (motion No. 16);
(g) Vehicles excise duty (exceptional loads: 1) (motion No. 17);
(h) Vehicles excise duty (old bicycles) (motion No. 19);
(i) Vehicles excise duty (trade licences) (motion No. 20).—*[Mr. Lamont.]*

put forthwith, pursuant to Standing Order No. 50 (Ways and Means Motions), and agreed to.

Mr. Deputy Speaker: I now call on the Chancellor of the Exchequer to move the motion entitled "Amendment of the law". It is on that motion that the Budget debate will take place today and on succeeding days. The remaining motions will not be put until the end of the Budget debate next week, and then they will be decided without debate.

Budget Resolutions and Economic Situation

AMENDMENT OF THE LAW

Motion made, and Question proposed,

That it is expedient to amend the law with respect to the National Debt and the public revenue and to make further provision in connection with finance; but this Resolution does not extend to the making of any amendment with respect to value added tax so as to provide—

(a) for zero-rating or exempting any supply, acquisition or importation;
(b) for refunding any amount of tax;
(c) for varying the rate of that tax otherwise than in relation to all supplies, acquisitions and importations; or
(d) for relief other than relief applying to goods of whatever description or services of whatever description.—*[Mr. Lamont.]*

[Relevant documents: European Community Document No. 4683/93, the Commission's Annual Economic Report for 1993, and the draft Decision adopting the Report.]

5.24 pm

Mr. John Smith (Monklands, East): I am happy to offer the Chancellor the customary congratulations on the style and manner in which he delivered his Budget. As he noted, this will be the last spring Budget and he is the last Chancellor who will deliver the Budget in its traditional form.

I welcome the change to a unified Budget and public expenditure statement, a change which, after all, the Opposition proposed. May I suggest a further reform for the new arrangements later in the autumn? The Chancellor should consider abolishing the increasingly absurd purdah rule. I suggest that he makes an early announcement to that effect, perhaps the earlier the better, so that he and not someone else can take credit for an overdue reform.

Those who have listened to this debate will have been shocked beyond belief at the cynicism of the Conservative party which went into the last general election as the party committed to low taxation. [HON. MEMBERS: "We have done that."] Conservative Members say that they have done that. Some innocents on the Conservative Benches describe the Budget as a Budget of low taxation. Let me remind the House of what the Government said during the last election campaign—*[Interruption.]* I know that some Conservative Members do not want to hear this, but I think that the public do.

Let me start with VAT. On 28 January 1992, the Prime Minister said:

"There will be no VAT increase. Unlike the Labour party, we have published our spending plans and there is no need . . . to raise VAT to meet them."

It is difficult to be more categoric than that. During the election campaign, the Conservative campaign guide stated—*[Interruption.]* I know that that is a matter for humour, but we are entitled to treat it seriously. The guide stated:

"Following a series of unfounded and irresponsible scares by the Labour party, the Prime Minister has confirmed that the Government has no intention of raising VAT further."

To get precisely to the point, during the election campaign, at a press conference, Mr. Tony Bevins of *The Independent* asked the Prime Minister on 27 March 1993:

"Can you give the same pledge that Mrs. Thatcher gave in 1987 that you will not extend the scope of VAT to children's shoes and clothing, gas, electricity and food?"

The Prime Minister replied:

"I've made the pledge in the past, I've made it clear. We have no need and no plans to extend the scope of VAT."

I do not know how the right hon. Gentleman can sit there as Prime Minister of a Government who are capable of deceit on such a scale. The Conservative party went into the election and was pressed day after day about increases in VAT and still came back the answer, "Lies and scaremongering from the Labour party. The Conservative party wouldn't do anything like that." Those people make pledges as though they matter not a whit.

It is not just a question of VAT—and I will consider the effect of the VAT increase. The Prime Minister knows perfectly well that commitments were made on national insurance as well. On 28 January 1992, the Prime Minister stated:

"I have no plans to raise the top rate of tax or the level of national insurance contributions."—[*Official Report*, 28 January 1992; Vol. 202, c. 808.]

However, the Government have proposed today a 1p increase in national insurance contributions. No doubt they will go to the country and say, "We haven't increased income tax. We have marginally increased the 20p band." People are not so foolish. They understand clearly that 1p on national insurance is, if anything, worse than 1p on income tax. Apart from anything else, it bites further down the scale. On tax on income and tax on spending, the Conservative party has cynically and ruthlessly betrayed the pledges which it gave to the people of this country. It will not be forgiven for that.

The Conservative party used to say that VAT was all right because, after all, people could choose whether they bought the goods on which VAT was levied. Will it tell us now that people can choose whether to have gas or electricity in their houses? The Government must know perfectly well that throughout the land a 17·5 per cent. increase in fuel bills will push many families who are just on the edge, wondering whether they will manage, to despair.

It is no good the Government saying that they will adjust income support levels. Millions of people in Britain are poor but do not qualify for income support and will be hit savagely by the 17·5 per cent. increase in the basic cost of living. The Chancellor says, "It is all right: I have extended the 20p band." But what does the extension of his band amount to? This year it amounts to about 25p a week and at best in future years it will amount to £1. How will that help people to meet the extra bills that they will have to pay as a result of all the other tax increases and reductions in allowances? Indeed, taken together, the tax increases announced in this Budget must be one of the highest hikes ever.

We have also seen the freezing of allowances. That means that more people will be brought into both the standard and higher rates of tax. All this from the party which said that it was the party of low taxation and paraded that all over the country during the general election campaign. There are hundreds of examples of that day after day.

The Government have betrayed their pledges and caused unnecessary increases in the cost of living. They should have been busy in this Budget looking for loopholes in taxation. The Chancellor may have discovered a few here and there, but there are massive loopholes in taxation by which people do not pay the proper amount of tax. Here we have the Government putting an even heavier burden on the ordinary people of

Britain. The Government must bear in mind that the public's conclusion about the Budget will be simple and clear: the Conservative party is a party without honour and without feeling.

The other question that people will ask about the Budget is whether it will bring down unemployment. [HON. MEMBERS: "It will."] There can surely be no doubt that unemployment is Britain's No. 1 problem. We shall see in the November Budget whether this Budget has brought down unemployment. If Conservative Members want that to be a test, we shall make it a test for the Government. The Government cannot simply wish away unemployment. The Chancellor announced inadequate measures on that front. The Government do not seem to understand how depressing and debilitating it is for our people to suffer unemployment of more than 3 million. It is economic madness as well as a social tragedy.

Ministers should bear it in mind that there is hardly a street in Britain in towns or villages, in the country or elsewhere, which the tentacles of corroding unemployment have not reached. It is also depressing to consider that, each time we plunge into another Tory slump, it gets longer than the one before. The last one lasted five quarters. We have already gone 10 quarters in the slump that we are suffering now—the longest since the 1930s.

What measures does the Budget contain to deal with the problem of unemployment? The Chancellor said that the Secretary of State for Employment would announce a few measures which would potentially affect 100,000 people. But 300,000 people have lost their job since the election alone. So even at his most optimistic, the best that he can touch is one third of the people who have become unemployed since the Conservative party was elected on a pledge to reduce unemployment. The measures are wholly inadequate to deal with the scale of Britain's jobs crisis.

There is some merit in the Chancellor's proposals. For example, he has removed the restriction on people on benefit taking up educational courses. Why do we have to wait so long for a simple and obvious change such as that to be introduced? Why does misery have to become desperately acute before the Government will take even minor measures to deal with it?

As we know, the Government's spending on training —one real way in which we could tackle unemployment —has fallen between 1991 and now by 14 per cent. in real terms. That is a reduction of £300 million. So the amount of training falls by 14 per cent. at the same time as unemployment increases by 87 per cent. That gives a clear idea of the Government's approach to the problem.

The Chancellor's proposals in the Budget hardly fill the hole that has been created by the Government's previous actions. Therefore, the Government cannot claim any credit for action on unemployment. That is hardly surprising because the Chancellor gives such a low priority to the unemployed. Who has been more callous and complacent than him? Both he and the Prime Minister want us to forget that it was the Chancellor who told us in the House that unemployment was a "price well worth paying." He said it; he meant it. He has never apologised for it. If nothing else, he might have done that today.

An apology is also due from the Chancellor for the failure of his last Budget—a failure which makes us, and indeed the whole country, cautious about believing anything that he says to us today. After all, his record undermines his credibility. Let me remind the House what he predicted a year ago. He said that the economy would be growing by 3 per cent. and manufacturing output would be growing by 4 per cent. by this time. Let me remind the House of the sad reality—the outturn.

The economy shrank during the whole of 1992 and, even on the latest figures and giving the Government the benefit of the doubt, an increase of barely 1 per cent. per annum is likely. Manufacturing output, instead of growing at 4 per cent. as predicted last year, is not growing at all according to figures published yesterday. A year ago in the Budget the Chancellor predicted that the PSBR would be moving virtuously back towards balance. We know how absurd that was. We know how the Chancellor's management of the economy has thrown Britain deeper into debt, with a projected PSBR of £50 billion.

If the public had known what would be the outcome of the right hon. Gentleman's Budget last year in terms of constantly rising unemployment, deepening recession, rising bankruptcies and home repossessions, let alone the betrayal of election pledges, how many of them would have given the Tory party the benefit of the doubt on the night of 9 April last year? Precious few. We now know that their trust has been spectacularly betrayed.

The other vital question to which the country wants to know the answer is when action will be taken, in a Budget or otherwise, to halt the long, sad economic decline of Britain. Where are the measures of investment and training that will revive the British economy and, in particular, its vital manufacturing sector? The Government will not publish the report from the Department of Trade and Industry that tells us about our problems of weak investment and our skills problems and shows with chilling reality what is happening to British manufacturing industry.

The most important and worrying factor is that investment in manufacturing industry is 6 per cent. lower than it was in 1979 when the Conservative party took office. It appears that civil servants in the Department of Trade and Industry are guilty of the dreadful crime of talking Britain down. Any criticism of this incompetent and dishonest Government is regarded as talking the country down. People are more worried about who is pulling the country down—the Government. They are unable to face up to the scale of the challenge that Britain faces. We shall run into serious balance of payments deficits. We had another foretaste of that in the Chancellor's predictions today.

From the industrial revolution until 1983 we had a surplus in manufacturing trade. Under this incompetent Government we went into deficit for the first time in 1983 and we have remained there ever since. If we examine Conservative economic policy, we find that it will be extremely difficult for us ever to return to a surplus. We shall be able to set a course of sustainable economic recovery only when we begin to invest in industry, in the skills of our people and in the public infrastructure so crucial to our economic development.

On the infrastructure front, we got one reannounced real project and another one postponed. People are doubtful about the channel tunnel business. It appeared to me that the right hon. Gentleman was postponing it yet again. We may find that we have no proper connections on this side of the English channel, while the other side has excellent connections. As for the railways, the most intelligent step that the Government could take would be

[Mr. John Smith]

to remove the threat of privatisation; that would be sensible, and would do a great deal of good to the morale of a beleaguered industry.

Let me briefly remind the House of the Conservative party's promises. It promised economic recovery following its election. Hon. Members may remember the slogan: "Vote Conservative on Thursday, and recovery will continue on Friday". That was 300,000 unemployed people ago. According to the Conservatives, the public expenditure programme set out for the future would be rigorously maintained. There would be no cuts in public expenditure; that was another scaremongering Labour story. What is happening now? The Chief Secretary to the Treasury is undertaking what may be the biggest review in this country's history to cut public expenditure.

Mr. Michael Fabricant (Mid-Staffordshire): Very good.

Mr. Smith: The hon. Gentleman may say "Very good", but his party did not say that at the time of the general election. I am sure that, when voters asked the hon. Gentleman, "What about spending on schools, hospitals and training?", he replied, "Do not worry; all the programmes that the Conservative party has put in place are costed, and they will be fully maintained if you elect a Conservative Government." Did the hon. Gentleman tell those voters, "The Chief Secretary will slip in a few months later and undo all those promises"? That is yet another example of a blatantly broken promise. Worst of all, the Government promised that there would be no increase in taxes, direct or indirect.

This is a shameful Budget, presented by a cynical party, and I hope that the Conservatives live to regret it.

5.41 pm

Mr. John Biffen (Shropshire, North): I note the content of the Budget, and will refer to it in due course. First, however, let me congratulate my right hon. Friend the Chancellor of the Exchequer on the sheer stamina with which he made his powerful case. His was a valedictory speech—a valedictory Budget speech, that is, in the light of the reforms that will be implemented in the autumn, when the Chancellor must deliver a speech covering not only budgetary arrangements but public expenditure.

It occurs to me that the House must seriously consider the form that our proceedings will take. The Chancellor's audience is not confined to the House of Commons; he has an audience outside. He will face the difficult task of making a speech of reasonable duration without reverting to Gladstone's five hours of 1853—I have done a little homework to acquaint myself with the potential limits of such speeches. Determining the appropriate form of our debates once the Budget and public expenditure speeches have been combined will present the House with a serious problem.

I wish to make a few general observations about the speech of the right hon. and learned Member for Monklands, East (Mr. Smith). First, let me say how much I enjoyed it. The right hon. and learned Gentleman spoke from the heart about revenue and public spending issues; he did not touch excessively on the subject of borrowing, but it was there, just beneath the surface. He was speaking of the very matters that brought the House into being, and on which it has asserted its authority for generations. He spoke as though he thought that that arrangement was permanent, but he knows very well that he must fight to ensure that the House remains master of these great areas of economic policy. He must partner his convincing rhetoric with the logic of his hon. Friend the Member for Dagenham (Mr. Gould): I offer him that dream-ticket prospect.

Of course we welcome the approaching debate between the two sides of the House, which will concern the social and economic priorities that we consider appropriate in regard to revenue and public spending and wise in regard to borrowing. That is what this place is all about. At least the words of the right hon. and learned Member for Monklands, East supported that proposition; I hope that his judgment does the same.

Before commenting more directly on the Budget, let me declare my interest. I am a non-executive director of Glynwed International plc and J. Bibby and Sons plc—both manufacturing companies—and I am therefore interested in the Budget's contribution to our manufacturing base. My right hon. Friend the Chancellor has made some valuable proposals for industry, and his advance corporation tax measures—he confessed that they were somewhat technical, which, in my view, showed a moderation of judgment—will be widely welcomed. Equally welcome will be the priority that my right hon. Friend has given, in a difficult time politically, to the industrial sector; that is matched by the proposals in respect of unemployment.

I shall confine my remarks to the central issue of the deficit. In a *Times* article on 3 March, just a few days before his death, Lord Ridley said:

> "What has happened for years now is that fiscal policy has been too lax and monetary policy too tight."

I am very happy to preface my comments with that quotation. I believe that, given his views and the manner in which he conducted his campaigns, Lord Ridley will long be remembered in the House as an example of the grit that provides the pearl in the parliamentary oyster. I have a deep personal affection for his memory, and I welcome this opportunity to place on record my esteem for such a personality.

I fear that the deficit is uncomfortably large. That is an anxiety that I share with my right hon. Friend the Chancellor—and, indeed, with almost every other Member of Parliament; certainly with every Conservative Member. Given that the deficit is perceived to be running at about £50 billion, what measures should be taken? I may be a little more anxious than some of my colleagues, because I do not accept the proposition that it will wind down easily with the recovery in the economy. There is now a discontinuity between output and employment; I think that output can recover, while unemployment will continue to lag behind that recovery. In that event, all the recessional costs of the deficit are likely to remain higher than those resulting from past practice.

My right hon. Friend says that he will try to deal with the deficit by means of substantial measures to increase revenue. I am happy to stand here, shamelessly, as a taxing Tory. I cannot believe that, in the present circumstances, the deficit can be seriously reduced other than by an increase in revenue, which means identifying taxes that can be raised to that end. I am not outraged in the least by the increases in national insurance, or by the increases in VAT in respect of fuel and power. We have a narrow tax base

in comparison with our major partners and competitors, and the proposed reforms are welcome. I will leave it at that.

I am not quite so happy about the timing. I understand the deep anxiety that is felt: the recovery from recession is tentative, and must not be subject to undue heavy-footedness on the part of the Government. However, I feel slightly uneasy about leaving the increases in taxation until so far in the future. Therefore, I would welcome it if the matter could be reconsidered in the November Budget.

In politics, there is a most powerful instinct—the Augustinian tendency—to say,

"Lord, make me perfect—but not yet awhile."

I feel that the Budget contains all the right instincts, but the timing is a little cautious and too far into the future. I hope that my modicum of unease will not be validated. I should be delighted to discover that my right hon. Friend has made good judgments on both the measures and their timing. Above all, as my right hon. Friend needs luck, that is exactly what I shall wish him.

5.50 pm

Mr. Malcolm Bruce (Gordon): I recall being asked yesterday what I thought that the Chancellor might achieve in the Budget. I said that, if he were sensible, he would recognise that, after the disasters that he had inflicted on us, he could do very little good, but should be careful not to do harm.

Clearly, the Chancellor was not listening to me or anyone else. The Budget will be greeted with disappointment and despair in many quarters of the country. It gives a sharp rap over the knuckles to those who suggested that we were at the bottom of the recession and could expect things to get better. It is clear that the Government expect things to become worse, and we are all going to be dragged down with them next year and the year after.

As to the general background, I find it extraordinary that the Chancellor of the Exchequer can stand at the Dispatch Box and calmly state that the public sector borrowing requirement will be £50 billion next year. He did so having totally lambasted those people who suggested that, if he had taken a little more advice earlier and invested earlier, he might have avoided the situation in which he now finds himself. The Chancellor fails to understand the meaning of investment and the Government's role in ensuring that investment takes place. He is now borrowing to pay for failure, rather than investing to secure success.

The Chancellor's comments on the events of black Wednesday and our leaving the exchange rate mechanism were extraordinary. If one were to believe the right hon. Gentleman, that would have been the first national debacle to be masterminded in advance. He gave himself credit for the achievement, and failed to recognise that he has not left British industry and the British economy in a position to deal with the single market. For a Government who claim to believe in the single market, it is the height of embarrassment to enter that market on 1 January, having just left the mechanism that was designed to make it work with some stability and confidence.

As the right hon. and learned Member for Monklands, East (Mr. Smith), the Leader of the Opposition, powerfully and eloquently made clear, the reality is that the Government have been found to be political cheats who reached a position of power by sheer dishonesty and defrauding the electorate. The Budget is a tax-raising Budget designed to tax, tax and tax again—it will tax this year, tax next year and tax even more the year after.

What a cheek for the Government to pretend that theirs is the tax-cutting party. They have consistently increased taxes year after year, but so far the public have believed them. One can only hope that today's Budget will finally make the public realise that the Tories can never be trusted to tell the truth, even about history, never mind about promises for the future.

The Budget contains taxes—not just income tax. As the right hon. and learned Member for Monklands, East said, the extension of the 20 per cent. band amounts to a difference of 50p a week. For most people on middle incomes, that money will be clawed back by the Budget's failure to index the general allowance. Therefore, most people will be £1·50 a month worse off as a result of those two measures.

The Budget increases excise duties by double the rate of inflation. The increases in tobacco prices are mischievous and malicious. I believe that increases in tobacco tax are desirable for the health of the nation, but why target people on lowest incomes, who buy the cheapest cigarettes? That seemed to be a vindictive little measure. The increase in car tax will be particularly condemned in rural regions, where there are no other means of getting about and the Government have not introduced measures to try to improve the existing means.

My right hon. Friend the Member for Berwick-upon-Tweed (Mr. Beith) asked me what we could welcome in the Budget, as we should try to be even-handed as we are Liberal Democrats. I find precious little to welcome. I welcome one aspect: the Chancellor has listened to the arguments and recognised the importance of the Scotch whisky industry. As three distilleries in my constituency have recently had to reduce their labour, I hope that that proposal will at least prevent further job losses in that important industry.

There are some welcome measures for the small business sector, such as those relating to the loan guarantee scheme and to value added tax on cash accounting, although the increase could have been much more. I have no doubt that the voters of Newbury will be expected to welcome the changes in the bloodstock regime, but I doubt that they will be very much impressed by them when they look at the consequences for their electricity bills.

By freezing the increase in business rates, the Government have acknowledged the burden that the rates create. However, they have also acknowledged their total failure to create a viable system of business rates that does not require an annual fix.

The Budget will be desperately disappointing for the unemployed. The Chancellor referred to worries about the rise in unemployment and the difficulties that the unemployed face, but he showed little willingness to grasp the nettle. With respect to the community action programme, I suppose that it is refreshing to bring back something which worked, but which was abolished by the Government. However, that measure will help only a relatively small number of people.

The requirement for special measures for the long-term unemployed are welcome in principle. However, by limiting the measures to people who have been unemployed for two years, the Government have drawn

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them far too tightly. I only hope that the pilot schemes will prove successful and the measure will be extended to people who have not been unemployed for that long.

When we look at the list of bad news we see a 1 per cent. increase in national insurance—a tax increase by any other name. We see the restriction on mortgage tax relief, which constitutes a real cost increase for domestic home owners. We see the freezing of tax thresholds and the appalling prospect of the introduction of full VAT on fuel in two years. That is the one measure for which the Chancellor will be universally condemned. It is breathtaking that the Chancellor can introduce such a measure in such a way without acknowledging the poverty and hardship that it will cause millions of people who are on low incomes but do not quality for benefit. Few people in the country will not find the 17·5 per cent. increase in fuel bills in two years anything other than a substantial burden.

The Budget is, effectively, a Budget of despair and a Budget of desperation which contains little for the unemployed and nothing for those struggling to cope with the recession. In it, the Chancellor merely exhorts those looking for hope and encouragement to hang on now. By God they will have to pay later.

5.57 pm

Mr. David Howell (Guildford): As my right hon. Friend said in his marathon Budget speech, of course recovery is coming. We know that from seeing what is happening in the United States, where the growth figures and indicators are rapidly improving. I see no reason why the progress should be aborted unless, having been started by George Bush—who received precious little thanks for it—President Clinton becomes too enthusiastic in his protectionist tendencies. If President Clinton does so, recovery will be damaged and improvements here will be correspondingly damaged. However, I do not believe that will necessarily happen. As long as we keep a maximum pressure on the Americans and everyone else to avoid protectionist measures, the recovery will come. My right hon. Friend was right to set the measures that he has announced in the context of that coming recovery, to ensure that it goes ahead and is not aborted and undermined by over-hasty measures or allowing the economy to overheat too soon.

Budget occasions—of which this will, mercifully, be the last—generate expectations that are far too high. Everyone looks to my right hon. Friend, or the Chancellor of the day, to achieve miracles when they cannot be achieved at any time, certainly not today. One forgets the European context in which my right hon. Friend is operating. Anyone who thinks that we have problems should look at the rest of Europe. Italy is going down into a black hole; France is about to experience a political earthquake, rather belatedly having the vestiges of socialism—all but President Mitterrand himself—swept away and finding itself in a completely new phase; the Swedish economy is drowning altogether; and the German economy is shrinking.

In those circumstances, it is indeed miraculous that my right hon. Friend has been able to produce a Budget of balance and prudence and to develop so many interesting, if not necessarily very dramatic, proposals to carry us forward into the recovery process—a process that the United Kingdom will be the first European Community country to enjoy. We shall certainly have a higher rate of growth than Germany and many other continental European countries.

Like the very best Budgets, this one will mature. It will not result in immediate flag-waving and cheering, but neither does it justify rather splendid ranting such as we heard from the right hon. and learned Gentleman the Leader of the Opposition, who seems to have a basically erroneous concept of what my right hon. Friend is doing. My right hon. Friend says that he has gone this year for a Budget that is broadly neutral. That is a sensible but difficult stance. My right hon. Friend is building in, for coming years, a wedge of changes in the fiscal and monetary balance which will make sense against the background of rising economic activity. I recognise the skill of that approach, which I think is right.

I greatly enjoyed the speech of my right hon. Friend the Member for Shropshire, North (Mr. Biffen). Indeed, I always enjoy his speeches. I am a little less worried than he is about the timing of the Chancellor's proposals. Incidentally, I should like to associate myself most closely with my right hon. Friend's remarks about the late Lord Ridley—a marvellously non-conformist character who sometimes drove his friends, and certainly his opponents, to distraction, but who contributed mightily to the thinking part of our affairs. He will be sadly missed. My right hon. Friend the Member for Shropshire, North has said that Lord Ridley was the grit that generated the pearls in the parliamentary oyster. Indeed, my right hon. Friend himself is not a bad piece of grit. In any case, we shall certainly miss Nicholas Ridley very much indeed.

It is too soon to go into the minutiae of this very complex and interesting Budget, so I shall refer to three major issues. The first is the purdah that is associated with Budgets. I agree with the right hon. and learned Gentleman the Member for Monklands, East (Mr. Smith) that it is a very good thing that we may now be moving —I hope that we shall indeed move—away from this ridiculous convention, which guarantees that tax reforms are ill considered, ill prepared and dumped on an unsuspecting world in ways that have to be heavily revised, at great cost, afterwards.

I shall be very glad indeed if my right hon. Friend's bold reform—bringing the revenue and expenditure sides of the Budget together, starting this November—results in opening up the discussion of tax reforms, which we could have done with years ago. It is absolutely ridiculous that, at present, the Treasury policy-makers have to go into purdah, whereas many of their advisers, including the seven wise men, have no purdah at all. Indeed, they fiil every column with contradictory views, and these are added to by a variety of people—assorted ex-Chancellors and other commentators of every kind.

In the case of this Budget, when there has been a vast surplus of advice, all we have lacked is additional comment from the Archbishop of Canterbury or the Chief Rabbi. We have had a swirl of outside advice, but the Treasury has been held in purdah, unable to participate in policy-making.

The House of Commons ought to be able to take a little more initiative, perhaps by organising hearings before the Select Committee on Treasury and Civil Service in advance of the Budget. There is nothing to prevent us from doing so. We might have difficulty in getting Treasury Ministers to answer, but we could certainly set the debate

going far more vigorously than happens at present. In this regard, the House has a role to play, in addition to my right hon. Friend's initiative of changing the whole timing of the Budget cycle—a move that my right hon. Friend will be remembered for being bold enough to make. Others will have to sit back and say that the officials never told them they could do that—as was said in the 1930s, when the Conservatives decided to go off the gold standard.

The second point on which I want to comment relates to capital and infrastructure. This is one area in which constant weakness has raised costs and accelerated the rate at which, in each cycle, the economy becomes overheated, increasing the volatility and management difficulty of the British economy. I want to see a very much greater impact from investment in the infrastructure of this nation, to cut costs and make us more competitive and to help to accelerate employment, as undoubtedly will happen.

I welcomed in the autumn statement, and I welcome now, the final sweeping away of the old Ryrie rules, which prevented adequate harnessing of private capital to the public sector. It is very exciting that new projects are coming forward and that we shall be able to do what the great cities of Asia have long since been doing: mobilise massive flows of private capital to bring infrastructure, particularly transport, into the 21st century—in our case, even into the 20th century. In expressing that welcome, I gladly declare my own interest as a non-executive director of Trafalgar House, which has a major interest and has had some success in developing privately financed public-sector projects.

Easing the advance corporation tax rules and improving the Export Credits Guarantee Department cover will also help very much in that direction. But that is not enough, so I must ask my right hon. Friend and his advisers in the Treasury to consider going further and starting to develop in this country what has been developed in many other countries—a separate capital budget for that part of the total budget which relates to public sector asset creation. The figures appear in the expenditure papers and, no doubt, in the Budget papers that are now being circulated, which I have not yet had time to examine.

We are told that, of the total Budget spend, about £30 billion is designated for public-sector asset creation. Our friends in Japan say that a Government deficit should be financed by operating on the basis of market psychology and bringing home the fact that much of the deficit arises precisely from capital spending. The Japanese therefore have infrastructure bonds and normal deficit bonds, which they put before the market.

That would not get round the problem of the market's attitude that this is all Government expenditure and should all be treated with the same scepticism when it comes to financing. However, we could make a major start in changing the psychology of the funding problem if it were possible to designate much more carefully and clearly the part of total Budget expenditure and the part of the total deficit to be funded that represented capital expenditure and public sector asset creation.

I ask my right hon. Friends in the Treasury to consider that idea much more carefully in the future. I believe that it would help us to get out of the bind that we have been in. Throughout the 1980s, we enjoyed great success in achieving rapid growth in the economy, but we did not see adequate growth in support and infrastructure—the true supply side of the economy—that many of us, from the early 1980s, urged was necessary. We said that, if that course were not pursued, there would be serious bottlenecks, considerable cost increases and a slow-down in the general performance of the economy.

That is a very important area, and I was very glad to hear what my right hon. Friend the Chancellor had to say about it. However, more thinking, better presentation and a little more radicalism in respect of funding the capital side of the Budget are required.

I am glad that we are now thinking radically about proposals to give people the opportunity and the dignity of working part-time or doing voluntary work, or of going into full-time education or training without forfeiting the state payments—perhaps "benefit" is the wrong word.

I understand the joy for the Opposition of taking the figure of 3 million, or wherever we have got to, and using it as a rolling pin with which to hit the Government on the head. There are experienced Members on the Opposition Benches who have made proposals over the years for changing the nature of unemployment. They know that 3 million is a good figure with which to bash the Government but that it is not a real representation of the problem.

We have to unravel the larger figure, and understand that within it there is a vast variety of different conditions which require sensitive and varied remedies in order to remove the whole concept of the scrap heap of unemployment. We must create in every individual who wants work, and in some who may have given up hope of getting work, the feeling that they have a function and a dignity in society.

It is right to start with small schemes, and my right hon. Friend announced a few small schemes; indeed, some are not so small. They are interesting, and I hope that they will grow and develop, and that it will be possible, even in the adversarial politics which we operate in the House, to begin to do away for all time with the idea of the "scrap heap" of unemployment and the self-inflicted misery and undermining of confidence that that language creates. It should be made clear that everyone has a function, and the dignity which goes with that function.

On the monetary side, what my right hon. Friend is trying to do—again this is not the stuff of headlines—is achieve some rebalancing between the monetary and fiscal stances in the economy. We have had the welcome descent in interest rates which has been amazingly rapid, and monetary conditions are reasonably easy. If the Bundesbank cut interest rates again, it might be possible for us to go a point or two lower, although it would be unwise for my right hon. Friend to change the relative short-term interest rate posture of the British economy vis-a-vis the German economy.

Whenever we talk about monetary policy in the House, and whenever I hear my right hon. Friend talk about his plans for short-term interest rates, I feel that he is taking too much on his shoulders. The responsibility for short-term interest rate policy should be spread more widely and should be given more publicly to a central monetary authority, a reformed Bank of England, rather than left solely to the action and discretion of the Treasury, the Chancellor of the Exchequer and other Ministers.

People will say that monetary policy should not become unaccountable in the hands of bankers, but one does not need to go all that way. A sensible compromise would

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ensure that day-to-day responsibility for setting short-term interest rates and handling short-term monetary policy could be in the hands of a central monetary authority, while there was appropriate consultation with the political masters and those accountable to the House. That is possible—it happens in other countries. The Bundesbank is not totally separate from the political influences in Bonn. It pays attention to them, but it controls monetary policy short term, and that gives monetary policy and the setting of short-term interest rates additional credibility, which our system lacks.

I should like to see a more independent Bank of England, without a total separation between the monetary authority and the Treasury. That would avoid the over-politicisation of interest rates and would enable that whole side of the budgetary balance to be managed in a more sophisticated way. It would give additional credibility to the currency and to the monetary judgments about short-term interest rates in relation to the currency. It would strengthen monetary policy generally. I hope to hear more constructive thoughts on that from my right hon. Friend in future; I believe that they will come.

Generally, this is obviously a Budget of consolidation for this year, but it also makes an important point and breaks with a restrictive stance of the past. The Treasury was a "one year only" organisation—it could think only one year ahead. All parties in the House have urged that Treasury policy should begin to evolve one, two or three years ahead, both on the revenue and on the expenditure sides. One day, it might be possible to get Treasury officials to agree to something that cost more in year one because it would produce savings in years two and three. I can think of many projects which fell at that hurdle when I was a Minister; if a project cost more in year one, it was dismissed out of hand.

With courage, which is his characteristic, and boldness, my right hon. Friend has started to raise our eyes to the length of the true budgetary cycle, which stretches over two or three years. It has taken courage, particularly at present, to do that and to drag the House into the modern world when not everything can be compressed within a one-year timetable.

So we have consolidation now, and radical change lying further ahead. Given that recovery is coming, and given that it has to be sensitively handled, not by the elephantine assaults of the right hon. and learned Member for Monklands, East but by the subtlety and patience of my right hon. Friend the Chancellor, I believe that we are on the right path, and that we should stay on that path and give him full support.

6.15 pm

Mr. Roy Hughes (Newport, East): It is customary to contratulate the Chancellor on the delivery of his Budget. That I readily do. I note that his two senior colleagues, the right hon. Members for Shropshire, North (Mr. Biffen) and for Guildford (Mr. Howell), have rallied to his support, but it has been one of the least inspiring Budgets that I have had the privilege of listening to in my years in the House. One could recognise the reluctance to pour weedkiller on those lingering green shoots; nevertheless, much damage has been done by the Budget and an opportunity has been missed.

We have heard the Chancellor's first Budget in 1993. There may be a second bite at the cherry in the late autumn, but there is wide speculation that the right hon. Gentleman will not be in office then. Indeed, as I see things, the future of the Government is in question. No party can remain in office unless it can command a majority in the House, particularly on the main plank of its programme—Maastricht.

In speaking in Budget debates in recent years I have repeatedly emphasised the terrible problem of heavy unemployment. I have indicated what a waste it is and the damage that it is doing to the very fabric of society. The Government never appeared to accept that concept. Even now, they seem to be paying only lip service to it.

Officially unemployment has topped the 3 million mark, but the real jobless figure is more than 4 million. Therefore, the complacency of the right hon. Member for Guildford amazed me. To illustrate the severity of the position, let me point out that there are 27 people chasing every vacancy. For people under 25 years of age, unemployment in January was nearly 900,000, and that figure is rising. What chance have those young people got? Their lives are stunted from the word go. As to the long-term unemployed, those out of work for one year or more total more than 1 million. What a tragedy for so many people; they are thoroughly demoralised.

The Government moan about their borrowing requirement, but do Ministers ever stop to consider that it costs £9,000 a year to keep an unemployed person, which, in turn, means that unemployment is costing the taxpayer £27 billion a year?

Unemployment has social effects. It creates poverty, breaks up families, creates homelessness and ill health and leads to suicide. We are all vividly conscious of the ever-escalating crime rate, which is a constant worry to all decent citizens. Much of that crime is directly due to unemployment. The devil has certainly found work for idle hands and we now have a large alienated underclass.

Another major factor in that increase in crime is the breakdown in family life. Government policies should aim to strengthen the family unit, which is the basis of an orderly society. Putting people back to work would certainly help, but now we have the lethal combination of mass unemployment and a soaring crime rate. No wonder the morale of the nation has never been at such a low ebb.

In that context, the Chancellor delivered his Budget today. All he did was to hand out a few breadcrumbs. I appreciate that he does not have a magic wand. We did not expect him to cure all our major evils overnight and he has a huge deficit to contend with. Nevertheless, he has great powers and he had a great opportunity. The question is whether he rose to the occasion. The answer must be no.

Imposing VAT on fuel, gas and electricity is simply criminal. It will have a highly detrimental effect on the poorest section of community—old people. The announcement was a complete negation of the Government's election and many other promises.

One of the Chancellor's measures seems to be to cane the motorist. We are essentially a road-based economy and one does not need to be a Cambridge economist to realise that increasing the cost of transport increases the cost of almost everything. Not many months ago, the Chancellor assisted the motor industry by getting rid of car tax. The industry has responded magnificently. The principal redeeming feature of the economy in recent months has been the resurgence of the motor industry. February's

figures show that sales are up 16 per cent. on the equivalent month last year. The industry needs encouragement, particularly to develop its export trade, which can be so advantageous to our present adverse balance of payments.

We do not have car assembly plants in Wales. Nevertheless, the Welsh economy is now heavily reliant on the components sector, and to penalise the industry only aggravates and increases unemployment in Wales and elsewhere. I say to the Government, back the car industry because it can do so much to stimulate the economy and build a sound trading base, as these two industrial giants, Germany and Japan, realised long ago.

The building industry could do much to rejuvenate the economy and put people back to work. In the past month, there has been, admittedly, a marginal improvement in this sector but, overall, the building and construction industry is in dire straits. Building employers reckon that a further 100,000 jobs are at risk. Last autumn, the Chancellor released the receipts from the new sales of council houses, but only for a limited period. Much more is required. I am sorry that he did not introduce such a measure this afternoon. We urgently need a phased release of all capital receipts from the sale of council houses and land. Such a measure to help increase housebuilding, besides putting people back to work, would help to meet the pent-up need for social housing. Providing bed-and-breakfast accommodation for homeless families is far more costly, and only political dogma prevents the necessary action from being taken.

Likewise, so many empty council housing association properties need renovation. Many school buildings are urgently in need of repair. We need to regenerate local areas affected by the decline in manufacturing and in the coal and defence industries. Such measures would be a boost for the building and construction industry. We did not, I am afraid, hear any such proposals from the Chancellor this afternoon.

Another important aspect is training. Skill, after all, is the key to national competitiveness, and as a nation we are being left behind. Training opportunities for all who need them should be given a high priority. The British people are resourceful and, with the necessary skill training, a start could be made in rebuilding our manufacturing industry, which has been neglected for so long. A report that was leaked in recent days revealed that our manufacturing industry is in a parlous condition.

My hon. Friend the shadow Chancellor has set out clearly how such measures as I have briefly mentioned could be paid for—by imposing a public dividend on the excess profits of the privatised utilities, by closing tax loopholes, which are costing the Exchequer millions, and by maintaining tax on share transactions. To achieve recovery, we need emergency investment in the industrial and manufacturing sectors of our economy. That could increase exports, reduce imports and help to provide for a lasting recovery. Even the CBI's pre-Budget message recognised that recovery should be given the highest possible priority. The Chancellor has not met the nation's needs in that sense. He should go without further delay before he does so much more damage.

6.28 pm

Mr. David Knox (Staffordshire, Moorlands): I join my right hon. Friends the Members for Shropshire, North (Mr. Biffen) and for Guildford (Mr. Howell) in congratulating my right hon. Friend the Chancellor on his third Budget speech. His first two Budget speeches were well constructed and to the point and today he maintained the high standards that he established on those two previous occasions. His speech was rather longer today and I join my right hon. Friend the Member for Shropshire, North in paying tribute to the stamina that he showed.

The House is indebted to my right hon. Friend the Chancellor for the style with which he presented his Budget. It was a difficult Budget, but he produced a skilful Budget in extraordinarily difficult and tight circumstances. I congratulate him warmly on doing so and look forward to his fourth Budget towards the end of the year.

I enjoyed the speech of the Leader of the Opposition very much. I think that it could be best described, in the word that Mr. Matthew Parris frequently uses, as a rant.

For many years the debate on the first day of the Budget was marked by speeches from Sir John Stokes and Sir Alan Glyn. Both of those gentlemen retired at the last general election and I am afraid that this occasion will never be quite the same for me now that they are gone. Nevertheless, the hon. Member for Newport, East (Mr. Hughes) is—as indeed I am—a veteran of these occasions. Indeed, Mr. Deputy Speaker, I believe that in a former incarnation you were as well. No doubt the hon. Gentleman and I will continue the tradition and be joined by others, including my hon. Friend the Member for Cambridgeshire, South-West (Sir A. Grant), who has recently been joining us.

I welcome most of the proposals in the Budget. The measures which my right hon. Friend has introduced concerning industry, insurance and the environment will undoubtedly bring considerable benefits to this country. They are, however, very complicated and it would be wise to refrain from comment at this stage until one has had time to study them in rather more detail.

I welcome the further move towards the 20 per cent. basic income tax rate. Clearly, it was not possible to go very far in this respect today, but I am glad that my right hon. Friend was able to take another step in this direction. Whatever anyone may think, there is no doubt at all, as recent election results have shown, that a reduction in the basic rate of taxation is something that the people of this country want—and it is, after all, our task to respond to the wishes of our masters.

Despite the size of the public sector borrowing requirement, I am glad that my right hon. Friend introduced a neutral Budget today. It would have been very dangerous had he not done so, because it might have cut off expansion. I shall have more to say about this in a minute or two. It was rather ingenious the way in which my right hon. Friend managed to maintain a neutral Budget but nevertheless took steps which will ensure that the PSBR will be reduced in future years, by which time, we hope, economic growth will have restarted and the economy will be moving forward again. My right hon. Friend deserves considerable congratulations on the ingenuity which he showed in this respect.

I am glad that my right hon. Friend found it possible to introduce further measures to help the unemployed. As growth takes off, as my right hon. Friend very rightly pointed out, unemployment will continue to rise, and it is only right that measures should be taken, albeit of a

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short-term nature, to try to ease the lot of those people who will be out of work over the next few months, and perhaps over the next year or two as well.

I was very glad that my right hon. Friend did not introduce value added tax on books and newspapers. Like most hon. Members, I have had considerable correspondence on this matter during the past few weeks. I am glad that at least in this respect I shall be moderately popular with my constituents for the next week or two.

I was rather less happy about the increase in the tax on petrol. I have a widespread rural constituency and my constituents rely on their motor cars. They will not be terribly happy, therefore, about having to pay an additional amount in petrol tax. On the other hand, I am pleased that my right hon. Friend has maintained the discrimination in favour of unleaded petrol as I feel that this makes a real contribution to improving the environment in which we live.

I was rather interested in my right hon. Friend's proposal concerning the self-assessment of income tax. This is an idea that was floated by the late Iain Macleod in the late 1960s. At that time there was a young man working in the Conservative research department. He later went on to become the Member for Kingston upon Thames and today is the Chancellor of the Exchequer. I wonder whether he got that particular idea from his days working with Iain Macleod over a quarter of a century ago.

This Budget will not be judged in the medium or the long term by the specific measures that it contains, because they will be forgotten very soon. The Budget will be judged on the contribution that it makes to getting the economy out of a recession that has lasted for far too long and to reducing a level of unemployment that is far too high.

I thought that the measures that my right hon. Friend introduced in his 1991 Budget and again in his Budget last year were more than enough to generate growth and get us out of recession. Indeed, in the spring and summer of last year there was quite a lot of evidence, admittedly mainly anecdotal, that this was happening. Then everything came shuddering to a halt. The trouble was, and still is, a lack of confidence and I suspect that that owes a great deal to the uncertainty about the ratification of the Maastricht treaty.

Although I have no doubt that the European Communities (Amendment) Bill will eventually reach the statute book later this year, the delaying tactics of the Europhobes and others whose motives are purely party political are having a very damaging effect on the British economy. Their behaviour is creating grave doubts in the minds of our European partners and in other countries about our intentions and is undermining economic confidence and holding back our economic recovery. The early ratification of the Maastricht treaty would do more than anything else to restore economic confidence and enable us to move out of recession. And, of course, it would make my right hon. Friend the Chancellor's job much easier.

However, the ratification of the Maastricht treaty will not be enough on its own. If confidence is to be restored, there must be a certainty that the demand for goods and services will increase and so lead to an increase in the demand for the labour to produce those goods and services.

That is why I was delighted that my right hon. Friend ignored the advice from some sources to increase taxation significantly in his Budget and to cut public expenditure. In the depths of a recession nothing would have been more foolish. Tax increases and public expenditure cuts would inevitably have resulted in a reduction in demand, which would have cut off the green shoots, pushed back the start of the recovery and made recovery much more difficult. The right time to increase taxes and cut public expenditure is when the economy is booming and looks like overheating. The wrong time is in the depths of a recession. Then, taxes should be cut, as the Chancellor cut them last year, and public expenditure should be increased, as it has been in the past two years.

The level of demand will be boosted over the next few years as a result of the devaluation of the pound during the past six months. British goods and services are now cheaper in export markets and foreign goods and services are now dearer in the British domestic market. This provides British industry and commerce with greater opportunities to export more and sell more at home and I hope that they are exploiting to the full the advantage that they now enjoy.

It will be some time before the beneficial effects of devaluation are reflected in the balance of payments figures; perhaps it may be as long as two years. But the effects on the level of demand in the United Kingdom should be apparent much sooner. I feel that the level of demand generated by my right hon. Friend's recent policies, including the Budget, should be sufficient to generate the necessary level of growth to enable us to move out of recession and to start growing once again.

I have already welcomed the measures announced by my right hon. Friend to tackle unemployment. They will help to ease the worst effects in the short term, but they will not deal with the fundamental problem. The long-term solution to the problem of unemployment lies in the demand management policies about which I have been speaking. Between February 1985 and January 1987, unemployment in this country exceeded 3 million. It then fell quite sharply, so that by 1990 it was slightly in excess of 1·5 million. Over the past three years, alas, it has risen again, and it is now just over 3 million. From 1945 until 1974 we had full employment. The level fluctuated a little, but unemployment exceeded 1 million only twice, and then only briefly. In 1955 and 1965, also very briefly, unemployment fell to the very low level of 1·1 per cent. of the working population, about one tenth of what it is today.

Unemployment did not start to rise when the present Government came into office. It began to rise in 1974, under the previous Labour Government, and has been at an unacceptably high level ever since. I do not think that the Labour Government or the present Government can be proud of their records on unemployment over the past 19 years.

In recent years, there has been a feeling that high unemployment is inevitable. It does no harm, therefore, to remind ourselves that for most of the post-war period the situation was very much better than it is now. The current level of unemployment shows how far we have moved from the high level of achievement of the 30 years

immediately after 1945. Nor does it do any harm to remind ourselves of the effects of unemployment, socially and economically.

Unemployment is socially divisive. It is difficult to have one nation, which is, after all, the principal domestic aim of my party, if 3 million people are out of work and if 1 million of those are long-term unemployed and have been out of work for more than a year. Lord Callaghan once said that the real division in our society is between those in work and those who cannot find work. Unemployment is also economically wasteful. If we are not using all the available labour, we are not maximising national output. It means that, as a nation, we are forgoing wealth which we could enjoy.

It is nonsense to suggest that demand has peaked and that there is no work available. We all know that we could consume more goods and services if we had the opportunity to do so. We also know that we could spend much more on social and public services. Potentially, there is plenty of additional demand for goods and services, public and private. The task facing us is to ensure that the level of demand is sufficient to utilise the potential supply of labour, capital and enterprise. That is the way back to full employment.

If a much lower level of unemployment is to be achieved and maintained, there must be pay restraint. In the past, there has been a strong tendency for the British economy to generate increases in earnings in excess of the increases in output, causing wage and salary cost inflation. The tendency has been especially powerful when the economy has been booming.

Until 1979, successive Governments tried to control excessive wage and salary increases by incomes policies. Since then, the determination of pay has been left to employers and employees and when the increases got out of hand and inflation rose the Government tried to brake those increases by demand deflationary policies.

Recently, although still too high, wage and salary settlements have fallen back sharply, almost certainly as a result of the recession. The Government rightly want a 1·5 per cent. limit on public sector pay this year and they hope that increases in the private sector will be of the same order. Few doubt that pay restraint is necessary at present but, if it is necessary now when increases are likely to be modest because of market conditions, surely it will be even more necessary when pay increases start to rise again as we move out of recession, as unemployment falls and as labour shortages reappear.

If we are to avoid having to brake back the recovery before full employment is reached, because wage and salary increases are out of control, consideration should be given to extending the attempts to restrain pay settlements to longer-term arrangements. If the Government are right to believe that low pay settlements in the public sector protect jobs—and they are—surely low pay settlements elsewhere in the economy will also protect jobs. Is not there a case for thinking again about incomes policies? Is not the right time now—in the depths of the recession—when the pressures for pay increases are at their weakest?

6.44 pm

Mr. Bill Michie (Sheffield, Heeley): I know that it is traditional to congratulate the Chancellor of the Exchequer. I shall do so because it is the tradition rather than because I believe that I should appreciate, or congratulate him on, what he has presented to the House.

The Chancellor made a very long speech—far too long. I was always told, in engineering research and certainly when I was a local government councillor, that if one did not have a good argument, one should make a long report. That is fair enough when dealing with reports: the way to get out of that is to do a fast reading course, get rid of all the rubbish and read only the facts. Unfortunately, a fast reading course does not help me when I listen to a long speech such as that which we heard this afternoon.

I shall not dwell on the speech for too long because much has already been said about it, but I am bitterly disappointed that there is to be value added tax on fuel, a fuel tax. That is perhaps the most cruel thing that the Government could do. I do not believe that everyone will be compensated through their benefits, as the Chancellor claimed. He knows very well that thousands of families will not qualify for such help with the fuel tax. In the past, we have discussed old people suffering from hypothermia and worried about whether they could keep warm and how we could help them. Now a dreadful tax burden is being placed on them, which will make matters even worse. I am very disappointed about that.

I am also disappointed about the fact that, despite some of the issues that the Chancellor raised, the message did not get across as to exactly why the country has been going downhill. The hon. Member for Staffordshire, Moorlands (Mr. Knox) said that it was due to the world recession, among other things. That is true, but it seems that it is never anyone's fault. I believe that it is partly the fault of the Government and partly the fault of the philosophy by which they live.

I do not believe that one can stand aside and let things happen; nor do I believe that high wages are the reason for depression and unemployment. There is a theory that high wages bring a nation to its knees, but I should like someone to explain to me why the countries of the third world, where people are paid peanuts for hard work, are not the richest nations in the world. It does not work that way. The problem is that we do not understand the difficulties that face us.

I started this week by visiting schools in my constituency and discussing further school closures, which are to take place because of a supposed lack of money or the standard spending assessment. The Government say that we must have training and a skilled work force. Schools are being closed, but the Government still expect to have a more skilled work force. Again, I do not understand the logic of that.

Local authority spending is being greatly reduced. The infrastructure around our towns and cities is falling apart, family life is disintegrating and crime is rising. What is the answer? The Government take more money out of the local economy, but I do not see the logic behind that.

More and more people are homeless, but, like many hon. Members, I receive letters from building companies who write to Back Benchers in sheer desperation asking us, for goodness sake, to ask the Government to do something because the industry is going to the wall. I did not hear much in the Budget which will help those people. The

[Mr. Bill Michie]

Budget was a big disappointment on the local authority, education and housing fronts and, perhaps even worse, on the job front, which has already been mentioned. The Chancellor said that short-term prospects were not the answer. I fully understand what that means. One cannot throw money at a project and hope that jobs will be provided sooner or later and that new skills will suddenly appear. That has never been the case. I accept one or two points that the Chancellor made, including the fact that employers will get a subsidy if they employ someone who has been out of work for two years; in other words, one buys oneself a job with one's dole money. I welcome the proposal to help 100,000 people who are unemployed to start small businesses. That will be nice for the 100,000, but pretty poor for the 300,000 who have lost their jobs since the last election.

I welcome the proposal for 30,000 long-term unemployed people who may be able to go back into some form of education, but I am still worried about what sort of education they will get and what sort of training skills they will achieve.

I had a wry smile at another of the Chancellor's proposals, for a new community action programme for the voluntary sector which should help to provide jobs or opportunities for at least 60,000 people. I seem to remember that there was a very good community programme, created by this Government many years ago. It was so good that it was popular. It was not only popular but it created permanent jobs and good wages, but once it got to that level the Government scrapped it altogether because people were getting decent wages and decent training. I hope that the Government have learnt some lessons from the past and will create a community action programme that is beneficial, not just to the community but to the unemployed.

I come to the business of action for jobs and the reasons why our industry is in dire trouble. I echo the query raised by my right hon. and learned Friend the Leader of the Opposition: if there is such good news, why is it not published? Why have not the Government come out with a fanfare of trumpets to say that the whole of manufacturing industry is on the up? It has not been published and I assume that we have to suspect the worst: that the situation is not as good as the Government are claiming.

Skills cannot be introduced overnight. One problem that I have had over the past few years has been to explain to the Government and other hon. Members that one can shut a factory any day very quickly and disperse the skilled labour force on to the dole queues or elsewhere, but one cannot recreate a factory overnight. Once those skills have been lost they cannot be found among those standing on street corners. That is not the way in which engineering skill and technology work. Surely this Government must have got that message by now. We are talking about a 14 per cent. reduction in real training for jobs. Statistics that I have here show that Government spending on training, at constant prices, was £2·4 billion in 1990-91. It fell to £2·1 billion in 1991-92 and remains at the same level this year. It is planned to remain at £2·1 billion for 1993-94, but will fall to £2 billion in the two years after that. In real terms, spending this year has therefore been reduced by £300 million on 1990-91 levels, a reduction of 14 per cent., yet the Goverment are still claiming in this Budget to be increasing training and education for the country's future prospects. While we have had this reduction in training, unemployment has risen by about 87 per cent.

I said at the beginning of my speech that I feel no enthusiasm about the Chancellor's speech. It strikes me that the Government are still slow in learning that, in order to have a nation that is wealthy, it has to be a nation that is working and is competing in the world in technology and new sciences. The only way in which the Government or the nation can achieve that is by long-term investment and long-term planning.

Our industrial base is in tatters. I walk through some parts of my constituency and see the places where I used to work and where my father used to work where there is nothing but dereliction. There is nothing in the Budget which will cure that either overnight or in the long term.

As a plug, Mr. Deputy Speaker, I draw the attention of the House to my early-day motion No. 1540 entitled "Technical and Engineering Capability and the Vulcan Bomber". Basically this expresses the hope that the last of the Vulcan bombers should stay in this country because it is a demonstration of the engineering and design skill of this nation in the past. Many of those designers and engineers are still alive today and some are still fairly active. I say that as one who had the privilege of being near a Vulcan bomber for many years, many years ago, and as one who has a soft spot for it. We should keep it, as I said in this early-day motion, to demonstrate to our future generations what skills we had in this nation and to inspire them and, I hope, this Government to invest in a proper diversification programme in order to retain and retrain skills for peaceful products.

It is no good saying that we have no cold war at present and therefore we cannot afford to invest in defence and that we have no idea of how to invest in peace.

It reminds me of the story I heard once about creating jobs in shipbuilding. An old man suggested that we should build luxury liners so that 4,000 old-age pensioners could be put on those luxury liners in the winter months—especially now that we are going to have a fuel tax—with 2,000 or 3,000 staff to look after them and let them go floating around to warm climates. The shock horror is that no nation can afford that sort of logic, but when one looks at it we have the Ark Royal and other large warships with thousands of highly paid, highly skilled and highly trained personnel floating around the world and we feel that to be a necessity. It may be a necessity, but if the will is there to do it for time of war, which we hope never comes, many of those ships would be lost in the first year. Surely with the right will we can create products for peace and protect our skills and our jobs for the future.

I must make one point on a subject on which I thought the Chancellor did not dwell: putting pressure on the banks. Many small businesses, as most hon. Members will know, have complained about the way in which banks have treated them in the past two or three years. I hope that sooner or later we shall have a Government who will get a grip on the banks and protect some of our small companies.

There is plenty of money in this nation and I hope there always will be. If one asks where one finds all this money, it is amazing how the Government can find money for their pet projects like defence; how they could find money on black Wednesday when billions of pounds went down the

pan because of the stupid ERM fiasco and also when billions were spent trying to prop up the poll tax system created by this Government and scrapped by them.

No one will convince the Opposition that there is not enough money to invest in the nation and bring it back to the top of the industrial nations ladder, where it rightly belongs. We should stop frittering away our taxpayers' money on stupid projects proposed by the Government which are built on bias and prejudice. We should instead invest in this nation, which I believe will once again be one of the best industrial nations in the world.

7 pm

Sir Anthony Grant (Cambridgeshire, South-West): The hon. Members for Sheffield, Heeley (Mr. Michie) and for Newport, East (Mr. Hughes) made what were from their point of view sincere speeches, even if they contained an excessive degree of gloom. I have no doubt that we shall hear persistently from the Opposition Benches tales of gloom and woe.

I am extremely fond of the hon. Member for Newport, East, with whom I have often crossed swords in debate. He is a splendid constituency Member who reminds me of another great Welshman, Lord Tonypandy, who once told me about a report that appeared in a local Welsh newspaper of a funeral. The noble Lord recalled that the report read, "As the coffin was being lowered, the vicar, the Reverend Eli Jones, slipped, fell into the grave and broke his leg. That cast a gloom over the whole proceedings." That reminds me of the gloom that can be spread by the speeches of Opposition Members, even though it is wholly inappropriate to our economic recovery.

The Chancellor has for a long time been unjustly maligned. I have no hesitation in congratulating him on the way in which he has resisted much unnecessary abuse and has introduced a skilful and relevant Budget. Let us not forget some of the difficulties that he faced when he took on the task, including a world recession and the need to deal with some mistakes in monetary policy that had been made since 1987.

Mr. Bill Michie: Nobody admits mistakes.

Sir Anthony Grant: I hear what the hon. Gentleman says. I assure him that I admit my mistakes. The mistakes of which I speak were egged on and connived at by the Opposition parties, which encouraged the sort of action which led to the difficulties that my right hon. Friend had to face. That in turn led to our needing an over-rigid monetary policy which resulted in great suffering among, in particular, two sections that were least able to deal with it. I refer to the construction industry and the housing market and small firms, about which I shall say more shortly.

I am particulary glad that, in terms of political correctness, it is now recognised that the economy cannot be dealt with purely by monetary means and that we must also adopt fiscal policies. I am glad that we have returned to that more sensible and flexible system. As a result of the severe problems that the Chancellor faced on taking office, there was a total lack of confidence in business.

Mr. Michael Spicer (Worcestershire, South): My hon. Friend said that the Government's mistakes had resulted from monetary policy being too rigid.

Sir Anthony Grant *indicated dissent.*

Mr. Spicer: I must have misunderstood my hon. Friend. The problem was that they abandoned monetary policy in favour of fixed interest rates. That was the mistake to which my hon. Friend should allude.

Sir Anthony Grant: Immediately after black Wednesday, when stock markets throughout the world seemed to collapse, there was over-reaction everywhere, particularly in this country. A few Conservatives of great financial rectitude—including perhaps my hon. Friend—did not take the same view, but the Opposition parties were in favour of interest rates being lowered unnecessarily. I, too, was guilty of favouring such a policy and I accept blame in that respect. We were obliged later to have an over-rigid, over-intense interest rate policy which reached as high as 15 per cent. before we entered the exchange rate mechanism.

I will not pursue that now, though I am sure that my hon. Friend the Member for Worcestershire, South (Mr. Spicer) will do so if he has an opportunity to speak in the debate. We now recognise that not just monetary policy but a mixture of monetary and fiscal policy is essential to run an economy such as ours. So I welcome the thrust of the Chancellor's strategy.

I am sufficiently long in the tooth to remember the time when, in 1967, the then Labour Government had to devalue. In the following Budget, introduced by the present Lord Jenkins of Hillhead, we had the biggest increase in taxation anybody could remember. He was cheered to the echo—I was in the Chamber at the time—for taking that action. So the Labour party cannot teach us anything about increases in taxation.

At that time, Lord Jenkins emphasised that recovery following devaluation should be export led. The principle holds good today. The difficulty is that, at a time when we require an export-led recovery, the countries of Europe and Japan are suffering from recession. That makes our export effort more difficult but even more vital.

I welcome the Chancellor's measures on export credit guarantees. I recall from the days when I had some responsibility for that issue how the credit game was played by other countries and we were easily deceived. I am glad that the Chancellor is aware of that and is introducing measures to improve credits for our exporting industries.

As Opposition Members are wholly committed to the Rio environmental decisions, perhaps they will explain how they would implement them. What measures would they introduce? We await with interest their answer in due course. They must not dodge the question. If they try to do so, my hon. Friends and I will persist in repeating it.

I agree with my hon. Friend the Member for Staffordshire, Moorlands (Mr. Knox) that unemployment is the gravest problem we face. It also represents a major burden on the public sector borrowing requirement. In the 1970s, about which my hon. Friend spoke, I had some humble responsibility in the then Government, when the unemployment total reached 1 million. The hon. Member for Bolsover (Mr. Skinner) thumped the Dispatch Box hysterically and created a disturbance of monumental levels.

My responsibility at the time was for the regions. When we were unceremoniously thrown out of office in 1974 by an ungrateful electorate, unemployment had come down

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to about 700,000. Immediately Labour took over, it went up, and within a year it reached 1 million. There was then not a peep from the hon. Member for Bolsover and his hon. Friends. So we need no lessons from the Opposition about unemployment. Even so, it is a grave problem and I welcome the measures that have been announced to deal with it.

Only the revival of the small firms sector will have a true long-term impact. Large firms have already shed labour during the recession, and I fear that their labour forces will never return to their previous levels. Small firms have the resilience and flexibility, especially in the county of Cambridgeshire, to respond to the measures that the Chancellor has wisely introduced.

I was almost the first Minister to be responsible for small firms. The late lamented Lord Ridley had had that responsibility for about three weeks before I came to that office. In those days we clearly recognised that the future of the economy in a free market society lay with a healthy small firms sector. After we left office, the whole thing declined under Labour rule, and nothing was done to help small firms. The hon. Member for Bradford, South (Mr. Cryer) was the Minister responsible, and small firms languished under that regime. Later, when the Conservatives took office again, they were rediscovered, as it were, and I hope that we will retain that attitude.

It is essential to small firms—indeed, for the whole nation—that inflation is kept under control. The Chancellor and the Government can take pride in the way in which they have handled the problem of inflation. Small firms also want low interest rates. I have always wanted lower interest rates because I detest a high interest rate policy. Although I want pressure on them continually to be downwards, we have probably reached the stage when a degree of stability is justified. Small firms would now welcome stable inflation and stable interest rates. They wanted, and have now obtained, help with investment, and assistance with the corporation tax and VAT thresholds. They sought assistance with capital gains tax and inheritance tax and, above all, with the wretched uniform business rate. My right hon. Friend the Chancellor noted all that, and I congratulate him on his sensitivity in recognising the needs of the vital small business sector.

In particular, I am glad that he recognised the difficulties of small businesses in grappling with VAT and Customs and Excise. I have received endless numbers of letters about the ferocity with which the Customs and Excise administer their task. Small firms have described them as the Gestapo and the KGB. That is probably an exaggeration as they are worthy and honourable civil servants, but they have been over-zealous and draconian. I am pleased to see the changes that my right hon. Friend has announced.

One problem that has not been addressed is that small firms are greatly affected by the credit game—or indeed the credit racket. Large firms abuse smaller suppliers and contractors by taking their credit to the limit, causing considerabe cash flow problems. When I was in office I said that it was disgraceful, but larger firms were not prepared to admit anything until we found evidence that it was true. I was then thrown out of office and that was the end of that. However, the problem still exists. It should be possible to find a legislative format to bring some sanctions to bear.

Mr. Mark Wolfson (Sevenoaks): Does my hon. Friend agree that there can be a damaging and dangerous domino effect when large, principal contractors are slow to pay so that three or four sub-contractors down the line are all dependent on the money coming through?

Sir Anthony Grant: My hon. Friend is absolutely right. In the absence of legislation, will Treasury Ministers and my right hon. Friend the President of the Board of Trade think carefully about the problem and emphasise to the large industries with which they are always dealing that it is in the nation's interest that they should pay their bills on time and ensure that small firms, which they were once, have a reasonable cash flow?

Manufacturing industry has made remarkable strides since 1979 when we were bottom of the productivity league of G7 countries. We are now at the top. Output and investment have increased and are increasing. Progress in industrial relations has been quite remarkable. As my right hon. Friend the Chancellor pointed out, not since Victorian times or thereabouts have there been so few strikes. We can be justifiably proud of that. However, my right hon. Friend the Prime Minister was right to point out that industry requires more attention in the present economic climate and in future.

Compared with our partners in Europe and elsewhere, we have not paid much attention to manufacturing as we should. It is a matter of national culture rather than Government policy. If we were to ask anyone in the street in Britain what we meant by an engineer, most people would think of a grubby chap in overalls who repaired cars. However, the same term in Germany, Japan and elsewhere means someone who is held in high esteem and occupies an important position in industry and in the company. We have to move towards that attitude.

In the days when we were trying to encourage regional policy, I sought to encourage brighter people to run manufacturing industry in the north-east and the north-west. The difficulty was that the rewards, the prestige and the ease of work were greater for the brightest people if they went to the City of London to do no doubt very important paperwork in the service sector. We have to address that problem, and I would like to see the manufacturing sector in general and engineering in particular given a much higher profile.

My right hon. Friend the Chancellor has set the correct course for the future. He has tiptoed delicately between financial rectitude and the need not to damage the delicate flower of recovery. The small business sector will respond most vigorously, especially in East Anglia and Cambridgeshire.

Dame Elaine Kellett-Bowman (Lancaster): And the north-west.

Sir Anthony Grant: And the north-west, as my hon. Friend says.

All that is needed now is that mythical word, confidence. Confidence can be achieved only by stability and, with great respect to my hon. Friend the Member for Worcestershire, South, small businesses want certainty. Therefore, I echo the remarks of my hon. Friend the Member for Staffordshire, Moorlands. The sooner we get

over the uncertainty about Maastricht and our situation in Europe, the better it will be for everyone. The CBI, the chambers of commerce and all the industrialists with whom I have spoken want it over and done with so that there is certainty for the future. I hope that that will soon be the case. If it is, I look forward with great confidence to the future of our economy, thanks to the wise management of my right hon. Friend the Chancellor.

7.16 pm

Dr. Jeremy Bray (Motherwell, South): The hon. Member for Cambridgeshire, South-West (Sir A. Grant) asked what the Opposition would do about the undertaking under the Rio convention to reduce carbon dioxide emissions. I offer one simple device off the cuff. If VAT on domestic fuel and power is considered the appropriate solution, it would be perfectly possible to make that revenue-neutral on VAT by reducing the average rate, so that there was no net increase in cost to the consumer but there was a switch in taxation to discourage people from using so much fuel and power. However, the Treasury do not think that way. They are concerned not with Rio but with the biggest single Budget measure—the £2,300 million that they are taking out of households by levying VAT on fuel and power.

The Chancellor faces a difficult situation, but he has only himself to blame. First, he is simply not believed by the market, by his colleagues in Government or by the House. We have seen a public facade building up in his defence, behind which his hon. Friends will be able quietly to knife him in the back. There were and still are good reasons why a Chancellor who trimmed his sails, changed course and abandoned his policies on the scale of black Wednesday should feel he had to go. The job has to be held by someone who is believed. No amount of special pleading about being overwhelmed by speculators will do —that is always the story. In any case, the Chancellor was maintaining that the economy was not vulnerable to the speculators.

Secondly, the Chancellor represents a Government who made the most colossal errors of judgment by unleashing the credit boom of the late 1980s. There were plenty of warnings, not least from within the Treasury, and even from that much maligned Treasury model, as I showed at the time, but they were ignored.

Thirdly, having suffered such wounds, the Chancellor is devoid of all principles. I mean principles not in any moral or high-minded sense, but simply in the sense of relating one day's improvisations to the next to avoid them cancelling each other out.

The Government used to have a medium-term financial strategy. It survives as monitoring ranges on a number of variables which do not include the most important one, which is the exchange rate. A target for the increase in tax yields three years ahead is offered up as a fetish to the markets of £10·5 billion, but elsewhere in the financial statement is the estimate that the error in forecasting the PSBR for the coming year is some £6·5 billion. For the error three years ahead, there is no estimate, but it must be far more than anything like the £10·5 billion that the Chancellor is offering up.

The Chancellor is unlikely to argue that no strategy is preferable to a wrong strategy, but others not saddled with the Chancellor's mistakes can stress the importance of having a workable strategy, and that is what I shall try to set out. A workable strategy is a political necessity. People need some sense of where the economy is and where it is going if they are to behave sensibly in their personal interest and that of their families. People do not believe the Chancellor, so they are not prepared to train for the long-term, to invest or to plan for the future. Still less are they told by the Chancellor that their real incomes today have grown faster, and are now some 10 per cent. higher, than the economy can afford. We also need a strategy to get us out of the difficulties we are in and to keep us out.

I say to my right hon. and hon. Friends that there is no easy way out for us. The popular ideas of Keynesian demand management provided a workable rule for correcting small excursions from full employment in situations where there was a sheet anchor against inflation in the shape of Bretton Woods and a stable valued dollar. With the extreme imbalances that we have today of unemployment and the current account and public borrowing, we have to look deeper.

Nor, I say to my hon. Friend the shadow Chancellor through my hon. Friends on the Front Bench, is it sufficient for us simply to advocate the supply side measures of more investment and training, vital though they are. The arguments about the imbalances are not part of the detail that can be worked out only in the circumstances as we find them as we approach the next election. While politically it is right for us to point out that we are suffering from Tory errors and that it is a Tory responsibility to deal with them, we have to show that we know what the imbalances are and realise their full seriousness, and show ourselves more competent to deal with them when it comes to be our job to deal with them.

What, then, of the design of a viable strategy? What does it mean in terms of immediate policies? In general terms, the answer is obvious: it has to be aimed at restoring and maintaining the balances—unemployment, the current balance and public borrowing. It should be prepared to use all available instruments, down and up—direct and indirect taxes, interest rates, funding and public expenditure—recognising that they all have an economic and political cost. The strategy may express the policy priorities of the Government, but even with all the instruments, the freedom of movement for a Government to express their priorities is severely circumscribed, and the greater the imbalances, the less scope there is for indulging those Government priorities.

All that is so much waffle for politicians and economists educated in a purely verbal tradition, who have never been taught to add up, never mind multiply. What happens is that one verbal simplification is pitched against another, the one adopted inevitably meeting disaster, leaving the sponsors of the unadopted simplification claiming that they had the right answer and believing that they were right.

Despite the all-too-obvious weaknesses and failures of economics and economists, a great deal of progress has been made in technical analysis of economic management in the past 20 years. Technical analysis is a good servant but a poor master. It is in the interests of Ministers, journalists and gurus to rubbish it, because they find it difficult to master. It is difficult to master, but that is part of their job. What matters is whether it works. Does it point to practical policies that impress politically?

It is a measure of the Chancellor's stupidity that he has allowed the Treasury's capability for technical economic analysis to degenerate in recent years. Any half-sensible

[Dr. Jeremy Bray]

Chancellor makes sure that he is as well equipped as anyone else in the game. I welcome the panel of independent forecasters, but behind the scenes it only shows up the increasing weakness of capability within the Treasury.

Of the three principal instruments that the Treasury should have, the main one is the characterisation of the national economy and its behaviour—the Treasury model. That model has been stagnant now for five years. It has grave, well-known errors within it, and nothing is done to correct them from year to year. There is no treatment within the Treasury of the global economy. The work that was once done there has now been farmed out to the National Institute of Economic and Social Research and to the London business school, and they run the international model used by the Treasury. Therefore, the Treasury inevitably does not fully understand all its characteristics.

Finally, when it comes to characterising the efficiency and performance of industry, the DTI may bleat until the cows come home and officials in its innovation unit may produce a report—only a few weeks ago, those officials told me that they expected it to be published—but it is useless them bleating in that way if they cannot characterise the impact of the dire situation of manufacting industry on the economy as a whole. The Treasury has no means of listening to such arguments.

Modern economics treats economic management as a game between different players, with different interests and capabilities. Monetarist doctrine was built around ideas of expectations. That gave way to concepts of commitment, learning and credibility. My favourite is a recent Federal Reserve Board working paper on "Rational Addiction with Learning and Regret". I am not too sure about the rational bit for the Government, but otherwise it is a strategy that I should have thought would appeal to them.

It is not necessary to go into the technical arguments. What is necessary and possible is to point to the broad nature of the conclusions. The imbalances are so large that, if they are not corrected, they will get worse. They are also so large that it is irrelevant to argue whether unemployment should be 2 or 4 per cent.: it should be a great deal less than 10 per cent. It is irrelevant to argue whether the current balance should be allowed to stray over 2 per cent. of GDP: it should be in surplus in the depths of the recession. It is irrelevant to argue whether public borrowing should exceed the 3 per cent. Maastricht criterion: it should not be heading over 8 per cent., even in the depths of a recession. Inflation is a scourge, and if it is not kept low, it runs the danger of becoming south American. However, low inflation has no virtue on its own if it is achieved at the cost of wrecking the other essential balances.

The trouble with arguing that we must deal with those structural imbalances, but not yet, is that they will get more difficult and painful to deal with later. They cannot be corrected overnight, nor even within five years. We can make a start now and, by being seen to make a serious start, set going the virtuous circles of increasing investment, confidence and stability.

For each instrument, we must ask how much it can contribute to improving one balance without damaging the others more. It is a matter of analysis. Let there be argument about that, and let us hear the argument. The panel of independent forecasters could provide such material, and the Treasury could match it. However, having looked at the evidence, my judgment is that an increase in income tax on those in work would help public borrowing more than it would harm unemployment. A further reduction in interest rates would weaken the exchange rate, and the sheet anchor against south American inflation, more than it would help investment and employment. An increase in Government investment would help employment and competitiveness more than it would harm public borrowing.

Then the argument moves on to the detail of the instruments—whether they be tax rates or allowances, and what conjuncture of relative interest and inflation rates, and what kind of public investment, we should have. The dynamics of policy must be set out, showing how policies will adapt to changing circumstances while pursuing consistent objectives in a consistently maintained strategy. No such thinking goes on in the Treasury today. Treasury people do not even attend the conferences at which such policies are argued out.

At the same time, of course, vigorous supply side measures are needed—in the sense not of lower taxes but of greater skills, better quality, greater appeal and enhanced capacity. That is a matter not of subsidy and second-guessing, but of looking for the features of company finance, corporate control and competition that have so weakened British manufacturing, or have never allowed it fully to develop.

None of the tax measures that the Chancellor today announced to bolster the corporate sector, especially small firms, addresses the differences that are so inescapable when we compare the position of small and medium-sized manufacturing enterprises in this country with those in Germany.

The Select Committee on Science and Technology has just returned from an examination of industrial competitiveness in Germany—talking to the Government, and visiting firms and research institutions. The remarkable fact is that in Germany firms bearing names such as Bosch, Diesel, Zeppelin and so on are all still there today, but they are booming. They maintain high research budgets, and increase them when profits fall. In contrast, the Chancellor was trying to make it easier for the entrepreneur to sell out of his company. That is the last thing that a German industrialist would do; yet here we are facilitating precisely that weakening of control and commitment that underpins the strength of the German engineering industry.

Mr. Alan Duncan (Rutland and Melton): Is the hon. Gentleman not taking an over-rosy view of the German economy at the moment? Mercedes Benz has just announced that it intends to lay off 30,000 people, Porsche has suffered a reduction of about 80 per cent. in its exports, and the German machine tool industry is all but in a state of collapse. The rosy picture that the hon. Gentleman paints is rather inaccurate.

Dr. Bray: The German unemployment level is about half that of the United Kingdom, and the average income in Germany is a great deal higher than it is here. The hon. Gentleman is confusing the short-term situation with the underlying strengths of the German economy. The same

goes for the Japanese economy. The hon. Gentleman really ought to go and look at those economies at first hand.

Judged by the criteria of what a strategy should be like, the Chancellor's Budget lacks perspective on the severity of our problems, and any sense of strategy. It is a rag-bag of expediency, put together in a futile bid to save his own political skin.

7.32 pm

Mr. Michael Spicer (Worcestershire, South): I have been in the House for almost 20 years, and one of the coincidences over that time is that when I have been on the Back Benches, more often than not I have followed the hon. Member for Motherwell, South (Dr. Bray) in such debates.

I do not know whether I should reveal this, but the hon. Gentleman and I share what could be called a professional interest and experience in the rather tricky, if not dreary, business of econometric forecasting. I was involved with that many years ago, and I know that the hon. Gentleman was, too. Indeed, it was out of that experience that he created the requirement for the Treasury to publish forecasts, as it now does.

I admit that I have moments of enormous gloom about this forecasting business, but I have to accept what partly lay behind what the hon. Gentleman said—that it is still necessary to bash on with the forecasts, if only because it is self-evident that changes in monetary policy and interest rates have their full impact two years out. So, whether one likes it or not, one has to anticipate what the effect of a particular policy change will be two years out.

I begin what I want to say by agreeing—perhaps surprisingly—with the opening remarks of my hon. Friend the Member for Cambridgeshire, South-West (Sir A. Grant) in praise and support of the Chancellor of the Exchequer. My right hon. Friend has not only comported himself with great stamina today, but has dealt extremely courageously with the enormous torrent of criticism and personal abuse that he has suffered over the past few months. I put on record my personal respect for the dignified way in which he has responded.

I say that despite the fact that I am someone whom I believe the Chancellor has in the past called a "moaning minnie" and a "siren voice", for advocating lower interest rates, for reasons that I have mentioned, two and a half years ago. At that point it seemed to me that, two years out, high interest rates would have the effects that we see now. The hon. Member for Motherwell, South, too, said that interest rates should have been lower then, and I believe that my hon. Friend the Member for Cambridgeshire, South-West said the same. However, I do not believe that either of them gave any reason why interest rates were kept high.

The reason, self-evidently, was a policy of giving priority to exchange rate management, as opposed to the management of monetary policy in the interests of this country. That is the exact opposite of what my hon. Friend the Member for Cambridgeshire, South-West said. The problem was not too rigid a monetary policy but exactly the opposite—an abandonment of monetary policy.

Sir Anthony Grant *rose*——

Dr. Bray *rose*——

Mr. Spicer: I have prompted two hon. Gentlemen to intervene. I shall give way first to my hon. Friend, and then to the hon. Member for Motherwell, South.

Sir Anthony Grant: I remind my hon. Friend that interest rates reached their highest level before we entered the exchange rate mechanism. They then went solidly down, whatever other criticisms one may have.

Mr. Spicer: I am glad that my hon. Friend has raised that point. The process of informally shadowing the deutschmark and having an informal fixed exchange rate started two or three years before we finally formalised the situation by going into the exchange rate mechanism. We should have learnt by the mistakes of the previous two or three years where the problem lay.

For a while, interest rates were too low and we had inflation, which was caused by the fact that we were gearing up to the German economy and giving greater priority to our exchange rate policy than to monetary policy. That was a continuum of what had been going on for three or four years, and I am glad that my hon. Friend has reminded us that the process goes further back than our entry into the ERM.

Dr. Bray: I do not believe that I advocated lower interest rates two years ago. When the economy has been put into a grossly unstable situation, one has to take action to correct that. The mistake was made in 1987. Lord Lawson well describes in his book how the crash on the stock exchange led him to reduce interest rates at a time when all the signs were that both interest rates and taxes should have been increased.

Mr. Spicer: That may be one interpretation of events. Another—which has the merit of following the way in which the policy was pursued after 1987, through 1988 and 1989—relates that monetary policy, in so far as it existed, was determined to maintain a certain parity within exchange rates, especially against the deutschmark. I believe that that is how most commentators and historians now view that policy, which was maintained until white Wednesday last September, when we came out of it. I shall deal with that in a moment, if I may.

The Budget deals with two issues that I believe are interrelated—the deficit, and growing unemployment. Those two issues are related because they share the same derivative—low growth over the past two or three years. Indeed, so low has growth been that it has been negative by 4 per cent. over the past 30 months.

As I have said, that low growth rate has been caused by excessively high interest rates, which in turn were caused by a policy that placed greater priority on exchange rate manipulations for many reasons relating to Maastricht and the policy in Europe. Replying to what my hon. Friend the Member for Cambridgeshire, South-West said about confidence, one of the essential requirements now is continuity of policy.

We must learn the lesson of the past six years, of putting an exchange rate policy and a determination to move towards a single currency in Europe above the direct monetary interests of this country. We should perhaps have learnt that lesson by the 1930s, when we tried to link our currency to the United States' economy through the gold standard. That did not work. In fact, it was a disaster. However, we tried it again, although we have now stopped

[Mr. Spicer]

for a while. The greatest boost to confidence would be to state quite clearly that we are now going to manage our economy in terms of its own requirements.

At present, the British economy requires sustained economic growth. That growth, as my right hon. Friend the Chancellor of the Exchequer said, requires a relaxed and easy monetary policy. He said that his narrow money target was zero to 4 per cent., and that the target for M4 was 3 to 9 per cent. Most people would say that the narrow money target is within the band, although, as my right hon. Friend the Chancellor said, at the higher end. However, in respect of broad money, which many people believe is the crucial factor in getting the economy moving again, most analyses show that it is still very low, if not still negative. It certainly was negative until very recently.

It is clear that the basic policy parameter and confidence factor to which my hon. Friend the Member for Cambridgeshire, South-West alluded requires an easing of monetary policy. The objective is also clear: to create such substantial, steady and progressive growth that unemployment will fall, causing the totality of benefits to reduce, the tax take to rise and the deficit to be addressed.

My right hon. Friend the Member for Shropshire, North (Mr. Biffen) made a very interesting point earlier in that context. Indeed, the hon. Member for Motherwell, South may have alluded to the same point. My right hon. Friend said that one of the problems with trying to generate employment at the moment is that there is a discontinuity between output and its effect on employment. We may be going through a new industrial revolution, particularly affecting the services sector. Investment seems to be causing unemployment rather than employment. We need at least 2 per cent. growth simply to keep steady in terms of employment levels.

We are experiencing enormous strides in productivity at the moment. It may be argued whether that is because we are at the back end of a recession or because there are substantive industrial revolutionary effects, and that we are entering a new phase. However, it seems that we need about 2 per cent. growth just to stay steady in respect of employment levels. In order to bring down unemployment, we will have to generate growth levels that we have not been able to sustain in the past. The task is rather enormous. We must aim for above 2 per cent. simply to reduce unemployment from its present rate.

That requires an investment culture and a substantive investment procedure from now to the distant future which will create and expand jobs as opposed to just replacing labour for capital. I believe that such an investment culture has three ingredients. My hon. Friend the Member for Cambridge, South-West and my right hon. Friend the Chancellor of the Exchequer have already alluded to the first of those ingredients. The first ingredient is good labour relations.

Undoubtedly, one of the great gifts of the Conservative Administrations of the 1980s was to provide for stable, sound and good labour relations. The figures that my right hon. Friend the Chancellor referred to earlier are remarkable. We had a better strike record in the last year than we have had for 100 years. That is a tremendous contribution and of enormous importance to investors, particularly those considering investing from abroad. Foreign investment must be added to the massive investment that will be required to keep pace with the rate of unemployment.

The second ingredient is the continuation of a liberal trading policy, and this is where I become so concerned about our obsession with trading with Europe. Of course it is important that we trade with Europe. It is important that we have open trading relationships with Europe. However, as has been said several times today, Europe will, into the foreseeable future, be a rather slow growth place with which to trade.

Leaving aside the fact that we trade typically £10 billion per annum in deficit with Europe, the fundamental point is that, unless we are very careful, we will lock ourselves into a political union governed by a protectionist philosophy.

The great thing about Britain, our enormous advantage and the reason why we have had such investment in this country over the past 10 years is not that we were going to join a political union; in fact, quite the reverse. Our advantage has been that we stood on a bridge between Europe and the rest of the world, because we had a liberal trading policy. Companies could come here in the knowledge that they could trade both with Europe and with the growth areas of the world, which in the next few years may be the United States, and which will certainly include the Pacific basin.

We have the largest and the third largest international airports in the world because we happen to be at the crossroads of much international trade. The fact that this country is a bridge between continental Europe and the other great trading sectors of the world is an enormous advantage.

If we are to maintain in future the kind of investment from abroad that we have enjoyed in the past, we must maintain open trading policies and our relationships with the rest of the world. We must continue to act as a bridge between Europe and the rest of the world.

It is wrong, and the converse of the truth, to say that we encourage jobs by joining a protectionist, political union in Europe. Quite the reverse: the jobs come because we are a bridge between Europe and, outwith Europe, hopefully with the rest of the world.

Mr. William Cash (Stafford): Did my hon. Friend notice the quite extraordinary and outrageous survey by the CBI which it sent to Members of Parliament and to peers, which stated that inward investment to this country from the top Japanese and American companies would be adversely affected if we failed to ratify the Maastricht treaty? All the points that my hon. Friend has made so validly were completely undermined by the extraordinary parliamentary briefing, which bore very little relationship to the report actually submitted to the CBI. The CBI put its own spin on it and gave the impression that, by failing to ratify the Maastricht treaty, we would jeopardise inward investment. Those companies quite clearly stated in the report that that was not the case, and that it would make no difference at all.

Mr. Spicer: I am glad that my hon. Friend makes that important point. I saw the press reports at the weekend. Many canards have been spread about all this, not only in Britain. We are told that, through political union, every country will get more jobs. The Danish Government are

using the argument that political union will create more jobs. It is suggested that every country in Europe will have more jobs as a result of political union.

Britain will get the jobs if we are part of a wider trading movement which pervades the world.

The Economic Secretary to the Treasury (Mr. Anthony Nelson): I endorse my hon. Friend's point about the importance of trade with countries outside the European Community. Of the £1·3 billion of extra Export Credits Guarantee Department cover announced by my right hon. Friend the Chancellor today, a great majority will be in developing countries, in which we are up to our limits in terms of cover. Many major projects and export development opportunities lie in those countries. I am sure that my hon. Friend will join me in welcoming that.

Mr. Spicer: I certainly welcome the concept of putting ECGD on a par with other countries. I also welcome the proposal to make it cover other countries. However, unless I misheard him, my hon. Friend made a specific point about developing countries. Our relationship with developing countries is important, but I was referring to linking in to fast-growth parts of the world. I take my hon. Friend's point.

My third point is the real guts of what I want to say. The third and most important characteristic of a country which wishes to attract the massive investment which I have said we shall require merely to keep pace with the present rate of unemployment is low taxation. It is on taxation that I have some comments to make about the Budget.

I am pleased that my right hon. Friend the Chancellor of the Exchequer has found it possible to focus more on indirect taxation than direct taxation. It is magnificent that he has set the target of reducing the base rate ultimately to 20 per cent. That has to be right. He is right to maintain the rate of direct taxation and to have various measures around it which relate to business.

I am worried about one danger. I do not say that the Government have fallen into it yet, but I have a lingering worry. It will be made clear when we relate expenditure and revenue in one Budget. Of course the Government are right to have combined the Budget and the autumn statement. Until we have one Budget, it will be difficult to say clearly whether we have allowed expenditure to get out of control.

I am concerned that, in our fiscal policy, we ensure that our expenditure meets the revenue that we have available and not the other way round. I want to see the revenue determined first; we should then fit the expenditure into what we can afford. If revenue starts to chase up expenditure—that is the danger—a dangerous ratchet effect can be created. Then more expenditure is chased by higher taxation in the interests of sound finance.

We reach a point that my right hon. Friend the Chancellor rightly said he wanted to avoid, at which the wealth-creating private sector is squeezed out. He was right to say that not Whitehall but the private sector ultimately creates new jobs. In order to allow the maximum private sector investment from which growth must occur, we must ensure that public expenditure is brought into line with what we can afford as a nation. That means that it must be brought into line with low taxation.

Once we have growth, of course, the tax take increases, and we enter a benign cycle. We have more money for hospitals and public expenditure. However, it must be that way round. We shall not know until the autumn whether public expenditure is properly under control, but it must be that way round. Therefore, the broad policy must be one of public expenditure related to what we can afford and in current circumstances an easing of monetary policy.

Above all, we must have a monetary policy which reflects the future requirements of the country, not a monetary policy which fits the requirements of other countries through a fixed exchange rate. We are now, at last, on the right track. There is the hope of recovery, but a massive and daunting task lies ahead.

Mr. George Howarth (Knowsley, North): I am following the hon. Gentleman's arguments on his third point closely. Does he accept that there is an alternative way of looking at public expenditure? If it is focused carefully on capital projects which generate demand in the private sector, it can be offset by the increased yield of taxation, which feeds back into public finances. There is a careful balancing act to be performed. Public expenditure can work in the reverse of the way he describes, provided that it is properly focused on areas of public expenditure which create demand from the private sector.

Mr. Spicer: Of course there is a relationship between public spending and private investment on occasions—I could not agree more. One wants to make sure that the mesh is correct.

I listened to what my right hon. Friend the Member for Guildford (Mr. Howell) said about distinguishing more clearly between capital and current expenditure. I have a little more difficulty than my right hon. Friend on that, because in the public sector there is a much closer connection between current and capital expenditure. If one spends money on roads, there is a blurring of money for repairs and so on, which is current expenditure, and capital expenditure. Of course I accept that there is a relationship between the public sector and the private sector in that context. It is important to get that relationship right and to establish proper contracting procedures and so on.

However, if we are to achieve the growth we require —for the reasons that I gave earlier, we require enormous and sustained growth—it must ultimately come through the private sector. That is what the Budget is all about. In that context, I wish it well. As my right hon. Friend the Chancellor and others have said, we shall look at it again when we come to match expenditure with revenue in the autumn.

7.57 pm

Ms Diane Abbott (Hackney, North and Stoke Newington): In Hackney we have the 11th highest level of unemployment in the country. So the test of the Budget for ordinary people in Hackney, as for ordinary people everywhere, is what it will do for unemployment. We are told that by this summer the total number of people unemployed in the country as a whole will be the highest since records began 100 years ago.

So if the Budget does not meet the test of addressing unemployment, it will have failed. Of course, the Chancellor did not ignore the subject. He revealed with a flourish a package of new schemes which are supposed to be what the Budget will do for the unemployed. So I wish

[Ms Diane Abbott]

to examine those schemes to determine to what extent they offer substantial help for the unemployed and to what extent they are merely window dressing.

Five main schemes—some of them new, some beefed up versions of old schemes—were revealed this afternoon: learning for work, community action, an increase in the business start-up scheme, a new scheme called TEC challenge and a proposal to give subsidies to employers on a pilot basis to employ the long-term unemployed.

The Chancellor tells us, with enormous pride, that the learning for work scheme will provide 30,000 places for the long-term unemployed to undertake a year's vocational training. First, 30,000 is not a huge figure; it represents a handful of places per constituency. Secondly, and more important, the provision of 30,000 places for a year's vocational training does not begin to meet a demand that has become increasingly loud in the months preceding the Budget—that the Government re-examine the rule that prevents people from studying for more than 21 hours without losing benefits.

It is heartless of the Government to puff up the provision of 30,000 places when hundreds of thousands of unemployed people who would benefit from the range of training and education opportunities that are available in our institutes of learning will continue to be thwarted. They will still have to face the fact that, if they return to educational training for more than 21 hours, they will lose their entitlement to benefit.

The rule is particularly heartless in the current circumstances. Whatever Conservative Members say, we shall face high unemployment rates for some time. For weeks, the Government have hinted and teased about the possibility of flexibility on the 21-hour rule; the learning for work scheme that they have offered in its place is a derisory response to our objections to a rule which continues to be unfair, and continues to penalise unemployed people who genuinely want to retrain and to improve their education.

We are told that the community action scheme will offer 60,000 places for unemployed people to work in the community. That figure, too, is not very high, compared with the unemployment figure of 3 million. More important, however, the scheme offers people a mere £10 on top of their benefits to engage in voluntary work. Ministers ought to stop and think. Ten pounds a week will not even pay for travel and lunch, and it certainly will not help unemployed women to pay child-care and creche costs.

Community action is crippled from the start. It will not meet the needs of unemployed women with children; and, certainly in London and the south-east, that extra £10 will not make it practical or feasible for people to consider voluntary work. Many of them will be unable to pay for travel, meals or the new clothes that they may need to do such work. I note, moreover, that community action is supposed to be delivered through the voluntary sector—the self-same sector that the Government have decimated for many years by cutting local authority funds.

The other part of this glorious package is the business start-up scheme. We were told that there would be 10,000 more places on that scheme. Ministers do not mention, however, that after three years only 58 per cent. of the businesses started under it are still going. I dare say that, after four years, the proportion will be even lower.

The Government's other brand-new scheme is the training and enterprise council challenge scheme, under which TECs across the country will bid for money from a central pool for job creation schemes. The schemes will be judged according to the extent to which they involve the private sector. The Government seem to have no idea about the reality of life in our inner cities. In areas such as Hackney and other parts of inner London, and Manchester and Birmingham, the private sector is virtually atrophied: in Hackney, the largest single employer is the local authority, followed by the health service. *[Interruption.]* Conservative Members may sneer, but schemes that depend too heavily on the involvement of the private sector necessarily discriminate against residents of the inner cities.

Mr. Peter L. Pike (Burnley): Does my hon. Friend agree that, in constituencies such as hers, the slashing of the urban programme will have a bigger impact on jobs —or, rather, on the loss of jobs—than the Budget?

Ms Abbott: That is an important point.

Conservative Members jeered at the notion that local authorities were major employers in areas such as Hackney. It is not the fault of people in Hackney that traditional areas of employment—small businesses related to the docks, for instance—have declined since the war. The structural changes that have taken place in inner-city employment are not the fault of the inhabitants; they should be able to trust the Government to understand those changes and tailor job-creation schemes accordingly, rather than sneering in a way that suggests that the preponderance of local authority employment results from choice.

Mr. Duncan: Will the hon. Lady outline the measures taken by the glorious council in Hackney to attract private enterprise back into her constituency—if any such measures exist?

Ms Abbott: I know that the hon. Gentleman is not familiar with the problems of the impoverished inner city, so I shall forgive his ignorance. Let me tell him, however, that the Government have chosen Hackney council to participate in the city challenge scheme. It is working closely not with the private sector, because the private sector in Hackney is atrophied, but with housing associations and other voluntary organisations to help to improve and renovate housing in Hackney.

Hackney council is keen to work with the private sector in 1993. I invite the hon. Gentleman to accompany me any day of the week and to walk up Kingsland high street and Stoke Newington high street, to visit the industrial estates on the edge of the Lea valley and to see what has happened to industry and business in Hackney under the present Government. Hackney's last major employer closed down four or five years ago. It does not suit a Government who have done so much to smash manufacturing in areas such as London and the south-east to sneer at the people of Hackney because they rely on the local authority as an employer more than they would like to do.

Let me return to the Government's much-touted package of schemes. We shall have to see how the final scheme works—the scheme that will subsidise employers

to take on the long-term unemployed. I do not wish to knock it before it has got off the ground, but such schemes are particularly heartless, in that they are promoted as a realistic answer to the problems of unemployment. We hear today that, even in the borough of Hackney, 58 people are chasing every job vacancy. That figure is not particularly high: in other London boroughs, particularly the outer boroughs, the figure is even higher. Surely it is heartless to promote and publicise such schemes, suggesting that only a lack of will or ability on the part of the unemployed prevents them from working. In fact, if the jobs are not there—and, for 57 out of every 58 of my constituents, they are not there—the most wonderful schemes in the world cannot return people to employment.

Listening to the Chancellor's annual speech is always interesting, but those who wish to know the truth must look at the Red Book. Given the amount that will go into the Government's schemes in the coming year, the package of schemes to which I refer will receive the equivalent of only £55 million in 1993-94. That is a derisory amount to spend on employment. I realise that it does not represent the entirety of Government spending, but it is the entirety of spending on the schemes that I have mentioned. It is particularly derisory and heartless given that we are approaching the summer, when unemployment will be at its highest since records began.

These schemes are simply window dressing. They are Mickey Mouse schemes, which offer a shadow of hope to the unemployed but do not begin to meet the reality of the unemployment crisis that faces people in Hackney, in other parts of London, in the south-east and internationally.

I am afraid that it is hard to escape the conclusion that the Government are interested in forcing people back into the labour market at the lowest possible wages. At least the Government now talk about putting people back to work, but they promote a low-wage economy. If I were a member of the Government, I would not be so enthusiastic about boasting about the amount of inward investment to this country, as the Government have been reduced to doing.

Part of the reason for the inward investment to this country is the fact that we speak English, which has nothing to do with Government policy. Another reason for that investment is that wages in this country are 44 per cent. of those in Germany. I do not believe that growth and a return to full employment in this country can be sustained by basing our competitive edge on low wages rather than skills, training and education. In the long term, it cannot be a viable course for this country to seek to compete on low wages and poor conditions rather than education and training. That is why it was regrettable that the Government did not see fit to re-examine the 21-hour rule for people on benefit as it stops them entering full-time education and training.

If one wants to find the truth of any Chancellor's Budget statement, one has to look at the Red Book. We should forget about the window dressing and see what the Red Book says about unemployment. It says that it will be "some time" before unemployment starts to fall again. What does the Government's panel of advisers—the seven wise men—say about unemployment? The panel prophesy that unemployment will continue to rise and that, by the end of the year, it will be between 3·1 million and 3·4 million.

The Budget offers nothing for the unemployed in the short term apart from window dressing. The Government know that, and the presentation and content of the Budget are heartless. The Budget does not begin to meet the concerns of ordinary people in Hackney and the country as a whole.

One aspect of unemployment which, sadly, will probably not be raised during the entire five-day debate is black unemployment. Recent research has shown that black unemployment in this country is twice as high as white unemployment. In my constituency, the unemployment rate among young black males is as high as one in two. Those frightening figures for black unemployment are a tragedy for the black community because the generation of black people who came here from the Indian sub-continent, the Caribbean and across the old Commonwealth in the 1950s and 1960s came specifically to work. It is a tragedy for those in the black community that their children and grandchildren are being thrown on the economic scrap heap.

Specific factors affect black unemployment in this country. They include the shake-out of labour in public services, health and transport, which have traditionally been high employers of black and ethnic minority people. Black people are affected by discrimination and by what Americans call the "last to be hired, first to be fired" philosophy. The loss of jobs in local government affects black people, who had a choice of fair employment opportunities in local government, certainly in big cities.

What are the Government doing about unemployment in general and black unemployment in particular? They are doing nothing. The Government talk about employer-based training schemes. Statistics prove that such schemes discriminate against black and ethnic minority trainees. It is cruel for the Prime Minister to talk about a nation that is at ease with itself when the Government are prepared to let unemployment rip and bear most heavily on some of the most vulnerable sections of the community.

What the black community—and, indeed, the rest of the community—demand from the Government is action on unemployment and policies to generate full employment. The black community want the Government to take the lead as an equal opportunity employer and to ensure that their training schemes are not discriminatory and are equally accessible to white and black trainees. They want the Government to show some concern, and support and devise specific schemes to address the problem of black youth unemployment in inner cities. I know that not many people are concerned, but black workers from all over the Commonwealth helped to rebuild this country after the second world war. I believe that their children and grandchildren deserve better from the Government than the studied indifference that they have encountered in previous years.

Unemployment has affected the housing market in the south-east. There can be no return to business confidence in London and the south-east without a revival in the housing market. I cannot talk about conditions in the north, Wales or Scotland, but I know that the rise in the housing market helped to promote a feeling of boom conditions in the late 1980s in London and the south-east. That feeling may have been unrealistic, but there was a feeling that we were experiencing a boom. We will not have a revival of confidence unless the Government do something about the housing market.

Today the bankers Morgan Grenfell have issued a report showing what those of us who are home owners

[Ms Abbott]

living in London already know—house prices in London have fallen 25 per cent. in the past four years and the council tax will further depress house prices in London. There are more people in London living in houses worth less than their mortgage than anywhere else in the country. The stamp duty changes will do little to help home owners in London and the south-east. One cannot get much in inner London for £60,000, which is the top limit for those who will be helped by the stamp duty changes. Unless there is a revival of confidence in London and the south-east so that people believe that they have a chance of obtaining and retaining jobs, the housing market in London will not start to move again.

Even on the Government's own figures—which, as we know, have been adjusted and massaged to put the best possible face on reality—there are more than 10,000 unemployed people in Hackney. One in four males is unemployed and almost one in five women is unemployed. What is worse is the fall in the number of unskilled people in the labour market because they are not even bothering to register as unemployed. The cuts in local authorities and health authorities that will take place this year as a direct result of Government policy will make the unemployment rate in Hackney even worse. Local authorities and health authorities are the major employers in inner city areas. People in Hackney, and, I suspect, all over the country, want a return to full employment.

When I was a sixth-former almost 20 years ago, my contemporaries—young people of 16 and 17 who were thinking of leaving school or going on to further education—and I had discussions and thought about what jobs we would do. It never occurred to people leaving school in the late 1960s and early 1970s that they would not work at all. One of the harshest results of the Government's mismanagement of the economy over the past decade has been that a generation of children have left school in Hackney and elswhere who feel that they will never work. They believe that it is not worthwhile getting an education or training because the jobs are not there. To blight the hopes of a generation in that way is one of the cruellest things that the Government have done.

It is all very well for Conservative Members to weep crococile tears now——

Mr. Derek Enright (Hemsworth): They are sniggering.

Ms Abbott: Yes, they are indeed sniggering, which shows how little the problem concerns them. It is all very well now—in the 1990s—for Conservative Members to weep crocodile tears about the unemployed and to wring their hands in anguish over the issue, but Labour Members and people in the country know that throughout the 1980s the Government deliberately used high unemployment as a weapon to smash the trade unions and keep down wages. Nobody takes those crocodile tears seriously now.

The test of the Budget for ordinary people—not journalists and political professionals—is what it will do about the central tragedy in economic life: the unemployed. The unemployed are offered Mickey Mouse schemes, window dressing. This is an exercise in public relations. The statistical and economic data behind the Chancellor's speech indicate that the Budget is based on the assumption that unemployment will continue to rise in the foreseeable future.

What has been presented to us today is failure. The Budget fails my constituents. It fails the unemployed people of Hackney and in the rest of the country. It will be seen for what it is. When, in a few years, the Government go to the electorate, the way in which they have cheated, deceived and failed the unemployed will not be forgotten or forgiven.

8.20 pm

Mr. Ian Taylor (Esher): If there is anyone who has failed, it is the hon. Member for Hackney, North and Stoke Newington (Ms Abbott), who has not addressed the question of how to reduce unemployment. All hon. Members would very much like to see full employment. On that question, there is no difference between us. The differences between us relate to the means of achieving and maintaining full employment. That is the aspect of the matter which the hon. Lady and, indeed, the rest of her party need to address. We heard a short, jolly, churlish and negative speech from the right hon. and learned Member for Monklands, East (Mr. Smith).

I simply do not understand why Opposition Member after Opposition Member failed to welcome the strategy behind the Budget. The purpose is to create a medium-term and long-term framework for industry and the rest of the economy—

"the only way to achieve sustained growth and high levels of employment."

What we need is a framework within which to stabilise the economy and encourage and strengthen businesses that invest in Britain's future. That is what we heard from the Chancellor of the Exchequer this afternoon and what the country wanted to hear.

The words that I quoted a moment ago are from a document issued by the Labour party last week. It is described as Labour's budget for jobs and I have scanned it with great interest. Having looked at the strategy, I am puzzled by the fact that Labour Members have not welcomed the Chancellor's speech. What is the great difference between that speech and the speeches of Opposition Members? The Chancellor has dealt with the practical reality of how the objectives are to be achieved and how the framework strategy is to be met. This Labour document does not put forward one idea about how to raise the money to tackle the problems that we all know are to be found in the economy. It is a false prospectus of the worst sort.

I welcome the strategy that has been set out by the Chancellor, whose speech almost enters the record books as perhaps one of the longest Budget speeches this century. I am not very strong on the history of Budget speeches, so I cannnot be certain about that. In any case, the two-hour speech that we heard today contained a great deal of meat, which will be considered in detail during the Committee stage of the Finance Bill. My right hon. Friend addressed several key issues at the macro-economic level, some of which I wish to refer to.

I was delighted to hear my right hon. Friend emphasise why membership of the exchange rate mechanism had been very important. Hon. Members differ as to whether the day of our departure was black Wednesday or golden Wednesday or white Wednesday. I regard it as black Wednesday, but let us not be pedantic. There can be no doubt that the Government's attempt to adjust the inflation expectations of people in this country once and for all was worth while. My hon. Friend the Member for

Worcestershire, South (Mr. Spicer), who is not in the House at the moment, attached too little importance to the effect of our entry into and membership of the ERM in breaking the traditional British habit of inflating our way out of difficulties, of preferring high levels of inflation to the tough decisions that are necesary to proper management of the economy. Given that there were high levels of inflation under the last Labour Government and that, by and large, high levels of inflation are associated in the long run with high unemployment, I am perplexed by the Opposition's attitude. The ERM did indeed reduce inflation expectations. At some point we shall have to look again at the whole question of managed exchange rates within the open capital market of the European Communities. However, that is not a matter for this speech, although it will undoubtedly come up at the Committee stage of the European Communities (Amendment) Bill.

We should be cautious about the effect of our leaving the ERM on black Wednesday. That event provoked a fall in the value of sterling. The fall appeared to be very welcome in that it made our exports more competitive. However, we rely rather heavily on trade—particularly on imports, which make up one quarter of final demand. The potential danger is inflation of imports and, therefore, the return of inflationary pressures to the economy. That has yet to be seen, partly because United Kingdom manufacturers have not increased their prices. They realise that demand is still rather flat and, as overall inflation expectations are still low, wage settlements have been very modest. However, hon. Members should not believe that we have conquered the dragon of inflation. It is still there, writhing on the floor. A weak pound is not something that any Government want to see. Even if we are not in the ERM, economic policy must take into account the position of the pound vis-a-vis the currencies of our competitors.

Nevertheless, we have witnessed an ability to adjust, to weaken monetary policy. Interest rates have fallen and the fall in the value of sterling itself has weakened monetary policy further. I am very pleased that this has given us an opportunity to tackle the problems of asset deflation. It is an opportunity that we must grasp. But the way in which some of us regard the montary aggregates as already indicating the return of a good degree of buoyancy to the economy should not be underestimated. M0 is pushing at the upper end of its set range and there is quite a hidden impetus, which will be revealed in the months ahead. I know that M4 has been criticised as being rather flat on its back. I suspect that one of the Chancellor's reasons for giving slightly more buoyant figures for M4 is that he is adjusting the full funding rule by allowing the banks' and the building societies' purchases of gilts to be taken into account. If that is the case, we are witnessing an overall loosening of monetary policy. That will be welcome on one condition—that we tighten up on the fiscal side.

On the question of balance in the economy, there is no doubt that, as we have had significantly weakened monetary policy in recent months, we should pay attention to the fiscal side of the equation. The Chancellor has very graciously set forth a long-term strategy to that end. Too seldom do Chancellors set out their intentions with regard to taxation over a number of fiscal years. My right hon. Friend is to be commended on that score. My caveat is that the incidence of tax biting has been delayed to the beginning of 1994-95. In effect, there will be a generally neutral effect next year. I will not be critical of the Chancellor's endeavours because he has moved in the right direction, but I put down a marker: given that the medicine has been dangled before us, it would be better that we took it quickly. I make that point to my hon. Friend the Financial Secretary.

Mr. Wolfson: My hon. Friend has given a balanced view, but does not he agree that if action such as he suggests had been taken sooner rather than later, it could have had a dampening effect on recovery? That is the key.

Mr. Taylor: It is a complex argument. I do not wish to prolong my speech, but there are many factors which impinge upon confidence. If it were felt that the Government would have difficulty funding the deficit at any reasonable level of long-term interest rates and that the debt-to-GDP ratio would get out of hand, that would be damaging for confidence, in the widest sense of the word, and might snuff out a revival which, in other circumstances, monetary conditions might already have safeguarded.

The issue is complicated. My point is that the funding of the deficit and the belief that the Government have a credible long-term strategy, including an early move to increasing taxation, would have been on balance a better judgment. Far be it from me to know whether that is likely to be the case. Time will tell. The great point about making speeches in the House is that, although very few listen at the time, plenty of people are prepared in a year's time to check on what one said. So *Hansard* has my fate in its hands, so to speak.

Even the excellent recent survey on inflation by the Bank of England—the report which the Chancellor instructed it to make—indicated clearly that fiscal policy is important in influencing expectations of future monetary policy and for that reason may affect current long-term interest rates. We cannot disentangle the relationship between fiscal and monetary policy in those circumstances. Those who would like low interest rates at the short end and lower interest at the long end have to face up to the fact that they may achieve that only by a much more aggressive fiscal policy than Conservatives have been accustomed to.

Fiscal policy covers spending and tax raising. I would welcome cuts in spending plans, and I am delighted that the Chief Secretary is studying that closely. I am not sure where I stand on that in the Conservative party; it is always confusing, but as someone who believes that there is a role for public exenditure in important parts of the economy, I must point out that 56 per cent. of all Government expenditure is represented by education, social service payments and health—areas in which it is difficult to make dramatic cuts in the short term.

With a public sector borrowing requirement of £50 billion, cuts would need to be dramatic. Therefore, I hesitate slightly on taking the view, "It will be all right on the night because we will cut public expenditure." I suspect that we will restrain public expenditure. One way in which we might force ourselves to do that is to take away the GDP deflator from the calculations on spending plans; in other words, we should remove the concept of increasing public expenditure for the incidence of inflation. That would be a welcome change in the way in which the

[Mr. Taylor]

Government address the figures in the Red Book. I commend it to the Treasury team, but it will not save us from addressing the incidence of taxation at some point.

It is misguided of the Labour party to criticise the introduction of VAT on domestic fuels. That is a significant fund raiser. Zero rates have always been an anomaly and would be better tackled in other ways. The Chancellor rightly mentioned that the Secretary of State for Social Services will need to review these matters in subsequent statements because of the impact particularly on the lowest paid and those in receipt of social service benefits.

About 24 per cent. of all our goods are zero-rated or are exempt; that is an imbalanced VAT network. I have already said in the House that I favour the removal of zero rating, possibly with the introduction of a lower rate than the standard rate, which would be consistent with the rules of the European Community. I welcome the two-stage introduction of the standard rate on domestic fuels, with 8 per cent. to begin with, followed by 17·5 per cent.

If all zero-rated items were subject to a standard rate of VAT, the standard rate might be reduced. That might be a simpler way of dealing with the matter and it would yield £5 billion or £6 billion extra to the Exchequer in a full year. I do not want to go further into such matters. I am happy to put it on the record that if we need to raise taxation, I am uncomfortable with the zero rating of VAT.

The Chancellor hinted at something that I should like to examine more carefully. He did not imply, because no Treasury Minister would do so, that there would be hypothecated taxes, but in his comments on road fund licences, fuel taxes and road pricing there was a hint of hypothecation. I welcome that because it would give greater accountability to the Treasury. Perhaps it would not give much flexibility, but the Treasury has always been known to be as flexible as it wants. From the point of view of the public, I am happy that we get a better understanding of why taxes are being raised.

The Budget contained welcome measures. I should disclose, because it is in the Register of Members' Interests, that I advise Commercial Union and Barclays de Zoete Wedd Investment Management. Therefore, I take particular interest in some of the measures. Perhaps in a strange order, I welcome the measures in regard to Lloyd's names. I am not a name at Lloyd's, but I attempted to raise the subject in the debate on the Finance Act 1991. The Financial Secretary is to be commended for examining the whole system of the reserving of Lloyd's. That will be welcome to an important institution in the City, regardless of the comments of Opposition Members about individual names. As an institution, Lloyd's is important to the stability of the City and to invisible earnings at the time of a balance of payments deficit.

I also welcome the freezing in real terms of the increase in the uniform business rate. That will go down well with businesses in the south-east and elsewhere.

The Chancellor has been clever in making more use of the 20 per cent. band in taxation. I also welcome the fact that we appear to be moving towards using the 20 per cent. rate only as an allowance. That is sensible. It will give greater justification for that rate ultimately to become the standard rate. That does not necessarily mean that I think that taxation should be reduced; I merely believe that it is a better balance of the tax structure. It will benefit the Treasury if allowances are set off at the 20 per cent. rate rather than 25 per cent. So people will benefit from the level of taxation and the Treasury will benefit from the fact that allowances are not as generous.

Many of the Budget's measures should be welcomed. Britain has a considerable problem. Our balance of trade deficit is worrying at this stage of the cycle, given our propensity to import. Our European export markets are going into or are already in recession, at a time when we are most likely to be selling to them. That has an adverse effect on us, because British manufacturers are more likely to believe that they can increase prices in the domestic market rather than in export markets. Again, we shall have to watch that from a domestic inflationary point of view.

Although we have relaxed full funding to a small extent, our PSBR will lead to high long-term interest rates and the Government will have to fund the deficit. That is why I am concerned about the revenue-raising side of the Budget. If the PSBR for a full year is £50 billion, with interest rates on gilts at 8 per cent., the Government will accumulate an additional £4 billion debt and debts are cumulative. The net effect, therefore, of postponing revenue raising for a year means that it starts at a higher level than otherwise would apply. We must keep a close check on that.

I hope that the Budget restores confidence in the Government's long-term strategy. I hope that it encourages unemployed people to believe that we are endeavouring to help them, and a large portion of the Budget offers assistance to industry. [HON. MEMBERS: "Where?"] Opposition Members should not shout "Where?" when they know that Governments do not create jobs out of a hat. Governments create jobs by giving other people the opportunity to expand. Unless industry flourishes, there is no long-term hope for those who are unemployed.

That is why one of the longest sections of the Budget speech targeted help on industry, which I welcome. I may have said that the Budget was wrong to be neutral, but it is neutral because tax raising is being retargeted on industry. I hope that industry realises that it has been highlighted for particular assistance this year and I hope that the CBI, the Association of British Chambers of Commerce and the Institute of Directors will pay tribute to the Chancellor for listening to some of their requests. It is up to British industry to create the job opportunities to which we aspire and, if my judgment of the effects of monetary policy is right, the economy will probably recover slightly faster than some of the pessimistic forecasts suggest.

I would not have raised our involvement with the European Community if it had not been mentioned by my hon. Friends the Members for Worcestershire, South and for Stafford (Mr. Cash). This is a very serious matter because all our efforts to get our economy going and to emphasise the competitive instincts of British industry and the British economy could be put out of joint if we do not make further progress on the Maastricht treaty. I have a copy of a letter dated 15 March from the Association of British Chambers of Commerce to the Prime Minister, which was released to the press. Its chairman states that it represents 240,000 businesses and that

"those who suggest that we have gone far enough with the Single European Act are making a mistake that British businesses cannot afford . . . Any continuing uncertainty or delay as regards UK ratification can only undermine business

confidence, which will in turn endanger economic recovery . . . Against this background we urge you to press ahead with the ratification process which has our full support."

The association represents the 240,000 businesses that were targeted today in the Budget. Through their national chairman, they have addressed the problem that will arise if Britain appears to isolate itself within the European Community, appears to downgrade the importance of inward investment and appears to leave other people to determine the rules of the club to which we belong and of the single market, of which we are important members.

I appeal to Opposition Members to join the vast majority in the House, as was shown on Second Reading, who understand the importance of creating jobs and assisting British industry to damn well get on with ratifying the Maastricht treaty as soon as possible.

8.47 pm

Mr. John Gunnell (Morley and Leeds, South): I understand the comments of the hon. Member for Esher (Mr. Taylor) about the need for a strategy, on which I shall comment myself, although I am not sure that I will agree with him on some aspects.

I agree with the hon. Gentleman about inward investment. I have visited Japan several times seeking inward investment on behalf of a number of companies in the Yorkshire and Humberside region, and I have never met a company that did not see us in the context of the European Community. Our active membership of the Community is undoubtedly important to them.

The working conditions of most Japanese companies are far better than those proposed in the social chapter. I find it hard to believe that companies that have been attracted to Yorkshire would have been put off by the social chapter. One of the unions that negotiated an agreement with Pioneer in Wakefield said that, if it could secure the same agreement for each of the companies with which it is involved, workers in almost every British firm would be a good deal better off. Conservative Members make many false points about the dangers of the social chapter to inward investment. I therefore agree with the hon. Member for Esher about the significance of our membership of the Community.

I found the strategy employed in the Budget, so far as we got a glimpse of it, very threatening. It threatens many low-paid workers. It will increase their taxes now, in April 1994 and in April 1995. I listened to the Chancellor for 112 minutes, waiting for ideas to deal with the scale of our unemployment and with the real fear about the future of our economy. Labour Members are not anxious to see a continual decline in the economy. We are anxious to see recovery and to ensure that measures are being taken to bring about recovery. I saw some ideas which will have some effect, but I did not see those ideas that I believe will get the economy moving forward. I do not see this, I am afraid, as a Budget for jobs, even though it was boosted as such in advance.

I was in some agreement with the hon. Member for Esher on the very curious way in which the Chancellor, in an oblique—sometimes, indeed, in a direct—fashion, referred to black Wednesday. He did not label it with an adjective, but he was referring to that day. One had the impression that he was very much on the side of those who believed that it was golden Wednesday, because he gave all sorts of illustrations of its benefits to the Government and the Government's financial planning. He did not refer, as did the hon. Member for Esher, to the downside of that day.

I remember the way that we moved up to that Wednesday, the statements made in advance and the statements made immediately afterwards when the House met on 24 September, and I contrast them with the way in which the Chancellor today used those events as having enabled him to turn around aspects of the economy. I felt that we were talking about Government by accident, and that is a matter of considerable concern.

One aspect of the Budget is not an accident; that is the way in which, in terms of its strategy and the need to raise money, the Budget is focused. I believe that it is focused on raising funds from ordinary families in this country, and that can be illustrated very easily.

There is in this Budget a tax reduction in terms of the 20 per cent. band that is in reality a tax increase. None of us would pretend that national insurance contributions are not a form of direct taxation. One of the points made by many hon. Members before the general election was that national insurance contributions were a form of taxation, and they wished then to treat them as such. We are right to treat them as such now.

What benefits do people get from the 20 per cent. band changes? They are described as 50p a week and, by April 1994, £1 a week. However, allowing for the fact that people might have expected allowances in line with inflation, I believe that they will be worth only 84p a week in April 1994 to the average family. The increase in national insurance contributions, on the other hand, will cost the average family £3 a week. That is a staggering difference between what is presented to us as a benefit and what is, in reality, a penalty. There is no doubt that the increase of 1 per cent. is in effect a 1 per cent. tax increase and will have the effect on the average family of an increase of £3 a week.

The hon. Member for Esher said that he was quite happy about the imposition of value added tax on domestic fuel. I think that it is an appalling decision. Interestingly, none of the letters that I received from constituents before the Budget referred to that, although they referred to many other aspects. For instance, there was much lobbying mail on the subject of VAT on newspapers and books, and I am very glad that there is not to be that tax on information. We also had a great deal of propaganda and pleas about VAT on public transport, and I am glad that that is not to be imposed; it would clearly be nonsense.

Why did we not get a great deal of correspondence on the subject of VAT on domestic fuel and power? It was because people were not looking for it, and they were not looking for it because, as my right hon. and learned Friend the Leader of the Opposition made quite clear, it was a matter on which the Government had been absolutely specific prior to the general election. They said specifically that fuel would not be subject to VAT and that there would not be changes to VAT. That is why we were not lobbied on this issue. This shows that people placed completely unjustified trust in the Government. They believed what the Government said before the election about VAT on domestic fuel, but VAT has been applied; and the cost to the average family, when the full 17·5 per cent. VAT is applied to domestic fuel, will be over £2 a week.

[Mr. John Gunnell]

Then we have to take into account the mortgage changes. The Chancellor made it clear that we are talking about £10 a month, or £120 a year, which is another £2·31 a week for the average family. We also have to take into account the freezing of the married couple's allowance and the fact that it is not to go up with inflation as has been traditional for much of the past. That amounts to another about £1·80 per family per week.

If we add all these figures together, we find that the average family in this country will be £8, or a bit more, worse off as a result of this Budget.

So who will be paying for the fact that the Chancellor is rightly concerned about the £50 billion of debt? It seems to me that it will be principally ordinary families in this country. Therefore we should be very concerned about these taxes.

I will put a question to the hon. Member for Loughborough (Mr. Dorrell), since he is here, about VAT on fuel. There has been a lot of controversy about standing charges and whether they benefit or disadvantage pensioners. I have sent pensioners in my constituency the erudite letters which the Library has on this, stating that it can be argued that standing charges are no handicap to the worse off, but help them. But people still feel that they should not be paying standing charges. I should like to know whether VAT will have to be paid not only on the cost of the fuel that is used but also on the standing charges. We are entitled to an answer to that question.

I have been, and am, involved a lot in Yorkshire Enterprise, which is a regional venture capital company. We work with financial institutions which operate the loan guarantee scheme. I have said in the past that I would like to see changes to that scheme. Some of the changes that are made are to be welcomed, but the job has not been completed; it has been half done. It is right to extend the small firms loan guarantee scheme over a larger range and to make it possible for the borrowings to be higher than £100,000, and I am glad to see that limit extended to £250,000. I am glad to see the changes with regard to interest rates, making it possible for a smaller margin to exist between the base rate and the rate at which these loans are made.

I am glad that there has been an increase in the guarantee, because we found that institutions do not want to operate the scheme, as their position is so uncertain at the moment. They do not want to take the 30 per cent. risk, so I am glad that it has been reduced to 15 per cent. and that 85 per cent. of the amount is to be underwritten. Will there be takers as a result of the changes? Will a small firms loan guarantee scheme have a better effect?

To carry out investment appraisal properly—whether we are talking about lending a company £100,000 or far more—one must employ the same due diligence to ensure that the management of the company involved are capable of managing the company successfully, that the business plan is sound and that there is a market for its goods and services. In other words, one must ensure that the company is viable and that it is safe to lend it the money. The amount of work involved is not directly proportional to the size of the loan. An enormous amount of due diligence is involved even when dealing with small loans of £100,000.

One of the proposals by David McMeekin of the Midland bank, who has taken some responsibility for the Midland enterprise fund which operates in Yorkshire and Humberside, is that, if we want investment appraisal, which enables the small firms loan guarantee scheme to work, to take place, the companies carrying out the investigations should get tax relief on the costs of those investigations. The costs are usually extremely high in relation to the amount of the loan. That change has not been made. One can give a partial welcome to some of these loan guarantee scheme changes in the Budget, but I wish that the job had been done more thoroughly.

It is unusual for the Chancellor's speech to be the occasion for a major announcement on the channel tunnel. Many of us have followed the progress of the tunnel for many years, and have been concerned to ensure that its benefits are national and not confined to London and the south-east. Those of us who have been concerned about northern links to the tunnel expected any announcements about the tunnel to be made in a national context. It should be made clear that any decisions about routeing, stations and termini in London are enormously important for links to the north.

We wish to ensure that there are through passenger and freight trains on the west coast main line and the east coast main line direct to the channel tunnel. The decision announced today clearly means that there has been a change of plan. We are forced to ask what will happen to the King's Cross Railways (No. 2) Bill. We have been promised links to the north. I have received promises from successive Secretaries of State for Transport and from successive Ministers for Public Transport, including the right hon. Member for Enfield, Southgate (Mr. Portillo), who is now the Chief Secretary to the Treasury. The right hon. Gentleman and I appeared on so many platforms together talking about the channel tunnel that he called us part of a travelling circus. In answer to our questions, he always said that there would be links to the north. It is the Government's responsibility to ensure that there are. It is very disturbing to hear about changes to the King's Cross scheme, for which we have planned for a long time, being announced in anything other than the full context.

Investment matters to the north for the regeneration of industry. All the Japanese companies interested in investing in Yorkshire ask questions about our links with the channel tunnel. They may prefer to use the Humber ports, but they still ask about the tunnel. We need to be assured that, in any transport changes announced, curiously, in the Budget, the interests of the north are taken care of. It is important that the announcement is clarified.

We must recognise that the Budget means choosing where the money is coming from because of this country's enormous debt. In my view, the costs have been imposed to an inordinate extent on ordinary families, in the same callous way that the 13½ per cent. increase in prescription charges was announced last night. There have been mistakes in the Budget, which will cost families in my constituency dear, and which will, in the end, cost the Government dear.

9.4 pm

Mr. Mark Wolfson (Sevenoaks): I am happy to follow the hon. Member for Morley and Leeds, South (Mr. Gunnell), and I should like to focus on two points on which

I directly agree with him. The first is his earlier reference to the experience he had had in Japan of finding all those companies and other organisations that were interested in development in Britain, linking us with their expectation of our being full members of the European Community. That was a practical example, for the benefit of the House, of the importance of getting on with Maastricht and continuing to play a full role in Europe.

The second point is on the hon. Gentleman's final remarks about the channel tunnel. I have an interest in the tunnel from the point of view of the south-east, but I have argued from the beginning that it was of key importance that the tunnel and the rail link should bring benefits, not just to London and the south-east but also to the north of England. I agree with the argument advanced by the hon. Member for Morley and Leeds, South that planning on the tunnel, which has been seriously delayed, should continue to take account of the importance of the north of England and the links to the north right through Europe via the tunnel.

The hon. Member referred to the iniquities of the increased charges for national insurance, but if one accepts that national insurance is a fund and that it is currently in deficit it seems to me not to be wrong for the Chancellor to take steps to try to correct that.

The Budget speech was long, detailed and highly technical. I pay tribute to the consultation which the Chancellor and his team of Ministers has carried out with hon. Members of his party. That was well done. One of the reasons that the Budget has been well received by our party is that prior consultation. That has not always happened. It is happening more effectively now, and that is beneficial.

The Chancellor had a difficult task, both in personal terms and in dealing with the economic problems of the country in this Budget. The Budget is being well received because it addresses the two key issues of the economy: first, the essential need for growth now; and, secondly, in the medium term, the need to minimise the Budget deficit. It was those two factors which the Chancellor had to try to keep in balance, and he has done that effectively.

I welcome the focus on industry, just as I welcome the Prime Minister's recent emphasis on the importance of manufacturing. That is not before time. I welcome the measures to help business because there is a positive story to tell on the record of British business which has not always been getting the headlines that it should. I welcome the measures that have been taken on employment, and I say yet again that the level of unemployment is unacceptable to me as it is to many other hon. Members on these Benches. We in no way play down the human and family cost, and the cost to the country, of unemployment, but, as other speakers have said, the argument is about how, in the longer term, one can overcome that problem.

I welcome the measures on infrastructure projects and joint ventures. I will say something later about that and about my views on the imposition of VAT on road fuel duty and on fuel and power.

I want to say something more about the background of this Budget and the help it gives to business. The Budget assists recovery by not increasing taxes overall on business in 1993-94. It makes recovery sustainable by laying out a strategy to reduce Government borrowing over the next three years. It increases revenue without raising income tax rates. To have done otherwise would have dampened incentive, and I am relieved that such dampening has not occurred.

The Budget raises revenue and, by increasing taxes on fuel and power, takes the Government two-thirds of the way forward on Britain's Rio commitments on the environment. That is essential because sooner or later we would have had to move on that front. We have been unreasonably criticised for not giving enough priority to environmental issues. If Labour Members claim that we have been wrong to take those measures, what steps would they have taken, bearing in mind their support for the Rio agreement?

The Chancellor has been right to address the problem of excessive borrowing because we could not in the long term allow large borrowings to continue without action being taken. Being something of a Keynesian, I have always accepted that during a recession it is permissible to allow the PSBR to rise. It is, in any event, inevitable because much of the deficit goes to support the unemployed and those in greatest difficulty as a result of the recession.

In trying to take a balanced approach, the Chancellor has given advance warning of the revenue increases that are to be made. It is important to keep the money markets satisfied that the Government have a medium and longer-term strategy to bring fiscal rectitude back into the Budget. We have seen the benefits of doing that, and I do not want them to be lost. Equally, in contrast to my hon. Friend the Member for Esher (Mr. Taylor), I believe that it would have been wrong to move on personal income tax at this stage in the recovery.

The industrial picture is good. Retail price inflation has been below the EC average since August 1991, putting us in a better competitive position. Interest rates are the lowest in the EC and the lowest in Britain for 15 years. Productivity growth at the end of last year was the fastest for five years. The transformation of industrial relations is history, but it has made a significant difference to what British industrial managers can now achieve. They can concentrate on design and marketing without always having to look over their shoulders, fearing the need to put out a bush fire, as it were, in their factories.

We would like to see more being done in the Budget about employment, but we cannot spend our way into full employment by way of Government expenditure. We must set the framework for business to create new jobs. With the continuing trend of increased technology in large industry, increased employment will come from smaller businesses, not just service businesses but smaller companies springing up to meet the demands of a buoyant economy. The new community action programme is welcome, as is the business start-up scheme and the pilot schemes to encourage employers to engage the long-term unemployed.

This Budget provides a clear strategy. After black Wednesday, and for the weeks until the autumn statement, the Government were continually under fire for having no replacement for their strategy of membership of the ERM. I was not one of those who foresaw the damage that membership of the ERM could do when our economy was unable effectively to compete with the high interest rates of Germany, but I am now wise after the event. I do not believe that we should return to that arrangement in the foreseeable future as it would be highly dangerous.

[Mr. Mark Wolfson]

British business has felt the benefit of the freedom in which we have been able to operate since we left the ERM. The turning point for me was the focus in the autumn statement on growth rather than on merely keeping down inflation.

I was exremely glad that the Chancellor made clear his priorities after the autumn statement. He is now following through the autumn statement with further measures focusing strongly on help to business, particularly small business. He has also demonstrated that he has a policy to ensure that Government borrowing will not spin out of control. I hope that we shall have lower interest rates as soon as possible, but I understand the difficulties and the necessity of balancing various Government measures on taxation and budget deficit while still paying some attention to the standing of the pound. We should not lightly throw away the benefits that followed the freeing of the restraints of the ERM which had become extremely damaging.

My final point concerns the infrastructure projects, in particular the channel tunnel high-speed rail link. I take some satisfaction from the fact that I have argued from the beginning, when very few hon. Members in my party argued that way, that it would be necessary for Government money to be invested in the high-speed rail link. The Chancellor told us that today for the first time. He did not give us details of the route. The fact that the route would be announced shortly was no news for those of us who have been involved in channel tunnel discussions for the past four or five years and who have gone through hell in our constituencies because of that worrying problem. The news today was the Government's clear commitment to put up some of the money in a joint venture. That is right, and I welcome it.

9.17 pm

Mr. Peter L. Pike (Burnley): I shall make my speech in the first day's debate on the Budget in a slightly different order from the one I had originally intended because I want to question the Minister on one or two issues on which I did not fully understand the Government's position.

I do not necessarily agree that mortgage tax relief needs to be abolished, but I accept that it needs to be addressed and considered. I hope that the Minister can assure us that today's announcement of its reduction to 20 per cent. is not the first step to phasing it out completely.

The Government must be prepared to consider in a positive way whether the present tax relief on mortgages is the best way to use the considerable amount of money involved. I am not arguing that the money should be used to help people who are renting property, but I am not certain that the way in which tax relief is given to people buying property is the most appropriate method as the people who are most in need do not necessarily get the tax relief. We all know that the present MIRAS system was an extension of the option mortgage scheme that was introduced by the 1964-70 Labour Government.

I welcome the increase in charitable giving through the payroll system which should be encouraged. The Minister will be aware that there has been overwhelming pressure from both sides of the House in favour of changing the system of charging VAT on charities. Outside the House, there is widespread concern over the way that certain moneys are drawn off charities through the VAT system. Among all the announcements that the Chancellor made about VAT, I did not hear anything to address that problem.

Another aspect is important to football supporters. I have a vested interest here as I support Burnley, and have done for many years, and am anxious to learn whether it has won tonight's game; I should have been at Turf Moor watching the team play. Under a concession, money from the football pools went to the Football Trust to allow ground improvements to be made to meet the Taylor report recommendations on safety. Many clubs that want to make those improvements—Burnley is one of them—are dependent on getting sufficient grant to enable them to do so. We want to know whether those arrangements will be extended so that the Football Trust can receive that money for a further period.

The Budget speech lasted for an hour and 50 minutes. The Chancellor called it neutral, but in my view it was a long-drawn-out tinkering Budget that will achieve little or nothing. With, on the Government's figures, 3 million unemployed, and probably in reality 4 million, it is a scandal for the Government to introduce a neutral Budget. Many people will feel that the Government have failed them. With 14 years in office, the Government have had time to lay the foundations for industrial and economic recovery. I am glad that, at least, it was not called a Budget for jobs. We have had several of those over the past 14 years, but unemployment has remained unacceptably high.

In many other Budget debates, I have spoken about the north-south divide, which is a major problem. Tonight, the Government are narrowing that divide, but are narrowing it in the wrong direction. Rather than improving the situation in the north, they are making the situation in the south worse and increasing unemployment there.

I visited Aldershot a couple of weeks ago and went around the town centre. I was amazed to see the number of shops that have closed as a result of the recession. A new town centre has been developed, with a new precinct and a second phase in the Wellington centre. Not a single unit has been let; all are boarded up. Next to it, there is a new shopping arcade, which has been built for a fair while, with only two units let. People do not realise that because the shop fronts have been painted and it looks as though there is a florist, a hairdressers and other shops. Tory economic policy is failing, and that is a sad reflection of it.

It took the Chancellor an hour and 37 minutes to get around to announcing any measures to tackle unemployment. He spoke of 100,000 jobs. He said that he wanted to get 10,000 people into businesses and job-start schemes at a time when we have the highest-ever rate of bankruptcies and people going out of business. We all support the objective, but it only scratches the surface of that major problem. He wants 60,000 to go into the community action programme with a scheme of payment of benefit plus £10 a week. My hon. Friend the Member for Hackney, North and Stoke Newington (Ms Abbott) highlighted the problem for such people, who will have to pay for fares and meals out. Who will be attracted by benefit plus £10 to go into community action? What nonsense that is.

The voluntary sector is being asked to launch the scheme, yet in the deprived areas—the 57 urban programme authorities—urban programme money has been axed and the voluntary sector has been squeezed.

Difficulties are increasing. In my constituency, not only have we lost £2 million in urban programme money, but we bid for one urban partnership scheme—that is the new scheme for which the Government are asking councils to bid—the Government turned it down, although it would have created 500 jobs. Four of our seven schemes were successful, but one that would have created 500 jobs was turned down, not because it was a bad scheme but because there was a ceiling of £20 million for all the authorities in the country.

The Chancellor highlighted at the outset the type of speech that he intended to make when he said that the Government would never sign the social chapter. The Government's failure to accept the social chapter shows that they believe that we are a second-class nation. They are not prepared to have wage councils or a national minimum wage, and they say that the other 11 countries can have the social chapter but it will never apply to this country. That is an absolute disgrace.

In so many places in this country manufacturing industry is hanging on by its fingertips. There was nothing in the Budget to encourage sufficient investment in training. What a waste of assets, when so many people are not contributing to the economy because they are unemployed. There were no tax incentives for industry to invest more in new equipment and machinery, or in research and development on a bigger scale. Research and development is going away from this country. It is no good simply having Japanese and other investment in this country—although we all welcome it. We want research and development to be carried out in this country, because we want to be at the sharp end, at the forefront of high technology and new industries.

Several tax increases were announced in the Budget. There was a tax on domestic heating and other energy—first 8 per cent. and then 17·5 per cent. I have constituents who cannot afford to run their heating or to put the gas fire on at weekends, because they do not have enough money. The Government fail to recognise how many people suffer from real poverty in Britain after 14 years of Tory rule. It is a sad reflection. Let them go round London—and all our other cities—now and see the people begging on the streets. That is the scandal and disgrace of Britain after 14 years of Tory rule.

The personal tax allowance is being frozen. That is another tax increase. National insurance contributions are to rise by 1 per cent. from April 1994. That is yet another tax increase—and it comes from a Government who were pledged not to increase taxes.

Towards the end of his speech the Chancellor referred to the fast rail link to Heathrow as if it were something new. But it is a regurgitated scheme. Yes, we need it badly—we should have had it years ago. Anyone who travels to Heathrow realises that the Piccadilly line is totally insufficient to cope with the number of people who use the airport. The crossrail link, too, has been regurgitated after 14 years. We are not against it; it is much needed—but it is long overdue.

As the hon. Member for Sevenoaks (Mr. Wolfson) said, at last the Government have realised that they must invest in the channel tunnel rail link to St. Pancras, and that it cannot be built by the private sector alone. But on the other side of the channel, in Calais, the rail link is nearly open and the new motorways are there. After 14 years of Tory rule we are still not ready for the channel tunnel.

The Tory Government have created a trade deficit of £17·5 billion this year. The public sector borrowing requirement is £35 billion this year and will be £50 billion next year. As the hon. Member for Esher (Mr. Taylor) said, the Government intend to review spending. We know what spending reviews and "better targeting" mean. They always mean cuts—and it is always the deprived and poorer sections of the community who suffer from the cuts.

We want the Government to say that councils can use their capital receipts in a sensible and phased manner to build council houses. That would get the economy moving in the right direction. It would get construction workers back to work; people would be making windows, doors and other such things; people moving house would buy curtains and carpets. That would start things moving in the right direction. The Government's dogma will not allow them to recognise the way in which they could tackle the housing problem and the economy at the same time.

Today's Budget was the last Budget to be presented separate from the announcement of the Government's expenditure plans. The two will be combined later this year. Time after time, the Government have revealed in their expenditure plans the sums from the sale of assets that they will use to supplement their spending. What will the Government do when there are no more assets to sell?

We know that the Government propose to bring forward the sale of the final part of British Telecom and to sell it this year. The Government can also sell sections of National Power and PowerGen. In theory, they can sell Nuclear Electric. However, once those assets have gone, the Government will be in a cleft stick. They will either have to savage their expenditure or raise taxes. The only other route is to get the economy moving in the right direction and so achieve growth. After 14 years of Tory government, I do not believe that we will ever see that.

9.30 pm

Mr. Alan Duncan (Rutland and Melton): At such a crucial stage in our economic fortunes, the most important judgment that my right hon. Friend the Chancellor and his team had to make in drawing up today's announcement was to assess the macro-economic context in which today's Budget has been set. At the end of several years of recession, my right hon. Friend the Chancellor had to ask himself whether it was right to stimulate demand further or whether, in anticipation of a recovery that may already be under way, it was more prudent to claw back some of the borrowing that he had already undertaken.

To appreciate the importance of that judgment, we must appreciate the historic structural problems that have beset the United Kingdom economy since the war. Since 1946, we seem to have failed to escape from the stop-go cycle of economic activity. Whenever it has moved from stop to go, all our economic activity contained a bias towards housing and property rather than towards long-term investment in industry. We have lacked long-term finance in industry and those structural problems have for ever drawn us downwards.

I hope that the House will allow me to flash back in history and refer to the late 1980s. As a new, green and perhaps naive young Member of Parliament, I am still able to admit that the Government are capable of making an occasional mistake. In the time available to me, I want to analyse that mistake.

[Mr. Alan Duncan]

At a crucial stage in the economy's cycle, we needed to raise interest rates. However, because that crucial decision was about to be made in the aftermath of the 1987 stock market crash, we did not take the necessary steps to raise interest rates then for fear of the slump that some predicted might follow. Indeed, that coincided with a complete surreptitious change of policy which many people did not realise was taking place: we shadowed the deutschmark and forsook monetary indicators as our guide and discipline in favour of an exchange rate regime.

When it dawned on her that it was happening, the then Prime Minister, now Baroness Thatcher, wanted to increase interest rates. However, she did not do that because the political circumstances then raging in the House made it almost impossible for her to work with her then Chancellor and take the necessary steps.

We are now paying the price for Baroness Thatcher's failure to take that decision. What followed was an enormous expansion of credit. For the benefit of some our critics on the Opposition Benches, I should add that that was not caused by the decision to lower the rate of personal income tax. It occurred because monetary discipline was allowed to slip. The banks wantonly allowed people to borrow something like four times their incomes. People mortgaged up. Businesses borrowed. We built a mountain of debt which individuals and companies alike are still paying off now. We were also consumed by an infectious mood which suggested that the boom would go on for ever and perhaps even that the business cycle had once and for all been abolished. But, of course, it did not.

Something else happened, too. We joined the exchange rate mechnism of the European monetary system in October 1990. In my view, the rate at which we joined did not particularly matter. A one-off adjustment could have amended that. Indeed, I am not pathologically opposed to the exchange rate mechanism so long as it remains an adjustable system. We faced the unfortunate coincidence that Germany was reunited. Instead of showing the fiscal discipline which had dominated European economies in the decades before, Germany dramatically increased its borrowing as a result of that unification and had to adopt a high interest regime within its domestic economic management.

When we later wanted our rate of interest to fall, our links within the exchange rate mechanism kept it high. Something else happened too. We converted an adjustable exchange rate mechanism into a fixed parity system. We believed that if we were courageous we could vest in the pound sterling the qualities, discipline and strength of the deutschmark. But it was ill-judged to believe that we had the economic muscle to sustain such a fixed parity against the deutschmark. Therefore, I fear, we created our fault lines in the exchange rate mechanism and treated it in a way which invariably led to its collapse.

Some claim that the exchange rate mechanism brought down inflation. In many ways it did, but I contend that any regime of ultra high interest rates would have brought down inflation and that the exchange rate mechanism also contained some dramatic qualities which were to the detriment of our economc management and exacerbated our economic ills at the time. The ERM is not an independent discipline, as people hoped that it would be. It repoliticised, and we made it do so even more, every movement in the exchange rate and put the focus of attention on the Chancellor of the Exchequer. An independent discipline would have removed such attention if it had been working properly.

Our short experience of the fixed parity system, with the divergent economies which were evident at the time, showed how domestic economic management can become a perverted exercise in regional policy. It showed how economic and political control is sacrificed when there is a single currency. As you may have rumbled by now, Mr. Deputy Speaker, I am against a single currency. Indeed, I believe that the imposition, although not necessarily the evolution, of a single currency is the ultimate socialist measure.

So where are we now? I share the view of my hon. Friend the Member for Esher (Mr. Taylor), who has left the Chamber for a moment, that we are emerging from the recession at long last. Indeed, in the same way as we thought that the boom would last for ever, we are perhaps too prone to the feeling that the recession might last for ever, too.

The challenge which my right hon. Friend the Chancellor addressed in today's Budget is not to repeat yesterday's errors. Instead he has taken a long-term view, as I would have wished him to do. If the cycle has not been abolished, as indeed it has not, the recovery will come inevitably, but it is as well to nurture it in the best interests of everyone in Britain.

I judge the PSBR to be dangerously high. The risks that we face in keeping it that high over several years are that we shall go straight back to the cycle of stop and go and go and stop. What we do not want is the creation of artificial demand, leading to an artificial recovery. If we were tempted to adopt such a course, we would merely suck in imports, creating illusory jobs that would soon disappear. We would return to the stop-go cycle: whenever we stopped again, the recession would become even worse and we would build an even larger deficit on our balance of trade.

The overriding guidance offered by today's Budget is that fiscal rectitude is of the utmost importance. If we borrowed excessively over a number of years, we would succeed only in increasing the interest rate; that, I think, would be the most disastrous possible event in regard to recovery. If we are to create long-term jobs rather than jobs built on yet another burden of Government debt, we must take long-term advantage of low inflation nurtured by the present Government and of the competitive exchange rate that now allows us to export. As well as reducing the public sector borrowing requirement, we must reduce expectations. Promises of excessive growth will not be met; they will simply provide an artificial path leading to the return of economic collapse.

At dawn today, I was in favour of reducing the PSBR —immediately, even, and by billions of pounds. My right hon. Friend the Chancellor, however, has before him many facts and figures that I do not possess. I note that my right hon. Friend has decided to allow the PSBR to remain more or less neutral this year. He has the figures and I accept what he has done. He also announced that, in 1994-95, the PSBR will be reduced by £6·5 billion and that it will be reduced by a further £10·5 billion in 1995-96. We should bear it in mind that, by then, the Treasury will be enjoying improved revenues from the tax take. Furthermore, my right hon. Friend has committed himself to putting the PSBR back into balance in the medium

term. I believe that we should applaud that schedule for restoring fiscal rectitude: my right hon. Friend has made the responsible decision that we need.

I am delighted that my right hon. Friend has clarified the workings of petroleum revenue tax. Contrary to the opinion of many Opposition Members, the money that we have gained from the remarkable enterprise displayed by those who found oil in the North sea has not been squandered. If Opposition Members wish to say that spending on schools, hospitals and the needy is squandering our oil revenues, let them say it as loudly as they wish; the fact is, however, that the use of those revenues, and the stewardship of the economy, has been thoroughly responsible. The regime announced by my right hon. Friend the Chancellor will ensure that further investment takes place in the North sea and that we continue to experience flows of oil—and, indeed, tax—to the benefit of the Exchequer.

I am pleased that my right hon. Friend has improved the conditions relating to export credit guarantees, which he improved once before in the autumn statement. I am also pleased that he has tightened the little loopholes in the business expansion scheme, which enabled it to be used to provide loans; that is long overdue.

The hon. Member for Burnley (Mr. Pike) criticised my right hon. Friend for doing nothing about research and development. The reforms announced by my right hon. Friend in relation to advance corporation tax, however, are crucial to ensuring that large companies choose the United Kingdom for their headquarters and opt to carry out research and development here. The hon. Gentleman cannot claim that my right hon. Friend has done nothing for research and development.

I am pleased that my right hon. Friend the Chancellor has said that companies should no longer purchase other companies in order to cash in on their recorded capital loss. That announcement marks the long-overdue closure of a loophole. For those business men at present eligible to pay VAT, my right hon. Friend has raised the threshold to £37,600, which will be of particular advantage to small businesses up and down the land. It will remove the necessity for such businesses to have to fill in a quarterly VAT form.

One Opposition Member has today criticised my right hon. Friend the Chancellor for alleviating some of the capital gains tax provisions for those who want to sell a company. What could be more beneficial to the economy now than for someone who has been successful in one enterprise to be able to dispose of that on a fair basis of his taxable obligations, start again in another company and make a success out of that? How on earth can anyone see fit to denigrate that sensible measure?

I was also particularly pleased that my right hon. Friend the Chancellor announced that those who conduct a business in the purchase and sale of bloodstock may now register for VAT. It is a tribute to the energy of many hon. Members, notably my hon. Friends the Members for Cambridgeshire, South-East (Mr. Paice) and for Bury St. Edmunds (Mr. Spring), and to my right hon. Friend the Paymaster General, that such a sensible agreement has now been reached to alter the tax regime for that industry, which would otherwise be facing blight.

I am sure that everyone in the House would also want to pay tribute to the late Judith Chaplin, who quietly but diligently worked behind the scenes with great energy to ensure that the issue was properly understood in the Treasury. My right hon. Friend the Paymaster General can attest to that by citing many examples of when she went to see him to argue the case for those affected by the VAT provision. Her death was sad and she will be sorely missed in the House. Those who knew her well in Newbury will not forget the work that she did on their behalf.

To return to my original theme of the structural deficiencies in the economy, I welcome what my right hon. Friend the Chancellor has done to improve some of the structural distortions. I am pleased that he has changed the regime of mortgage interest relief so that it is given only at the 20 per cent. rate. I was also pleased that he improved both the scope and the size of the small company loan guarantee scheme for fixed rate finance. I think that that will turn out to be a major step to ensure that long-term finance is available for small and medium-sized businesses. He announced an export guarantee scheme and today announced a domestic credit guarantee scheme, which is to be applauded.

All those proposals sit in dramatic contrast to everything that we heard from the Opposition. We have heard the incantation of platitudes about creating jobs, making promises and the insufficient support given to the constituency of Hackney, but we have not heard from the Opposition a single positive detailed policy for economic recovery which they think that they could run with and present to the electorate. Nothing that the Opposition have said has been costed—it was all words, words and no detail. In addition, they even promised not to raise taxes. They make promises that add up to billions of pounds, but somehow believe that those billions will appear from thin air. They are not prepared to show any integrity and state by what means they intend to raise those billions from the economy.

Mr. David Shaw (Dover): No doubt, like me, my hon. Friend has been to the Library to see the Labour party proposals on the subject. No doubt, like me, he was shocked to find that nowhere in those proposals—which are designed to advise constituencies on what they should be doing to help employment—is it suggested that the workers in Labour party constituencies might start a business. Nowhere do they suggest that they might take advantage of the extension of the Government's loan guarantee scheme, which my hon. Friend the Member for Rutland and Melton (Mr. Duncan) so eloquently supported tonight.

Mr. Duncan: I am grateful to my hon. Friend. Opposition Members do much intoning about business, but it turns out that every step they take destroys business. The hon. Member for Hackney, North and Stoke Newington (Ms Abbott) has complained that there are no businesses in Hackney. With the local authority that Hackney has, it is not surprising that business men do not wish to go there. I openly and readily accept the hon. Lady's kind invitation to visit Hackney with her. She is not present at the moment, but I can assure the House that, when I go, I shall tell her a thing or two. I hope that she will learn what could be done in Hackney to improve employment prospects and restore the economy of that sad constituency.

Labour Members have criticised the decision to levy VAT in a staged manner on domestic fuel. This attitude sits ill with the Opposition's repeated contention that there should be a carbon tax and that the Government should

[Mr. Duncan]

adopt policies that Labour Members would describe as green. They say that they want green policies, yet they do not want to pay the cost of environmental improvements. They must unravel their inconsistency. I await an announcement from them of measures to link green policies with tax policies to secure their implementation.

In conclusion, I offer my congratulations to my right hon. Friend the Chancellor of the Exchequer and his team. My right hon. Friend continues to have my vigorous support. Indeed, I look forward to his stepping out of No. 11 Downing street on his way to the House to present his fourth Budget in November.

9.51 pm

Mr. Derek Enright (Hemsworth): The hon. Member for Rutland and Melton (Mr. Duncan) is all heart. My withers were wrung by his speech about financial rectitude and structural efficiency. He really is all passion for England. It is a shame that his speech developed as it did, as he started off quite well. Having dealt with 1946, he embarked upon the story of the decline of the economy. The trouble is that he jumped from 1946 to 1988-89—a very swift transition. I should like, in the few minutes available to me, to fill in some of the history.

Let us look first at what happened in the 1970s. Under successive Governments, including those of the right hon. Member for Old Bexley and Sidcup (Sir Edward Heath), Lord Wilson of Rievaulx and Lord Callaghan, oil prices gave rise to tremendous difficulties. Lord Wilson and Lord Callaghan had to deal also with the Barber boom—a mistake which, as has just been said by the hon. Member for Rutland and Melton, was repeated by Lord Lawson. Let us take into account the real world difficulties that existed at that time and the fact that there were none of the advantages of the tax from oil that the current Government have enjoyed and the huge sums of money that were generated by privatisation—illegal gains, in my view, but, none the less, moneys that came to the Government. I use the plural "moneys" advisedly, in its true Oxford English Dictionary sense.

What use have the Government made of those moneys from the point of view of long-term employment? The record of 14 years of Conservative rule is one of constantly rising unemployment. The north has always been hit because the Government care very little about what happens outside the south-east. The south-east is where the strength is, where the power comes from and where the snouts are.

I would not sit complacently on the Government Front Bench after today's Budget. If a private company had gone for a contract, had put forward a prospectus and had spoken about that prospectus in the way the Government spoke about their manifesto at the general election and then produced today's Budget, they would have been called fraudsters and hucksters. That is what the Government are.

No matter what claims they make about VAT on energy, the Conservatives said clearly during the election campaign that there would be no rise in those taxes, "Trust us," they said; we heard from a soapbox the equivalent of "Read my lips." The majority of the people did not trust them, but enough trusted them to put them in power. They trusted the statement that there would not be an increase in taxes. Yet today we have a record increase. The Government have turned round the old saying, "Jam tomorrow but no jam today." It is a case of, "You will not suffer today but, by God, you will suffer tomorrow and even more the year after."

There are other ways of controlling pollution, as Conservative Members know if they have an atom of sense. To put VAT on fuel bills in the way proposed by the Government is outrageous. It will hit the poorest section of the community. The tragedy is that this passes for the Government's energy policy. We have been beseeching them for a long time to produce an energy policy. Suddenly they come up with one—to slap 17·5 per cent. VAT on energy costs.

The Government have challenged us. While they have been clinging to strange little ring-o'-roses arguments about the ERM and all the factions in the Conservative party have been giving different interpretations, I will tell them what they should have been doing. They should have been putting forward in the European Community a policy for energy. The Commission has produced a paper and the subject has been talked about in the European Parliament. There is no parliamentary report on it. What response has been made by our Government? Their only response is to try to put 31 pits out of existence. That is a disgrace.

In the short time left, I should like to refer to a gross failure of the Government in the case of Grimethorpe colliery. As we have been telling the President of the Board of Trade since last October, that colliery was making a considerable profit up to the time that it was closed. On closure the industrial firms that it supplied were nearly put out of business. They had to find alternative supplies and pay more for imported coal.

A report was published yesterday; actually, it came out a considerable time ago but, as with everything with the Government, it was kept secret until the last minute. In clear, unequivocal terms the Government's own specialist said that Grimethorpe has a long-term future and can make a profit because there are customers for it. Why do not the Government reopen it instantly? What is the grand strategy that means that pits like Grimethorpe should close? The Government's only strategy is laissez-faire. That is no strategy in these days. It is not the sort of strategy adopted by the Japanese. The Government are fond of talking about the Japanese, so we should see how they conduct their capitalist system. They have a partnership between the capitalist institutions, the trade unions and the state under which they proceed sensibly in the long term.

My final point is about the heedless way in which the King's Cross announcement was made. For my part of Yorkshire, the rejection of King's Cross was an absolute disaster. For Port Wakefield, to which the Government have given their permission and backing, it was appalling. The Government must reconsider their decision, otherwise it will lead not to sudden death but to strangulation by degrees.

It being Ten o'clock, the debate stood adjourned.

Debate to be resumed tomorrow.

Billy Harris

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Kirkhope.]*

10 pm

Mr. John McAllion (Dundee, East): Less than 24 hours ago, Grampian Television broadcast a TV special called "The Open (and Shut) Case" on the as yet unexplained death of Billy Harris in Glasgow on the evening of 3 August 1989. The programme was produced by Michael Mulford, who, with Billy's family in Dundee, has spent the past three years painstakingly and determinedly pursuing the truth about what happened to Billy that night.

The Minister, like me, has benefited from seeing the Grampian TV special and from discussing the case directly with Michael Mulford. I am sure that I speak for both of us when I place on record our heartfelt thanks to Grampian Television and to Michael Mulford, but above all to Benny and Marie Harris and their family, without whose courage and unfailing determination the search for the truth about what happened to Billy would have been abandoned long ago.

What little do we know about the truth of what happened to Billy? We know that he died of severe head injuries. We know that his body was found in National Bank lane, Glasgow. We know that his body was first seen on the night of 3 August but not officially found or reported until the morning of 4 August. In all honesty, after that we know very little with any certainty.

Billy's case has variously been described by the authorities as murder, potential murder, suspicious and an accident. Naturally, the family have been totally bewildered by such official inconsistency and confusion —and no no wonder, given what they have been told by the authorities.

Will the Minister confirm that Strathclyde police initially passed a message to Tayside police within hours of Billy's death, which read:

"William John Harris had this morning been found dead in a lane in city centre of Glasgow. He apparently had head wounds. No money or other valuables in his possession. Locus where he was found known for assault and robbery of homosexuals. Case is being treated as a murder inquiry although the post mortem came up with nothing helpful."

I should be grateful if the Minister would confirm that Strathclyde police passed that message to Tayside police, who in turn passed it on to the family.

In a letter dated 23 May 1990, the then Lord Advocate, Lord Fraser, wrote to my hon. Friend the Member for Dundee, West (Mr. Ross) indicating that the case in its early stages was being treated as "a potential murder". Will the Minister confirm that that was so in the early stages of the case?

The Crown Office, in various letters, has repeatedly referred to the case as "suspicious". Would the Minister say whether it still takes that view?

Strathclyde police have told the family on two occasions that it believes that Billy's death was an accident. On the first occasion, Detective Chief Inspector Val Gryzbeck telephoned Billy's mum in November 1989 to tell her that in his view it was an accident.

On the second occasion, in March 1990, two Strathclyde officers visited the Harris home in Dundee. An account of what they said was shown on the Grampian TV special, in which Billy's dad described how an officer explained to him how the accident came about. The officer described how Billy, who at the time had a blood alcohol count of 345 mg/ml and was very drunk, was supposed to have fallen back four or five times on to the same stairs, hitting his head in the same way.

The Minister has seen the programme and will remember how Billy's dad described the way in which the officer described the accident to him; how Billy fell over once, then twice, then three times, then four times, then a fifth time. The officer thought that it was on the fifth occasion that Billy sustained the injury that caused his death.

Does the Minister really believe that version of an accident? Does he not agree that a man as drunk as Billy was would have done well to stand up at all, never mind repeat four or five times a fall which even once would have rendered a sober man unconscious? Is it not a much more credible explanation that we are dealing with a murder, not with an accident?

How does the Minister explain the changes in the police view of how Billy died? They first of all tell Tayside police that it is a murder inquiry. They then interview potential witnesses in the local pubs in the Glasgow area, explaining that they are investigating a murder. Then, suddenly, the accident theory begins to emerge. Can the Minister suggest any reason why this should be so?

For example, the annual report for 1989 by Strathclyde's chief constable reads:

"The reduction in murder inquiries I welcomed in my last report was not sustained in 1989, with 63 murders and culpable homicides investigated, nine more than in 1988. This increase inevitably strained investigative resources, and it is therefore of considerable satisfaction that a 100 per cent. clear-up rate was achieved."

That is fine, but will the Minister therefore confirm that the official view now is that Billy's death in 1989 was neither murder nor culpable homicide, but an accident?

Detectives who investigated the case put it to the family at an early stage that Billy was homosexual. They produced no evidence whatsoever to support this allegation, which naturally shocked the family, who continue to reject this allegation. They point out that Billy was living with his girl friend, Elizabeth Lees, in Clydebank at the time of his death. Elizabeth Lees has called into question the accuracy of police judgments by confirming that on one occasion she and Billy were at home watching television when the police claimed that Billy was seen in Glasgow.

Billy was not known to the gay community who were interviewed by television researchers. There is simply no factual evidence to support the allegation of homosexuality. So will the Minister reveal whether the post mortem showed any evidence of homosexual activity? Did it show either anal or penile damage? Does the Minister not agree with the family's lawyer, Bob Vaughan, and with Carole Ewart, director of the Scottish Council for Civil Liberties, who say that the investigation could have been sidetracked unnecessarily by unsubstantiated allegations of homosexuality?

Where is the police evidence that Billy was homosexual? Will the Minister give the sources for this evidence? The family are prepared to face the truth about Billy, but they cannot be expected to tolerate unsubstantiated allegations about their son and their brother, particularly when those allegations come from the official authorities.

Then there is the suspect who was questioned at an early stage of the inquiries. This suspect was identified by a Mr. Gary Hall, a doorman at the Maison Guy's pub in

[Mr. John McAllion]

Glasgow. He refused entry to Billy and another man at 9.45 pm on 3 August because Billy was drunk. He described the other man as 6 ft 2 in tall and of substantial build. This man has been traced by the programme makers, but they have not named him, in the interests of justice and fair play, and I agree with them.

The suspect was picked out in a police identification parade. He was remembered by witnesses because of his unusual dress on that evening of 3 August. He wore a grey suit with trousers and jacket that did not match, a tee-shirt and trainers. Gary Hall, who is an ex-soldier and a trained observer, had no problem whatsoever in remembering this suspect, because of the distinctive way in which he was dressed. Gary's sighting of the suspect with Billy was just one hour before, and 500 yards distant from, the first sighting of Billy's body in National Bank lane.

A number of questions arise out of those circumstances. Was the suspect interviewed under caution by the police? If so, for how long? Why was the suspect never charged, and did the alibi provided by the suspect's wife and male friend bear up under police examination? Is it still the Crown's position that Gary Hall was simply completely wrong in his identification of the suspect with Billy Harris on the evening of 3 August in Glasgow?

The Grampian researchers have now handed to the police and to the procurator fiscal evidence which casts doubt on the suspect's alibi. Will the Minister acknowledge that Grampian Television and Michael Mulford have acted with commendable responsibility by not publicising the evidence, and by allowing the authorities the time and opportunity to follow it up? Will the Minister say what progress the authorities have made in following up the evidence? Have the suspect, his wife and his male friend been re-interviewed? It would be very good to have such facts on the public record.

I should like to comment on the evidence of Dr. Jim Thorpe of Strathclyde university, who carried out an independent forensic examination of Billy's clothes at the request of Grampian Television. He discovered that Billy had been injured in one location and was then helped by someone else along the road to another location. He found bloodstains on the inside of Billy's jacket pocket and elsewhere on Billy's clothes. He concluded that death could have resulted from an accident if someone who was being half-carried had slumped to the ground several times. However, I shall quote from the transcript of the television special. On the record, he said

"it is of course possible that the injuries were inflicted deliberately—whoever was with Billy banged his head off the ground in pure exasperation at no longer being able to support this dead drunk person and inflicting more severe injuries than were intended. Of course I cannot exclude the possibility that the injuries were intended to kill."

Will the Minister say what the Crown concluded after examining the evidence found in National Bank lane on 3 August 1989?

Of course, we might have understood much more if the family could have been given access to the post mortem report, which so far has been denied them. Their lawyer, Bob Vaughan, made arrangements through the procurator fiscal and the Crown Office to precognose Dr. John Clarke, the pathologist who examined Billy's body. Airline tickets were booked to travel south to see Dr. Clark. Mr. Vaughan was practically on his way when the Crown Office banned the interview.

Will the Minister say why the Crown Office banned the interview? What secrets could justify the withholding of post mortem results from the family? Do the family not have a right to know what the post mortem results were? What were the results of the forensic tests carried out on Billy's clothes and on the suspect's clothes? Are they also to remain secret for ever?

The family have asked me to raise a serious matter relating to their interview with Mr. Tom Dysart, senior depute fiscal in Glasgow, on 8 March 1990. The family understood Mr. Dysart to have told them that the pathologist believed that Billy had been murdered, that Billy's injuries were consistent with having his head banged on the steps, that Billy was known to have frequented gay bars, that that information was confidential, and that, if they revealed it to anyone else, it would be said officially that Billy had died from an accident and the case would be closed.

Subsequent to that interview, the family granted an interview to a Sunday newspaper—they believe that it was the *Sunday Mail*—and, two weeks later, two Strathclyde officers appeared in Dundee to tell the family that, in the view of the police, Billy's death resulted from an accident. Was a minute kept of the meeting between the senior depute fiscal and the Harris family in Glasgow on 8 March 1990? Will the Minister make that minute public so that we know what happened at that meeting?

The family's campaign for a fatal accident inquiry has been consistently resisted by the authorities. The Crown Office has taken the view that an inquiry would substantially prejudice any future criminal proceedings, but is that credible when the police have twice claimed that Billy died as the result of an accident?

Is it credible when the Criminal Injuries Compensation Board refused compensation only last month to the Harris family because their Queen's counsel was not satisfied, on the evidence available, that the deceased Billy Harris was the victim of a crime of violence? Is it credible, three and a half years after the event, with no sign of consistent police inquiries or an arrest on the horizon, to continue to resist the family's call for a fatal accident inquiry?

The Fatal Accidents and Sudden Deaths Inquiry (Scotland) Act 1976 allows the fiscal to hold a fatal accident inquiry if a death is sudden, suspicious or unexplained, or gives rise to serious public concern. Surely the Minister will concede that Billy Harris's death meets every one of those criteria and that surely there should now, at the very least, be an announcement by the Minister that the procurator fiscal is prepared to hold a fatal accident inquiry into the events of 3 August 1989.

May I raise one or two other concerns? Does the Minister agree with Carole Ewart, the director of the Scottish Council for Civil Liberties, who says that the system has simply failed the Harris family, and who has now called for an independent inquiry into the whole criminal justice system in Scotland? Why was it that the present procurator fiscal banned Strathclyde police from appearing on the Grampian Television programme about Billy's death, when the police were prepared to consider appearing?

Why was it that Billy's body was kept for 42 days in Glasgow mortuary at temperatures that allowed his body to decompose, so that, when it was finally released, Billy's

family were not allowed to see it and Billy Harris was buried in a disinfected body bag? Experts have said that the practice when keeping bodies at such temperatures is to do so for only three to four days at the most. Why was the body kept in Glasgow mortuary at those temperatures, not for three to four days, but for 42 days? I think that an explanation and an apology are due to the family for that.

It matters not what is said about the kind of man that Billy Harris was. He was, after all, a human being, who deserved to be treated with the same dignity as every other human being. Certainly, after his death, the authorities seem to be more concerned to defame him than to find out what happened to him. Both he and his family deserve better from those same authorities. If he died by accident, we need a fatal accident inquiry to explain how he died. If he did not die from an accident, we need a murder inquiry to find out who did it, why he did it and how.

Above all, his family cannot be left in their present state of uncertainty. They have contemplated exhuming their son's body in an attempt to discover the truth of what happened. They have decided not to erect a headstone on his grave until they know the truth about their son. All this tragic family want to know is the truth of what happened to Billy Harris. I appeal to the Minister to listen to them and to help them in any way he can, and to allow them at last to be able to lay their son Billy Harris finally to rest, and in peace.

10.18 pm

The Parliamentary Under-Secretary of State for Scotland (Lord James Douglas-Hamilton): I note the suggestion by the hon. Member for Dundee, East (Mr. McAllion) that a fatal accident inquiry should now be held, and I shall pass that suggestion to my noble and learned Friend the Lord Advocate.

I thank the hon. Member for passing to me the video of Grampian Television's documentary this morning. I have studied it twice and with great care. I am grateful to the hon. Gentleman for the clear and careful way in which he outlined the sad circumstances surrounding the death of Mr. Harris. I would ask the hon. Member to convey my sympathy to the Harris family.

I welcome the opportunity provided by this debate to respond to the points raised by the hon. Member, as this has obviously been a source of grave concern to the family. For Mr. and Mrs. Harris to lose their son at an early age in such distressing circumstances must, of course, have been very upsetting for them. The hon. Member has outlined in some detail the events immediately preceding the discovery of his body in Glasgow city centre in the early hours of 4 August 1989, as well as certain developments that have taken place since then. In particular, the hon. Member raised the question of the timetable for the release of Mr. Harris's body to the family for burial, as well as the question of the storage of his body at the city mortuary. I shall deal first with that matter.

By way of background, I should explain that it is, and has always been, the police view that this is a potential murder case. I fully recognise Mr. and Mrs. Harris's concern about the delay. The hon. Gentleman will bear in mind the fact that the case was, and still is, being treated as a potential murder, so the body had to be retained for a reasonable period pending the possible arrest of any person or persons in connection with the death.

As the House may know, any person accused of murder in Scotland is entitled to have an examination of the victim's body carried out by an independent pathologist, so the body cannot be released until an independent autopsy has been conducted, or the accused indicates that he does not wish to instruct independent examination. In this case, the police inquiry did not identify any person as responsible for the death of Mr. Harris, although a man was interviewed under caution and inquiries have been on-going. In those circumstances, Mr. Harris's body was kept in the city mortuary for some six weeks, until the procurator fiscal instructed its release to the family on 7 September.

Members of the family have had the benefit of two full meetings with the senior procurator fiscal depute in Glasgow, Mr. Dysart, who dealt with the matter. At the first of those meetings, Mr. and Mrs. Harris explained that, when their son's body was released to them, the undertaker had refused to allow them to see the body because of its decomposed state. It was suggested to them that they should invite the undertaker to write to the procurator fiscal with further details about the matter so that he might pursue the issue with those responsible for the storage of bodies at the city mortuary.

The Lord Advocate has responded, making it clear that, while the retention of a body pending criminal investigations is subject to the procurator fiscal's direction, the question of the means of storage of bodies is not something for which the procurator fiscal is responsible. That matter is at the sole discretion of the mortuary staff.

I should perhaps reinforce the position by repeating what the Lord Advocate said to the hon. Gentleman, who wrote to him. He said that Dr. McLay, the chief medical officer of Strathclyde police, responsible for the mortuary, wrote to the solicitors acting on behalf of the Harris family in March explaining what had occurred. He also wrote to the hon. Gentleman.

Dr. McLay explained that Mr. Harris's body had been stored in non-deep freeze conditions because of the expectation that further examination would become necessary. In the event, such further examination was unnecessary. Dr. McLay frankly conceded that it was regrettable that the manner of storage led to certain decomposition of the body. He offered personally to meet the family to discuss matters, but, as the hon. Gentleman may know, that offer was not taken up. I am not aware that any reason for that has been given, but in view of the serious complaint that has been made, I will pass it to the chief constable for his personal consideration.

In addition, the hon. Member for Dundee, West (Mr. Ross) also wrote on behalf of the family to my right hon. Friend about the circumstances surrounding the death, and received a detailed reply. Following his untimely death, Mr. Harris's body was discovered by a young man, who immediately alerted the police. That was at about 5 o'clock in the morning of 4 August 1989. Subsequent inquiries revealed that a young couple had seen a body lying where Mr. Harris was ultimately found at about 11 o'clock the previous evening, but they had not reported the matter to the police. That fact was pointed out to the hon. Member for Dundee, West.

A casualty doctor was summoned to the scene, and Mr. Harris was pronounced dead. In accordance with normal practice at suspicious deaths, a senior member of the procurator fiscal's office was summoned to the scene, along with a pathologist and a forensic scientist. Serious

[Lord James Douglas-Hamilton]

crime officers were also in attendance, and a detailed examination of the scene, at which a series of photographs was taken, was completed. Mr. Harris's body was then removed to the mortuary, where an autopsy was carried out.

As the hon. Gentleman will know, following the post mortem examination, the pathologist concluded that injuries to the back of the head were the major factor in Mr. Harris's death, although they were exacerbated by the high level of alcohol in his system. In due course, the family were informed of the causes certified on the death certificate.

The case was treated as a murder inquiry from the outset, and a full investigation was launched under the charge of a senior detective officer. A thorough investigation of the circumstances surrounding the death of Mr. Harris was carried out by the police, which included interviewing a number of witnesses who either knew Mr. Harris or associated with him, including those in whose company he had last been seen alive.

Members of the Harris family were also interviewed to try to build up the fullest possible picture of Mr. Harris and the events which preceded his death. For reasons which will become obvious, it will not be appropriate for me to go into great detail as to what those inquiries revealed, or to name all the witnesses that were interviewed. Following the inquiries, a detailed report was submitted by the police to the fiscal's office in Glasgow.

In accordance with normal practice, after the procurator fiscal's office had carried out its own inquiries —liaising closely with the police—a full report was submitted to the Crown Office for the instructions of Crown counsel. On the basis of the information contained in the procurator fiscal's report, Crown counsel took the view that it was not appropriate to instruct a fatal accident inquiry into the circumstances surrounding Mr. Harris's death. As the hon. Member will appreciate, no one has been identified as being responsible for causing the injuries from which Mr. Harris died. However, the possibility remains that a person may yet be arrested in connection with the death and, accordingly, public disclosure of all the facts could very well prejudice any future criminal proceedings.

Mr. McAllion: Does the Minister accept that a precedent exists in the case of Mr. Sandy Drummond of Fife, who died in suspicious circumstances? The case became a murder inquiry, yet the procurator fiscal allowed a fatal accident inquiry to go ahead, and that opened up new lines of evidence that helped the murder inquiry.

Lord James Douglas-Hamilton: Yes, it is indeed a precedent, but the circumstances are not exactly the same. However, as I said, I shall pass on the hon. Gentleman's request to my right hon. Friend the Lord Advocate, and it will then be a matter for him.

I should make it clear to the hon. Gentleman that, at the meeting between Mr. Dysart and the family, the fiscal explained the position to Mr. Harris's parents. It is quite misleading to suggest that Mr. and Mrs. Harris have somehow been denied information by the authorities.

Turning to the police investigation, inquiries revealed that Mr. Harris had been drinking in bars in the Glasgow city centre on the evening before his body was found. He was last seen at about 9.45 pm on Thursday 3 August in 1989 in the company of another man, at which time they were refused entry to a public house which has been frequented by homosexuals.

The question whether the deceased was homosexual was a possibility to which the police felt they had to have regard, but there is no conclusive evidence either way. With regard to the hon. Gentleman's question as to whether there is any evidence from the post mortem suggesting any homosexuality, the answer is that there is none.

The hon. Gentleman asked whether a minute was kept of the meeting between Mr. and Mrs. Harris and Mr. Dysart. The answer is that there was no minute.

The hon. Gentleman asked about the terms of the post mortem report, but these are being treated as part of the evidence of the case. Given that the case is an on-going criminal inquiry, it was considered that it would have been wrong to divulge all aspects of the evidence.

As I have mentioned, the body was found in the yard behind the premises of John Smith's book shop in St. Vincent street, Glasgow at about 5 am on Friday 4 August. Mr. Harris had sustained severe head injuries, which, as I have said, were the major factor in his death. He had an extremely high level of alcohol in his blood and the pathologists were of the view that this would have worsened the effects of the head injuries and would have been a contributory factor to his death. What I think needs to be emphasised particularly is that it cannot be said at present with any certainty how William Harris sustained the injuries from which he died.

I must stress that the investigation into the death of William Harris is still open. The hon. Gentleman referred to the television programme, which I have studied. I understand that it appeared to be critical of the fact that no one had been charged. The reason for that is clear and simple; there is insufficient evidence to bring charges. I have made it clear that a suspect was interviewed under caution. In addition, the programme claimed that the Harris family may have been misled by the authorities and unfairly denied a fatal accident inquiry, and that this somehow adds to the notion that certain important details about their son's death have been kept from them.

The Harris family received a very high degree of understanding and co-operation from the authorities, not least from the police and the fiscal's office. The family continue to demand an inquiry and remain critical of the police handling of the investigation. I have to say that the programme contained little new information which is not already known to the police. No words of comfort can undo what happened, but I believe that this debate has served to highlight the fact that the case has, regrettably, not been cleared up.

William Harris's death is undoubtedly suspicious and must therefore remain a cause for serious concern. For that reason, this is a case which is still open, and I will pass on the hon. Gentleman's main request——

The motion having been made at Ten o'clock and the debate having continued for half an hour, MR. DEPUTY SPEAKER *adjourned the House without Question put, pursuant to the Standing Order.*

Adjourned at half-past Ten o'clock.

House of Commons

Wednesday 17 March 1993

The House met at half-past Two o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Oral Answers to Questions

TRADE AND INDUSTRY

Pit Closures

1. **Mr. Barron:** To ask the President of the Board of Trade when he expects to announce the future of the 31 coal mines currently in his review,

9. **Mr. Janner:** To ask the President of the Board of Trade if he will make a statement on his proposals concerning the closure of 31 pits.

The President of the Board of Trade and Secretary of State for Trade and Industry (Mr. Michael Heseltine): The future of individual pits is a matter for British Coal. The House will be aware that extensive discussions and negotiations are continuing to be held by the parties concerned. The Government will publish a White Paper on the prospects for 21 pits identified for closure by British Coal. The Boyd's report on the remaining 10 pits currently subject to a consultation process between British Coal and the unions was placed in the Library of the House on Monday 15 March. British Coal has today announced that the existing redundancy terms have been extended to the end of December this year.

Mr. Barron: Why will miners and their families in my constituency have to wait until the end of March or even until April for the Government's view, when we had the view of the Select Committee on Trade and Industry in January this year? Is not it the case, as was shown in the disgraceful speech by the right hon. Gentleman last Tuesday, that the Government have no intention of doing what the House and the country wanted them to do last October—that is, to save the British coal industry?

Mr. Heseltine: I am sorry that the hon. Gentleman should feel that what I said, which merely repeated some of the Select Committee's recommendations, was disgraceful. I thought that I was helping the House by explaining that in the case of the interconnector, the legal obstacles to breaking the contract appear to be insurmountable. I thought that the House would wish to have that information. It is right that I should give the House the clearest possible picture about the position as quickly as possible. To do that requires that contracts should be in place in an ideal way. I have no powers to make people sign contracts.

Mr. Janner: Has the right hon. Gentleman read the unanimous report of the Employment Select Committee on the proposed pit closures and, in particular, the Committee's recommendation that before deciding to close any pit, the Government and British Coal should take into account the financial circumstances of that pit, the social consequences of the closure and the national consequences of unloading people into unemployment? Will the Minister undertake to bear those points in mind before deciding to close any of the threatened pits?

Mr. Heseltine: The hon. and learned Gentleman can be assured that the report by the Employment Select Committee will be carefully considered—indeed, it is already being carefully considered by the Government. We shall reply to that and to the many other submissions that we have received in the context of the White Paper.

Mr. Nicholas Winterton: Does my right hon. Friend accept that the coal industry has a vital part to play in a long-term, integrated energy strategy? Does he accept that the manufacturing and engineering companies associated with coal are a vital part of our manufacturing base and one of its more successful parts in terms of exports? Will he take all those matters into account before he announces to the House that there are to be any pit closures? This industry is vital to the country in the long term.

Mr. Heseltine: My hon. Friend will realise that one of the commonest requests from the manufacturing base is that it should have cheap energy costs. He will also know that other parts of the energy industry are among our more vibrant manufacturing sectors. The uncomfortable fact is that one has to make a balanced judgment about the extent to which subsidising one industry or imposing costs on another actually advances the interests of the manufacturing base. That is the range of decisions that the Government have to reach.

Mr. Butterfill: Does my right hon. Friend accept that we are grateful that he sent the Minister for Energy to France to negotiate with and talk to the French about the interconnector, which was an important element in the deliberations of the Select Committee of which I am a Member? Can he tell us what progress he has been able to make with France?

Mr. Heseltine: My hon. Friend is most kind. We have had extensive conversations and my hon. Friend the Minister for Energy visited Paris to carry on those discussions. The House will be aware that I explained in a recent debate that the legal advice—a summary of which I shall publish for the benefit of the House—is that the contract, first approved by the right hon. Member for Chesterfield (Mr. Benn), is not one that allows me discretion in these matters. In those circumstances, although I have to explore every conceivable opportunity, I do not anticipate that I shall be able to come back to the House with news that significantly improves on that which I have brought to the House already—although I have to say that there has been a relatively small but positive step since I spoke to the House.

Mr. Skinner: Why does not the President of the Board of Trade admit that there is no subsidy for British Coal and has not been since 1988 and that he is wrong when he talks about a £1 billion pound subsidy, as we are talking about the consumers, not about the taxpayers?

Does the right hon. Gentleman recognise that in the Boyd's report, to which he referred, the financial costs of

each of the 10 collieries has been calculated on the first six months alone, when anyone who works in the pits—including management—acknowledges that, because the first six months includes nearly all the holiday period and the second six months is the period during which pits make profits? That applies to every pit in Britain, not just to the 10.

Will the right hon. Gentleman bear in mind the fact that what miners are concerned about is saving British taxpayers' money? If 100,000 people are thrown on the scrap heap, that is equivalent to £900 million, to be paid for by a diminishing number of taxpayers. If the right hon. Gentleman saves the pits, saves the dole money and allows the miners to pay national insurance and tax, the net result will be that the Chancellor will not have to introduce his value added tax measure.

Mr. Heseltine: The hon. Gentleman will know that I appointed Boyd's as a result of what I thought was the clear indication of the courts that that would be a positive suggestion. Therefore, I acted on the very—*[Interruption.]* I am not sure that the hon. Gentleman is ever satisfied about anything.

Mr. Skinner: Not with you.

Madam Speaker: Order.

Mr. Heseltine: This is a matter of the greatest importance to the House and it is important that I should be able to answer the questions thoroughly and carefully without interruptions that disrupt the flow of my answer. I am happy to treat Labour Members as they treat the House, but it will not help us to have an informed debate on the coal industry—if that is what they want.

Lord Justice Glidewell indicated that I might be able to make a positive contribution towards the consultation between British Coal and the unions if I appointed Boyd's, an internationally reputed engineering consultancy firm, to provide an independent element in the consultative process. That is what I did. The Boyd's report was made available to the House the other day and it would not be appropriate for me to comment on it as it is part of the consultative process that is now taking place between British Coal and the unions. That is where I must let the matter stand.

The hon. Gentleman raises the much wider but equally important issue of the degree of subsidy for British Coal.

Mr. Skinner: There is none.

Mr. Heseltine: Perhaps I may explain what I mean by the element of subsidy——

Mr. Skinner: There is none.

Madam Speaker: Order. Sedentary interventions and barracking are not helpful to our discussion of what is, to all our minds, a crucial issue.

Mr. Heseltine: Under the contract between the electricity generating industry and British Coal, entered into some three years ago, the price that British Coal currently receives for 65 million tonnes of coal is £1 billion a year more than the world price of coal would imply. That is the degree to which the prices of British coal are in excess of what could be purchased at world market prices. The hon. Gentleman says that there is no question of subsidy, but he will be aware that the Select Committee, which looked into the matter with great care, suggested that a subsidy which could be calculated broadly at £500 million would be a significant policy advance, if I were to make it.

Mr. Batiste: Is not the real long-term problem for the coal industry, as the energy industry is presently structured, that it can sell coal to only a small number of generators? Would not it make a great deal more sense in the longer term if the coalfields and coal-fired power stations were put together so that coal could compete for electricity generation? Is not it time to refer the whole matter to the Monopolies and Mergers Commission?

Mr. Heseltine: My hon. Friend asks an important question, but he will also recognise that my first political priority on becoming President of the Board of Trade was to facilitate the process whereby the generators entered into new contracts with British Coal to replace the contracts that will run out on 31 March—just a few days' time. It seemed to me that, rather than looking at alternative policies, the first priority was to see whether those base contracts could be put in place. I have to tell the House that, as I stand here today, those contracts are not in place. Therefore, from the end of this month, there will be no contracts between British Coal and the generators. I was assured in meetings that I had yesterday that there was a reasonable chance that that position would be significantly improved in the next few days.

Mr. Robin Cook: Does the President recall that last October he told us that the closure announcement could not be put off for one week until Parliament returned because of the need to put miners out of their uncertainty? What does he think that the week after week of delay in producing his White paper has done for uncertainty among miners? What is the point of criticising British Coal and the generators for not yet signing a contract if he cannot yet produce a White Paper? In view of the extended time taken by his energy review, has the right hon. Gentleman yet found the time to visit a single pit on the list for closure? Should not he see for himself the investment at those pits before he closes them down?

Mr. Heseltine: The hon. Gentleman knows that the issues with which I am grappling are equally dealt with by my presence where the people who can enter into contracts with British Coal are to be found—that is, within the negotiating operations that I am conducting. It does not change my position or give me any additional legal powers to have visited a particular pit. In so far as the law allows me, I have encouraged the processes of negotiation to produce contracts. But as of this moment, the contracts are not signed. Until they are signed, it seems inappropriate to come to the House with a White Paper. The only consequence of doing that would be that people would say, "Go away and come back again when contracts have been entered into." So there is no point in trying to debate the issues until we know something of the basis on which the future is to be determined.

Mr. Raymond S. Robertson: Will my right hon. Friend give a commitment that when he assesses the country's future energy requirements, full consideration will be given to the levels of investment and employment in the North sea oil and gas sector, especially in Scotland, where fewer than 1,500 people are involved in deep mining but more than 97,000 people are involved in oil and gas extraction?

Mr. Heseltine: My hon. Friend raises one of the most important aspects of the debate—one on which, as I explained to the House recently, the Select Committee has made an important contribution. The Committee has recommended that we do not interfere with the oil and gas industry for many reasons, but most importantly because it is at the heart of one of our most successful manufacturing sectors.

Scott Inquiry

2. **Mr. Dalyell:** To ask the President of the Board of Trade what evidence he has given to the Scott inquiry.

Mr. Heseltine: My Department has supplied all the documents requested by Lord Justice Scott. They amount to more than 10,000 pages.

Mr. Dalyell: To help informed debate, could the President of the Board of Trade tell the House of Commons whether he has admitted to Lord Justice Scott that, when he put pen to his signature on the public immunity certificate, that could have sent Matrix Churchill directors to prison, he knew perfectly well that Paul Henderson had been supplying intelligence information to the British Government?

Mr. Heseltine: The hon. Member will know that Lord Justice Scott is examining those matters and that, if he considers it appropriate, he will examine whatever I did or said at the time. I am content to await his further good advice.

Assisted Areas

3. **Mr. Madel:** To ask the President of the Board of Trade what plans he has to change the boundaries of travel-to-work areas as they relate to calculations for dividing areas of the country which might be granted assisted area status; and if he will make a statement.

The Minister for Industry (Mr. Tim Sainsbury): Designating new travel-to-work areas based on 1991 census data is a matter for my right hon. Friend the Secretary of State for Employment. As indicated in the consultation document for the review, travel-to-work areas will continue to be the main geographical unit used in making decisions on the new assisted areas map.

Mr. Madel: Is my right hon. Friend aware that the present boundaries of travel-to-work areas do not properly show up the acute unemployment problems in Dunstable, following the devastating loss of truck jobs in the town? May I urge upon him that the TTWA boundaries should be quickly redrawn and that Dunstable should be granted assisted area status so that we can be helped out of our acute unemployment problems?

Mr. Sainsbury: I understand my hon. Friend's concern because Dunstable and his constituency form the top left-hand corner of a rather large travel-to-work area which stretches from south of Watford to north of Luton. However, those TTWAs, based on 1981 census data, are the best approximation that we have on self-contained employment areas and we shall not have better information until the 1991 census data are available, which is not expected to be until late 1994 or possibly early 1995.

Mr. Eastham: For years, the travel-to-work area formula has distorted the true position and many major cities, especially inner city areas, are lumped together with suburbia miles away, which gives a distorted picture of unemployment. In many cities, including Manchester, unemployment is three times the figure given by the formula relating to the area.

Mr. Sainsbury: I can understand that sometimes an area that has, or appears to have, a local high level of unemployment resents being associated with another place in the same travel-to-work area which has lower unemployment, but there is a good deal of movement to work and that is the basis on which the TTWAs are assessed. They represent an area where approximately three quarters of the people who live there also work in the area. That is the best approximation that we have for a self-contained area, and help directed to that area will help the people who live and work there.

One-stop Shops

4. **Mr. David Shaw:** To ask the President of the Board of Trade when he expects to see the first of the one-stop shops open for business; and what is his timetable for opening a one-stop shop in the Dover and Deal area.

Mr. Heseltine: I expect the first one-stop shops to open for business by the summer. In this year's competition a bid was received from Kent which was not shortlisted for interview. A further round of bids will be invited in the autumn for centres opening in 1994-95. I hope that a bid will come forward that includes the Dover and Deal area.

Mr. Shaw: My right hon. Friend will be aware that small businesses offer the greatest opportunity for bringing us out of the recession, for recovery and for creating many new jobs. My right hon. Friend should not hide his light under a bushel or be a shrinking violet by ceasing to promote the opportunities that one-stop shops can bring about to help small businesses to generate the recovery that the country needs. May I commend to him the fact that the Dover area will undergo considerable change as a result of the channel tunnel and the single European market and that a one-stop shop based in Dover would be most welcome? I hope that he will ensure that his officials do everything possible to enable a proposal to be put forward and accepted for the Dover and Deal area.

Mr. Heseltine: I realise that my hon. Friend has noticed that it is my customary reticence which turns me into a blushing violet. I will have to improve my outlook. Challenged by him to do so, let me congratulate and support my right hon. Friend the Chancellor of the Exchequer on producing a Budget full of good news for small businesses, including help on the uniform business rate, capital gains tax, the small firms loan guarantee scheme, the business start-up scheme, exports, the simple scale charge for business bands, the deregulation initiative, simplified taxation and the auditing of small companies. Yesterday was a very good day for small businesses.

Mr. Nigel Griffiths: Why is it that the President of the Board of Trade announced on 10 July 1992 that his one-stop shop scheme would forge ahead when, eight months later—after 11 months in office and after 14 years of Conservative government—not one shop has opened but his policies have closed tens of thousands of shops?

Mr. Heseltine: With characteristic zeal, the hon. Member ignores the fact that 400,000 small businesses started up last year.

Japan

6. **Mr. Dunn:** To ask the President of the Board of Trade if he will indicate the current annual level of exports to, and imports from, the empire of Japan; and if he will make a statement.

The Minister for Trade (Mr. Richard Needham): The United Kingdom's exports to Japan in 1992 were £2,230 million. United Kingdom imports from Japan in 1992 were £7,450 million. Our exports to Japan increased rapidly in the late 1980s. They have held up well in the past two years despite difficult economic conditions in Japan.

Mr. Dunn: Is the Minister aware that in certain sections of British industry there is a view that the Government of the empire of Japan erect unfair obstacles to prevent British goods from gaining entry to Japanese markets? Will he undertake to tell the imperial Government that unless they permit easier access for British goods to Japanese markets we may have to reconsider our position on the entry of Japanese goods to this country?

Mr. Needham: I hear what my hon. Friend says about the imperial Government. A very large number of Japanese investments in this country are now contributing to the British balance of payments in a much greater way than any other country's investments, with the possible exception of the United States. My hon. Friend is right to say that there are still barriers to our exports to Japan. One of the reasons for my visit to Japan last week was to raise those matters with the Japanese Government and demand that the remaining trade barriers come down.

Mr. Flynn: Does the Minister agree that one of the most successful products of British industry in the past 25 years was the transputer, the computer on a chip, which was exported to Japan very successfully? It will continue to be exported from the end of this year, but from France and Italy because their Governments have invested in the transputer. It will no longer be produced in Britain because our Govermnment have refused to invest in it. Why is that?

Mr. Needham: I do not accept the hon. Gentleman's comments. He knows perfectly well that decisions made by companies are up to them, not the Government. Our technological collaboration with Japan is closer and has more depth to it than that of any other European country and has already had a major effect on the quality of research, development and production in this country.

Mr. Bill Walker: Has my hon. Friend noticed the massive imports coming from Japan, which seems to have achieved that despite the fact that it is not a member of the European Community? Will he explain how this possibility has come about and what he expects will change when the Maastricht treaty is concluded, if it ever is?

Mr. Needham: It is not the possibility of Japanese imports; it is the reality of them. One of the major reasons for that is the quality of the goods that it produces. The counter to that argument is the ever-increasing number of Japanese companies that have set up in business here and are now doing so much to improve the quality of our manufacturing base.

It is vital that we continue to attract and invite Japanese companies to invest in this country. It would be a great help in achieving that objective if, when we take missions to Japan, Opposition Members did not pull out, on the orders of their Chief Whip, two days before we are due to leave. The hon. Member for Redcar (Ms Mowlam) was told by her Chief Whip that she could not go to Japan, even though we were pairing, which made it impossible for us, on a cross-party basis, to offer support for Japanese investment in this country and explain our role in Europe. That was an absolute disgrace.

Pit Closures

7. **Mr. Hinchliffe:** To ask the President of the Board of Trade when he last met representatives of the engineering industry to discuss the implications of the pit closure programme.

The Minister for Energy (Mr. Tim Eggar): I and officials in the Department have had regular contact with the mining engineering industry in the context of possible changes in the requirement for mining equipment and machinery. I shall be meeting representatives again as soon as practical after the White Paper is published to have further discussions on specific proposals for helping the industry.

Mr. Hinchliffe: The Minister will recall that I have raised with him on a number of occasions the specific problems facing the mining engineering sector in Wakefield in my constituency. Is he aware that the current proposal for the Swedish company, ABB, to build a green power station in the Wakefield district would offer hope for the future of the three remaining pits in the Wakefield district and the mining engineering sector in my constituency and elsewhere? Can he offer Government support for that project in view of its importance, particularly in the light of the major difficulties facing the Wakefield region as a result of the Government's energy policies?

Mr. Eggar: I was aware of the ABB proposals and other proposals in the district. They are being considered in the context of the White Paper review.

Dr. Michael Clark: Does my hon. Friend recognise that, due to our historic and successful coal industry, we have many companies which, in engineering terms, are market leaders in coal technology, particularly clean coal technology for power stations, long-wall mining, hydraulic supports and underground conveyor systems? Does he recognise that, if the coal industry is to contract and the home base to diminish, it will be harder for such companies to trade abroad and export? Therefore, will he undertake to give whatever help and assistance his Department can to those companies so that they may stay in business, export and help our balance of payments?

Mr. Eggar: The answer is yes, yes and yes.

Mr. Orme: Is the Minister aware that representations were made to the Select Committee on Trade and Industry on the very points just raised by the hon. Member for

Rochford (Dr. Clark)? When will the Government issue the White Paper as its delay is having a disastrous effect on the mining industry?

Mr. Eggar: My right hon. Friend the President of the Board of Trade addressed that issue in answer to earlier questions. We are aware of the need to proceed as rapidly as possible, but we cannot proceed until we have finished the difficult negotiating process—in particular until contracts have been concluded for the supply of coal to the generating industry. There are no contracts currently available and if contracts are not in place by 31 March, theoretically no coal can be supplied by British Coal to the generators.

Mr. Riddick: Does my hon. Friend agree that Mr. Arthur Scargill and his fellow members of the National Union of Mineworkers executive must be out of their tiny minds to recommend strike action to their members now? Does he agree that such action will do nothing to help the mining equipment industry and will confirm in the minds of some people working in the power generation industry the need for a diversity of supply? Has not Mr. Scargill shot himself in the foot once again?

Mr. Eggar: My hon. Friend addresses a serious issue. If the country feels that there should be support for the coal mining industry, that industry and the miners must earn that support. The result of what Mr. Scargill has said has been to reduce the confidence that coal can be relied on as a secure source of power generation, which cannot be in the interests of the miners and cannot promote coal as one of a diverse range of sources of electricity generation.

Mr. O'Neill: Is the Minister aware that any contraction of the coal industry will, as my hon. Friends have pointed out, have an impact right across British engineering and, in turn, have a great effect on those existing on unemployment benefit? Is he further aware that, according to the Institute of Fiscal Studies, the effect of the introduction of VAT on domestic fuel will be three times as harsh on the poorest families, many more of whom will be unemployed as a result of his dithering over the coal industry? Will he take steps to ensure that families who will be unemployed for a long time to come are protected against the worst excesses of yesterday's announcement of VAT on domestic fuel charges?

Mr. Eggar: The hon. Gentleman talks about jobs and, in particular, about the mining industry. He surely now understands that to save jobs in the mining industry and to increase electricity generation by the use of coal can only be at the cost of the loss of jobs in the gas-related industries, in the nuclear industry or in some other area. He must stop peddling the idea, or trying to get across the point, that it is somehow possible to expand jobs in the coal industry without any costs being incurred elsewhere in the economy. That is not reality; he knows it and the Select Committee recognised that to be the case.

Mr. Clifton-Brown: Does my hon. Friend recognise that as we are to have a substantial coal-burning energy policy, it is essential that it is backed by proper research? The Coal Research Establishment is in my constituency. Will my hon. Friend congratulate that body on having just won major contracts in Taiwan and Kazakhstan, and it is about to be awarded a third major contract? Will he also congratulate that establishment for doing a thoroughly good job in the research work that it undertakes?

Mr. Eggar: I am grateful to my hon. Friend for bringing a delegation from the CRE to see me earlier this week. I was impressed by the success that it has had in gaining contracts internationally. My right hon. Friend and I will of course take into account the points that my hon. Friend and the delegation made when we produce our White Paper.

Shipbuilding

8. **Mr. Ronnie Campbell:** To ask the President of the Board of Trade what plans he has to meet the European Commission to discuss the future of shipbuilding; and if he will make a statement.

Mr. Sainsbury: I have no plans to meet the Commission at present, but shipbuilding will be on the agenda at the informal Industry Council meeting in Denmark which I shall be attending later this week.

Mr. Campbell: Why are the British Government unable to help our shipbuilding industry when the Germans are able to help theirs? Or are the circumstances the same as coal, which can be subsidised in Germany but apparently cannot be subsidised here?

Mr. Sainsbury: I suspect that the hon. Gentleman is aware of the Communitywide rules affecting aid to shipbuilding. Our agreement with the Commission forbids the paying of subsidy to companies that were privatised as warship builders.

Mrs. Currie: Does my right hon. Friend agree that there are a number of industries, including shipbuilding, that have been dramatically affected by changes in defence requirements and that that includes the aerospace industry in areas such as Bedfordshire and Hertfordshire? *[Interruption.]* Would my right hon. Friend care to give Opposition Members and me whatever information he has —*[Interruption.]*—about European Community funds to assist in the reconstruction of defence-related industries?

Mr. Simon Hughes: On a point of order, Madam Speaker.

Madam Speaker: Order. Points of order, as the hon. Member knows, come later—*[Interruption.]* I have been attempting to listen to the hon. Member for Derbyshire, South (Mrs. Currie) and I might have been able to hear her but for the noise in the Chamber.

Mr. Sainsbury: I, too, was attempting to listen to my hon. Friend. Obviously, the shipbuilding industry, like other industries in many parts of the country are affected by the reduction in defence orders. We welcome the reasons for that reduction and we recognise—I hope that my hon. Friend agrees—that it is for the companies concerned to take the right commercial decisions, in the light of their individual circumstances, as to how best they restructure their businesses to contend with the reduction in orders from the Ministry of Defence.

Mr. Loyden: When will the Government respond to the growing demand in the House for the revival of Britain's merchant fleet? Do the Government appreciate that Clydeside, Merseyside and north-east shipyards would

greatly benefit from the revival of shipbuilding in those areas? There would be jobs for British shipbuilders and crews to man the British ships, if and when they were built.

Mr. Sainsbury: As the hon. Gentleman knows, sadly there has been a long period of decline in British shipbuilding. I suspect that there would be widespread agreement that the unfortunate labour relations in the industry decades ago contributed to that. Now, the industry is becoming competitive and it is my intention to remove subsidies and to create a fair trade between countries in shipbuilding, as in other areas.

Mr. John Marshall: Would my right hon. Friend care to remind the House of how many billions of pounds have been poured down the gullets of British shipbuilders? Does he agree that the best hope for employment in the shipbuilding areas in the north-east of England has come not from shipbuilders, but from the advent of Nissan to Sunderland?

Mr. Sainsbury: I agree that many billions of pounds have been paid out in subsidies to shipbuilding. Of course, the industry is still receiving significant subsidies. I very much agree with my hon. Friend about the contribution to the north-east region that has been made by Nissan, which contributes not only directly through employment, but through its influence on employment among those companies that supply its factory.

Mr. Fatchett: Given the Minister's answer and the prejudiced comments by his hon. Friends, it is hardly surprising that the United Kingdom shipbuilding industry has lost 76 per cent. of its employment over the past decade, while the German industry has increased by 37 per cent. It is also hardly surprising that United Kingdom output has fallen by 81 per cent., while German output has increased by 96 per cent.

German yards have access to intervention funds. Now that the Government have at last discovered the importance of manufacturing industry, is not it about time that they gave British shipbuilders the opportunity to compete on a level playing field? Is not it about time that they protected British jobs and British industry and gave us the same conditions as exist in every other European country?

Mr. Sainsbury: I fear that the hon. Gentleman appears to have overlooked the reunification of Germany in the statistics that he quoted. European Community rules affect the level of shipbuilding intervention that can be made. Those rules are the same throughout the Community, including reunified Germany and Britain. I recently announced that we were continuing with a shipbuilding intervention fund level of 9 per cent. for this year, which is the same level as last year.

BCCI

10. **Mr. Gunnell:** To ask the President of the Board of Trade how many companies have been taken to court by Touche Ross acting in their capacity as receivers for BCCI.

The Parliamentary Under-Secretary of State for Corporate Affairs (Mr. Neil Hamilton): The joint liquidators of BCCI have sought sanctions pursuant to the provisions of section 167 of the Insolvency Act 1986, to commence, continue or defend proceedings involving 91 limited companies. The number of such proceedings actually taken to court is a matter for the liquidators, but such proceedings are, of course, taken for the benefit of creditors.

Mr. Gunnell: I thank the Minister for that and other replies that he has given me on the subject. Given that we know that the costs of Touche Ross in the liquidation now amount to about £100 million, what measures are the Department taking to ensure that there is value for money in that receivership? What plans are there for an audit of the accounts? Should the accounts go to the National Audit Office for consideration? Is the Department also conducting a social audit of the affairs of the receivership, so that we can be sure that at the end of it—for both creditors and those companies that have had dealings with BCCI—the maximum number of jobs are saved out of a debacle that is clearly in some way a responsibility of the Government?

Mr. Hamilton: It would be impossible for the Secretary of State to do what the hon. Gentleman has asked, because there are no powers to do so under current legislation. The costs and expenses of a liquidation are considered by a sub-committee of an informal creditors committee and are then submitted to the High Court for approval. As the hon. Gentleman will be aware, a meeting will be held on 27 May at Wembley stadium, where the creditors of the company can come forward and at which we hope that a liquidation committee of creditors will be elected. That committee will then have the responsibility for the scrutiny of the costs and expenses of the liquidators.

Mr. Bell: What is the Minister is going to do between now and the creditors' meeting? The President of the Board of Trade appointed the auditors. There may have been 91 cases taken to court but 10 companies were placed in liquidation by the BCCI liquidators. How can the Government consistently shuffle off their responsibility in the matter? How many reports have been called for by the Minister? How many meetings have there been? If £108 million has been received by the auditors, is not it time that the liquidation was taken by the scruff of the neck by the Department of Trade and Industry instead of waiting for 27 May?

Mr. Hamilton: As the hon. Gentleman will know, we have powers under section 172 of the Insolvency Act to dismiss the liquidators. An application to do that has been presented recently by the hon. Member for Leicester, East (Mr. Vaz). Of course, consideration will be given to that. The hon. Member for Middlesbrough (Mr. Bell) has as much power as the Department of Trade and Industry to do what he is urging us to do. I repeat what I said to the hon. Member for Morley and Leeds, South (Mr. Gunnell): we have no legal powers to do the things that he asks us to do.

Exporters

13. **Mr. Fabricant:** To ask the President of the Board of Trade what steps Her Majesty's Government are taking to promote services available to British exporters.

The Parliamentary Under-Secretary of State for Technology (Mr. Edward Leigh): In support of the comprehensive and high-quality package of export

services that my Department and the Foreign and Commonwealth Office offer to British exporters, we undertake a wide range of ongoing promotional activity.

Mr. Fabricant: Will my hon. Friend take it from me, as one who has exported to all four corners of the world over the last few years, that in the past we have suffered some small disadvantage against the Japanese and the Germans because of inadequate export credit guarantees? Will he join me in congratulating the Chancellor of the Exchequer on his excellent move in adding £1·3 billion to the resources of the Export Credits Guarantee Department? Does he agree that this is a victory for common sense and perhaps a victory of the Department of Trade and Industry over the Treasury?

Mr. Leigh: No, I could not possibly say that. It is a victory for Britain. I am sure the House will agree that it shows that my right hon. Friend the President of the Board of Trade's efforts in ensuring that the DTI is an effective voice of business within government have been proved right. It used to be said of some people that they had a good war. My President had a good Budget yesterday. Whether on advance corporation tax, small firms or ECGD, I do not think that £1,300 million worth of extra cover is bad for one day.

Mr. Malcolm Bruce: Representing an area with a high number of exporting businesses, I welcome the increase in export credit guarantee support. Will the Minister recognise that he can help exporters by ensuring that Britain becomes clearly and unequivocally a fully-integrated member of the single market and the European Community, that we ratify Maastricht and that he stops accusing Opposition parties of the failure of his own party to get its act together?

Mr. Leigh: After the events of last week, people in glass houses should not throw stones.

Mr. Quentin Davies: The improvement announced yesterday will be a tremendous and most welcome boost to morale and the performance of capital goods exporting and contracting industries. Does my hon. Friend agree that the fact that ECGD is offering competitive premium rates will enable us to negotiate with governmental export credit agencies in other countries a concerted de-escalation of some of the cut-throat competition which has existed over the last few years so that we can avoid making again the mistakes that we made in that area in the early 1980s?

Mr. Leigh: I am grateful to my hon. Friend; he is absolutely right. In major markets our ECGD rates will be broadly competitive. This is about making Britain win in the world market. We have provided the tools; exporters must get on with the job.

Mr. Hardy: The dreadful balance of payments position certainly justifies the modest action to which the hon. Member for Stamford and Spalding (Mr. Davies) referred, but does not the Minister accept that if the Government make unwise decisions in regard to the coal industry, the cost of additional imported energy—which would increase dramatically after the next four or five years—would eat away at any export achievements that the Government might secure?

Mr. Leigh: To put the matter in context, the value of our exports is at a record level. Over the 1980s, it increased faster than that of our major competitors. Although import penetration has been an increasing problem for all major industrialised countries, it has been less of a problem in this country than in major competitor countries since 1981—less than in France, Germany, Italy or the United States. Yesterday's announcement will ensure that our exporters will be even more successful in future than they have been in the past.

Deregulation Unit

14. **Sir Michael Grylls:** To ask the President of the Board of Trade if he will arrange for there to be an annual report to Parliament on the work of the deregulation unit.

Mr. Nell Hamilton: Progress reports to Parliament are made regularly under the deregulation initiative. My right hon. Friend the Prime Minister reported to Parliament on 4 February, when he outlined the results of the seminar of Cabinet Ministers and senior civil servants that gave rise to the appointment of seven business task forces, to involve the private sector in furthering progress with the deregulation initiative.

Sir Michael Grylls: While I thank my hon. Friend for that answer and acknowledge that my right hon. Friend the Prime Minister has given his support to the campaign, I remind my hon. Friend the Minister of the value of a regular report to Parliament and a debate. On the Government Benches, an army of my right hon. and hon. Friends are behind my hon. Friend the Minister and want him to succeed with his good work. I ask him not to turn his face entirely away from a formal report—almost like a Budget—that could be debated in the House over two days. That would help my hon. Friend in his work and would have the support of us all.

Mr. Hamilton: I am delighted to account to Parliament as often as possible on my responsibilities, and I thank my hon. Friend for the help that he gives me in achieving success. He is joined by many others on these Benches—particularly my hon. Friend the Member for Harwich (Mr. Sproat), who was this week elected chairman of the deregulation sub-committee of the Select Committee on Trade and Industry, which itself is chaired by my hon. Friend the Member for Surrey, North-West (Sir M. Grylls). This side of the House is serious about deregulation because we know that it will bring more jobs and increased prosperity for all our people.

Assisted Areas

16. **Dr. Berry:** To ask the President of the Board of Trade when he expects to announce his review of the assisted areas map; and if he will make a statement.

Mr. Sainsbury: An announcement will be made as soon as possible, taking account of the outcome of the coal review and after the necessary clearance of the European Commission.

Dr. Berry: Is the Minister aware of the enormous support for assisted area status for the Bristol travel-to-work area? Is he aware that the submissions of the local councils have cross-party support and the support of the public and private sectors in Bristol? Is the Minister aware that unemployment in Bristol has risen at twice the average national rate over the past two years,

with record levels of long-term unemployment and thousands of jobs lost at companies such as Rolls-Royce and British Aerospace? When will the Minister do something about that?

Mr. Sainsbury: I am aware of those matters. The joint submission made by the county, district, borough and city councils and Avon training and enterprise council and the figures to which the hon. Gentleman referred will be carefully considered, along with those relating to all other travel-to-work areas, before we announce the result of our review.

Mr. Barry Field: Will my hon. Friend confirm that the Isle of Wight has left no stone unturned in making its case? Does he agree that it is appalling that when my right hon. Friend the Chancellor of the Exchequer announced a pilot study of the benefit to jobs, we heard only carping criticism from the Liberal Democrats? That is the very sin of which they always accuse other parties. It is just too bad; when my right hon. Friend the Chancellor adopts an Opposition suggestion all their spokesmen could do in the House last night was to criticise the Budget.

Mr. Sainsbury: My hon. Friend made his second point with his usual force and strength. I confirm that not only the Isle of Wight authorities but my hon. Friend have left no stone unturned. In fact, I would say that they have turned over every stone at least twice, in making representations for the Isle of Wight and its possible qualification for assisted area status.

Mr. Jim Cunningham *rose—*

Madam Speaker: The hon. Gentleman's name escapes me.

Mr. Cunningham: It is not very often that my name escapes people.

Does not the Minister realise that the delay in disclosing the date for the announcement of the assisted areas map is causing great uncertainty for cities like Coventry, which recently experienced further redundancies in companies such as Rolls-Royce? When will the Minister be able to announce the exact date so that the uncertainty in relation to investment may be removed?

Mr. Sainsbury: I appreciate the hon. Gentleman's point. I can assure him that we will make the announcement as soon as we can, taking the coal review into account, as I am sure the House would wish us to do.

Business Men (Meetings)

17. **Mr. Oppenheim:** To ask the President of the Board of Trade how many meetings he has had with business men before 8.30 am in the last month; and if he will make a statement.

Mr. Heseltine: I have had no such meetings.

Mr. Oppenheim: In considering what he might do before breakfast, or indeed before any other meal of the day, will my right hon. Friend take into account the effect of state-directed industrial strategies on the European steel industry? For many years, politicians considered that the right macho strategy for that industry was to pour billions of pounds into the creation of ever-increasing capacity, and we are now asked to provide even more billions to close down much of that capacity. Does not this illustrate that while decisions left to the market may produce outcomes that are not perfect, they are a great deal less imperfect than those determined by politicians?

Mr. Heseltine: The whole House knows what I am doing before breakfast. I am intervening, as I am doing before lunch, tea and dinner. What I am not doing is subsidising British industry, before or after any meal.

Mr. Robin Cook: Should the President of the Board of Trade manage to intervene with business men before breakfast, will he make available to them the report of his competitiveness unit? Can he confirm the *Sunday Times* story that that report concludes that the British industrial base is fundamentally weak and that the trade deficit will last for decades? How can the Government seriously claim that they have put in position the conditions for recovery when that report tells them that what they have put in place is an industrial base low in investment and low in skills? Is not that an appalling verdict on 14 years in office? Is not that the real reason for the President's refusal to publish the report?

Mr. Heseltine: The uncomfortable fact for the hon. Gentleman is that the report clearly reveals the devastating inheritance of 1979, when, economically, this country was perceived as the weak man of Europe because of over-taxation, over-inflation and over-nationalisation. We are now recovering from that situation, and the hon. Gentleman just cannot stand the changes.

North Sea Development

19. **Mr. Patrick Thompson:** To ask the President of the Board of Trade what steps he is taking to improve competitiveness in the development of the North sea.

Mr. Eggar: I published the report of the working group on United Kingdom continental shelf competitiveness on 2 March, and I am encouraging all concerned to implement the group's recommendations.

Mr. Thompson: Bearing in mind the fact that many of my constituents in Norwich, North depend for their jobs on the further development of the North sea oil and gas industry and reserves, does my hon. Friend agree that yesterday's Budget announcement of the reform of North sea oil taxation was very good news with regard to jobs in the constituency and very good news for people throughout the country?

Mr. Eggar: My hon. Friend will have heard what my right hon. Friend the Chancellor said yesterday. Of course, these are very wide-ranging changes in the structure of petroleum revenue tax and associated North sea oil taxation, and the companies will respond to the changes in due course.

Coal Review

20. **Mr. Hoon:** To ask the President of the Board of Trade when he will publish the results of the coal review.

Mr. Heseltine: I refer the hon. Gentleman to my earlier answer to the hon. Member for Rother Valley (Mr. Barron).

Mr. Hoon: Is not the truth that the purpose of the delay in publishing the review is to enable the right hon.

Gentleman to cobble together some sort of majority on his own Back Benches, rather than to take account of any concern for the country's energy requirements?

Mr. Heseltine: The truth is that my overall responsibility is to provide competitive energy from a diversity of sources. However, in the process, I must have regard to any changes that take place. I am therefore examining the effects of the coal industry upon energy policies and the level of the marketplace, and I will report to the House as soon as I can.

Mr. Ian Bruce: Will my right hon. Friend reflect on the reaction of the House yesterday to the suggestion that energy prices would be raised when he considers whether it is right to increase the cost of electricity and other energy by giving coal a higher price than the average that could be obtained on the open market?

Mr. Heseltine: My hon. Friend has raised one of the central dilemmas. I am considering it extremely carefully, along with a range of associated matters.

Mr. Stevenson: Does the President of the Board of Trade realise that hardly anyone in the country does not believe that his major preoccupation is trying to cobble together a deal to get out of the hole that he has dug for himself? Will he take this opportunity to reject claims that he has not taken fully into account the reports from the Select Committees on Trade and Industry and on Employment in his assessment of energy and employment needs?

Mr. Heseltine: No one could possibly make such a suggestion, because I have not responded to either report. I intend to respond to both fully. If the hon. Gentleman is seriously suggesting that the President of the Board of Trade should not be preoccupied with the costs to British industry, he merely reveals the divide that exists between the two sides of the House.

Points of Order

3.30 pm

Mr. Simon Hughes (Southwark and Bermondsey): On a point of order, Madam Speaker. If, for example, the hon. Member for Derbyshire, South (Mrs. Currie) had tabled a closed question about Derbyshire and another hon. Member had then tried to ask a question about Hertfordshire or Bedfordshire, I assume that you would have ruled that hon. Member's question out of order. In fact, the hon. Lady intervened on a question about shipbuilding to ask a question that was entirely about the aircraft industry. Will you reflect on whether such questions should be ruled out of order in future?

Madam Speaker: As far as I recall, the hon. Member for Derbyshire, South (Mrs. Currie) led on defence expenditure, but let me make my attitude to questions absolutely clear. I very much deprecate hon. Members' going very wide of the questions on the Order Paper: I regard that as an abuse of the House. If it is any comfort to hon. Members, I make a mental note of the names of those who abuse the House in that way. May I leave it at that?

Dr. Kim Howells (Pontypridd): On a point of order, Madam Speaker. Can you tell me whether questions 5 and 12—one tabled by a Scottish nationalist, and the other by a Welsh nationalist—were withdrawn today because the hon. Members concerned did not wish to embarrass the President of the Board of Trade, and were involved in the grubby deal that the nationalists cooked up with the Government last week?

Madam Speaker: I have no idea why the questions were withdrawn. A message simply came to my office in the normal way.

Mr. Michael Clapham (Barnsley, West and Penistone): On a point of order, Madam Speaker. Has the President of the Board of Trade made a statement to you to correct his inaccuracies with regard to the report by the Select Committee on Trade and Industry? He said that the report made no recommendations about gas and nuclear energy, but it clearly does. Paragraph 247 states:

"In determining whether new capacity should be licensed, we recommend that the Secretary of State give priority to:—

Projects with a substantial CHP"—

that is, combined heat and power—

"element and thus major environmental benefits . . . sour gas, which is unsuitable for other purposes and thus unlikely otherwise to be developed."

The report also suggests that the right hon. Gentleman use——

Madam Speaker: Order. The hon. Gentleman is now becoming involved in content. I have tried to explain to him previously that I cannot deal with content, or with what Ministers or Back Benchers say in the House. I am concerned with procedure and points of order.

Mr. Clapham *rose*——

Madam Speaker: May I answer the hon. Gentleman? After all, he asked the question in the first place.

The Secretary of State for Trade and Industry has made no statement to me, privately or in any other way. I understand that the hon. Gentleman is attempting to pursue the matter. I advise him to pursue it by other means; he cannot pursue it through the Speaker.

Hire Purchase and Conditional Sale (Prevention of Fraud)

3.33 pm

Mr. Michael Stephen (Shoreham): I beg to move,

That leave be given to bring in a Bill to amend the law relating to the sale and leasing of goods and to vehicle registration; to make provision for the registration of title to certain other goods; and for connected purposes.

I am grateful for this opportunity to present the Bill this afternoon.

Hire purchase fraud is a serious form of criminal activity, which can and must be stopped. In a typical case, a criminal takes goods, usually motor vehicles, on hire purchase, lease or credit sale and sells them to an unsuspecting member of the public or a motor dealer or through an auctioneer without of course, disclosing the existence of the hire purchase company's interest. The criminal then disappears or is not worth suing.

Last year, losses to finance companies exceeded £13·5 million, and further losses exceeding £2 million were suffered by motor traders and auctioneers. Those costs are passed on to our constituents in the form of higher finance charges and higher vehicle prices. Last year, there were also more than 4,500 cases of wrongful disposition of motor vehicles, many of which resulted in prosecutions, with increased costs for the police, the courts the prison system and others, all paid for by the long-suffering taxpayer.

The remedy is not to arrest, prosecute and punish the offender but to change the system of documentation to make it virtually impossible to commit such a crime. As the law stands, if the criminal sells to a private buyer who acts in good faith and without notice of the finance company's interest, the buyer gets a good title and the loss falls on the finance company. If the criminal sells to a motor trader or through an auctioneer who does not know of the finance company's interest, the loss falls on the trader or auctioneer.

A register of hire purchase interest is maintained by a company called Hire Purchase Information, or HPI. It does an excellent job, but traders and auctioneers searching the register will often find no trace of a hire purchase or other security interest. There are two reasons for that. First, many hire purchase companies do not bother to register, knowing that private buyers do not search at HPI and also knowing that, if the criminal sells to a trader, the trader will have to bear the loss.

The second reason is that the criminal may have sold the vehicle very quickly, before the hire purchase interest has been registered. It is therefore necessary to change the system of vehicle registration so that the vehicle registration document sometimes known as the logbook, is endorsed with a note of the hire purchase interest. Traders and private buyers would therefore see straight away whether the car was subject to a finance company's interest and, of course, if the seller said that he could not produce the vehicle registration document, a prudent buyer would send him away until he could produce it. The present pace at which the Driver and Vehicle Licensing Agency at Swansea operates is much too slow and needs to be speeded up.

Some consequential changes to the law would be needed. The main one would be to make it clear that a finance company that fails to register its interest or allows its customer to take possession of a vehicle with an unendorsed vehicle registration document would lose its title if the criminal sold to an innocent private buyer or an innocent trader. There is no reason why a system similar to that which I have outlined should not also be introduced for boats and caravans, which are subject to the same criminal activity.

It is time to take action to crack down on hire purchase fraudsters. I commend the Bill to the House.

Question put and agreed to.

Bill ordered to be brought in by Mr. Michael Stephen, Mr. Andrew Bowden, Dr. Liam Fox, Mr. Patrick Thompson, Mr. Bruce George, Mr. Tony Banks, Mrs. Angela Knight and Mr. Michael Bates.

Hire Purchase and Conditional Sale (Prevention of Fraud)

Mr. Michael Stephen accordingly presented a Bill to amend the law relating to the sale and leasing of goods and to vehicle registration; to make provision for the registration of title to certain other goods; and for connected purposes: And the same was read the First time; and ordered to be read a Second time upon Friday 23 April, and to be printed. [Bill 163.]

Orders of the Day

WAYS AND MEANS

Order read for resuming adjourned debate on Question [16 March].

AMENDMENT OF THE LAW

Motion made, and Question proposed,

That it is expedient to amend the law with respect to the National Debt and the public revenue and to make further provision in connection with finance; but this Resolution does not extend to the making of any amendment with respect to value added tax so as to provide—

(a) for zero-rating or exempting any supply, acquisition or importation;

(b) for refunding any amount of tax;

(c) for varying the rate of that tax otherwise than in relation to all supplies, acquisitions and importations; or

(d) for relief other than relief applying to goods of whatever description or services of whatever description.—*[Mr. Lamont.]*

Question again proposed.

Budget Resolutions and Economic Situation

[Relevant documents: European Community Document No. 4683/93, the Commission's Annual Economic Report for 1993, and the draft Decision adopting the Report.]

Madam Speaker: The Question is as on the Order Paper. I remind the House that the Budget debate continues on the motion entitled "Amendment of the law". Before I call the first speaker, may I plead for short speeches today, please? A number of Members are seeking to catch my eye and I should be much obliged if speeches could be rather shorter today.

3.39 pm

Mr. Gordon Brown (Dunfermline, East): Two years ago, we had a "Budget for business". Since then, 100,000 businesses have gone under. Last year, we had a Budget called a "Budget for the recovery". No recovery materialised. In November, we had an autumn statement "for investment". Public investment continued to fall. Now we have what is called a Budget for jobs, and I make one Budget forecast—that, after the Budget, unemployment will rise this month, next month and for months afterwards. This "Budget for jobs" is really a Budget with only one intention, to save one job—the Chancellor's own job. It was the Chancellor's last Budget to be held in March, and it should be his last.

The Budget makes it clear that taxes will rise not only this year but next year and the year after. There will be tax rises now, tax rises later and tax rises two years later. That is not only a double whammy but a triple Conservative tax whammy.

National insurance contributions, which the Conservatives said would not be increased, have risen. VAT, which they promised would not increase, is now to be imposed on fuel. As the President of the Board of Trade would say——

Mr. Jacques Arnold (Gravesham): Will the hon. Gentleman give way?

Mr. Brown: I shall give way later.

As the President of the Board of Trade would say, "Taxes to the left, taxes to the right, taxes everywhere." For people paying VAT, there will be "tax rises before breakfast, before lunch and before dinner", and people will have to get up the next day and pay taxes yet again.

Before the general election, the Conservatives promised not to devalue——

Mr. Arnold *rose*——

Madam Speaker: Order. Is the hon. Member for Dunfermline, East (Mr. Brown) giving way?

Mr. Brown: Yes.

Mr. Arnold: Bearing in mind the statement on the Labour party's green creditials made by the hon. Member for Islington, South and Finsbury (Mr. Smith), and the commitment to reduce CO_2 emissions by the end of the century, if the hon. Gentleman opposes the imposition of VAT on domestic energy, will he explain how the Labour party would honour the commitment?

Mr. Brown: The difference between us and the Conservative party is that we have a policy for the environment. We are not using the environment, as the Conservatives do, simply to raise taxes at the expense of the rest of the people.

At the general election, the Conservatives promised not to devalue. They did devalue. They promised a recovery that has not happened, and they promised to end repossessions, which continue at the rate of 1,000 a week. They promised and guaranteed young people jobs or training; hundreds still have none. They promised that they would not privatise Scottish water, and now there is a real fear that they plan to do so.

Most of all, the centrepiece of the Conservatives' election campaign was the promise that taxes would not rise—indeed, that taxes would fall. The Chancellor's Budget has been not a Budget for Britain but a betrayal of the people of Britain.

The central failure of the Budget is the failure to tackle unemployment and economic decline. The Budget deficit and the tax rise that will ensue result from the central failure to produce economic prosperity. A Government who tackle only the consequences and not the causes of economic and industrial decline will fail in the Budget, and they will fail Britain.

Reading the Budget statement, which makes it clear that unemployment will continue to rise and that little will be done about it, we realise that the only consistent view that the Chancellor has held over two years has been the view that, for him, unemployment is a price well worth paying.

I am sorry that the Chancellor is not in the Chamber. The first thing that Ministers must do is apologise to the House and to millions of people throughout the country. Two pounds a week is the price that will be paid in the fuel bills of elderly people and of many millions of others. That amounts to £100 a year and, as I noticed yesterday, there is no guarantee of full compensation in social security payments or in pensions.

Mr. David Shaw (Dover): Is the hon. Gentleman actually denying the words that hon. Members heard the Chancellor say quite clearly, quite categorically—that those who are getting benefits through the social security

system will have those benefits made up to take full account of what is going to happen on the additional VAT?

Mr. Brown: I am grateful to the hon. Gentleman. I shall now give way to the Chief Secretary to the Treasury so that he can confirm what his hon. Friend said.

The Chief Secretary to the Treasury (Mr. Michael Portillo): I intend to make a speech later.

Mr. Brown: That is the Tory party at work—the Tory party that never, ever tells a truth in answer to a simple and straightforward question.

Let us consider in precise detail what the Government have said about tax rises. During the election campaign, the Chancellor said on "Channel 4 News":

"We will not have to increase taxes. I cannot see any circumstances in which that will be necessary."

Just to be sure, Jon Snow, the interviewer, pressed him and asked:

"Does that mean direct and indirect taxes?"

"Yes," said the Chancellor. The Chancellor and the Ministers who have betrayed promises made during the election campaign can never be trusted again.

The tax promises were not casual remarks or offhand, throwaway comments. They were not a peripheral element of the Conservative campaign. The Chancellor made it the centrepiece of his whole election strategy that taxes would not just not go up, but would go down under his leadership. I repeat that he said that he could not see any circumstances in which tax rises would be necessary.

Is that the same Chancellor who has raised taxes by £17 billion over two years, the same Chancellor who kept telling us during the election campaign that tax rises would destroy work incentives, the same Chancellor who has imposed tax rises amounting to £8 a week on the ordinary taxpayer from next April, and the same Chancellor who unveiled billboard poster after billboard poster saying that Labour's plans to raise taxes were a folly and a fraud on the people of this country? Is it the same Chancellor who has imposed——

Mr. John Townend (Bridlington): Will the hon. Gentleman tell the House whether, if he is so opposed to dealing with the Budget deficit by increasing taxes, he accepts that inevitably he would have to introduce substantial cuts in public expenditure?

Mr. Brown: The hon. Gentleman fails to understand that it is the failure to solve the problems of unemployment and of economic decline that is forcing up the Budget deficit. The Budget's failure to deal with the causes of the problem and the fact that it deals only with the consequences mean that it is a Budget that fails Britain.

I should have thought more of the hon. Gentleman if he had told us that he would apologise to the voters in his constituency whom he told during the general election campaign that there would be no VAT rises and no national insurance rises. If he cannot point out the section of the election manifesto which warned of increased tax rises for the ordinary voter under a Conservative Government, he should be ashamed of himself.

Mr. Townend: If the hon. Gentleman looks at my election address, he will see that I talked about no increases in direct taxation.

Mr. Brown: The hon. Gentleman's comment is interesting. I presume that he meant that there would be no increase in national insurance. Was that the policy with which he went to the electors? Was that the policy? He cannot answer the question. National insurance is a tax that is paid by every worker, and by next year people will be paying £3 a week more.

There are only two explanations for what has happened since the election—either Ministers are incompetent on a scale that beggers belief or, with the access that they, uniquely, had to the Treasury papers before the election, knowing of the problems that their policies and their failures had created, they set out to deceive the people of Britain on a massive and unprecedented scale.

Let us remember that this is the Chancellor who told us that he would not devalue and did; who forecast that the recession would be shallow and short-lived; who told us that the recession would end two years ago, then one year ago; who told us that he had seen the green shoots of economic recovery—months before there is any sign that a recovery is happening. Can anyone ever believe anything that he says to the House or the people of this country again?

During the election campaign, the Tories put up billboards throughout the country saying that the country could not trust the Labour party. Now they should put up billboards in every town and city saying that the country can never trust the Conservative party again.

Mr. D. N. Campbell-Savours (Workington): Is there not something far more sinister about these matters? Given that the Government have a majority of only 20 and that among those 20 are a number of marginal seats, is not it quite clear that, had it not been for the tax lie, there would probably have been a minority Labour Government today? Should not the wider public be told that?

Mr. Brown: If the truth had been told, there would have been a majority Labour Government.

What did the Prime Minister say? His reputation is clearly on the line in connection with all the promises that were made. Let us be absolutely clear that it was not just the Chancellor—who is taking the lion's share of the blame—but the Prime Minister who made the promises. The Prime Minister was asked about VAT. "We have no plans," he said, "to increase VAT. There will be no VAT increase."

Let me remind Conservative Members—who will have to live with this as these decisions come back to haunt them between now and the next general election—of what the Prime Minister said. Asked by *The Independent* on 27 March:

"Can you give the same pledge that Mrs. Thatcher gave in 1987 that you will not extend the scope of VAT to children's shoes, clothing, gas, electricity and food?",

the Prime Minister replied,

"I have made the pledge in the past. I have made it clear that we have no plans . . . no need . . . no plans . . . to extend the scope of VAT."

The Prime Minister was not content with that. He went further and promised tax cuts year on year:

"I have no doubt,"

he said,

"that we will be able to make further reductions in the rate of taxation."

[Mr. Brown]

Those were the words of a Prime Minister who put himself at the forefront of a manifesto that said that lower taxes were necessary to encourage people—they would make for "a more productive economy"; and would
"transfer power from the state to the people"—
and that high taxes would
"kill the goose that lays the golden eggs".

There is now no refuge for the Prime Minister in claiming that he did not know anything about the length of the recession. It was he who gave the unequivocal promise: "Vote Conservative on Thursday and the recovery will continue on Friday." They were calculated, cold-blooded and cynical statements, made simply to win the election. The result is that the Conservative party, under the Prime Minister's leadership, will never be trusted again.

Let us just remember that, to win an election, President George Bush said, "Read my lips—no more taxes," then put taxes up and lost the election. The Prime Minister said, "Read my manifesto—no more taxes." Now he has put taxes up, and he will be thrown out of office.

Dr. Liam Fox (Woodspring): Will the hon. Gentleman take this opportunity to pledge his party to reverse the extension of VAT to fuel and power?

Mr. Brown: Perhaps the hon. Gentleman would like to join us in the Lobby on Monday, when we will be voting against the VAT increases. I will tell him something else: when we draw up our election manifesto, we will be fair to pensioners and to all those to whom fuel prices matter, and when we go to fight an election campaign, we will tell the truth.

The Chancellor has argued that the Budget will set Britain on the road to recovery. He has argued, when he has produced figures, that the balance of payments will rise to £17·5 billion, that investment will grow by only 0·5 per cent., that the trade deficit in manufacturing will double, and that the Budget is a sign of the successes of his policy. But let us consider what is happening to unemployment in Britain.

After the Budget, unemployment will still cost the country almost £30 billion a year. The cost of every unemployed person—the rising numbers—is £9,000 a year. When faced with the problems of massive unemployment in the 1930s, we had a new deal in America. After the war, we had the Marshall plan to reconstruct Europe. We need a mobilisation of resources to combat unemployment now.

What do we have instead from the Government, when more people are unemployed; when more people are chasing jobs; when, in some constituencies of Conservative Members, 1,000 people go for every vacancy on offer; when we need a great national effort that would repair our roads and railways, build homes, improve our schools and hospitals and upgrade our environment?

When we look at the plans produced yesterday by the Chancellor and the Secretary of State for Employment, let us remember that there are fewer training places now than in 1990, when the Chancellor and the Prime Minister came into office. Let us remember that the amount spent on every unemployed person has not increased but has been reduced.

When talking about broken promises, let us also remember the promises that were made to the unemployed, which have been cynically betrayed: the promise that, by March 1992, employment action would create 30,000 places—it never did; the promise that the Government would increase the funding available to the training and enterprise councils—the Chancellor had to admit that the funding was being cut; the guarantee that all young people would have a job or training—thousands, and now hundreds, do not have that; the Chancellor's promise in 1991 that the monthly rate of increase in unemployment had peaked and was likely to moderate further. All those promises were never met.

What do we have now in the Government's employment programmes? Employment action, which produced neither employment nor action, is now relaunched as training for work, to disguise a £34 million cut. The business start-up scheme mentioned by the Chancellor yesterday has been relaunched under a new name, with almost half the places that it originally had five years ago.

Certainly there are twice as many job interview guarantees from the Chancellor and the Prime Minister, but when the two main firms in the job interview guarantee scheme helping the Government are the Post Office and British Gas and between them they are laying off 26,000 people in the next few years, how can the job interview guarantee scheme generate thousands of jobs for the unemployed? After all that, we are left with the central fact that unemployment is rising and will continue to rise, and that the Government's whole approach is essentially this: that unemployment is a price well worth paying.

I say that there is no recovery that we will call a recovery when it assumes that 3 million people stay out of work. There is no recovery that is worth its name which does not begin to put Britain back to work.

Will the Chancellor tell the couple who stand to lose their home as well as their jobs as a result of higher unemployment that unemployment is a price well worth paying? Will he tell the man in his 40s who knows that he will never work again once he loses his job that his unemployment is a price worth paying? We all know very well that, if the Government accepted their responsibilities for jobs, we could begin to get Britain back to work.

Will the Chancellor tell the youngster with no hope, no cash and no job that his long-term unemployment is for him a price well worth paying? The Chancellor knows that he could abolish youth unemployment if he had the will to do so.

The tragedy is that the only redundancy that really worries the Chancellor is his own, and that the repossession of No. 11 Downing street is the only repossession he cares about.

What are the Government's excuses for what has gone wrong? They started, in 1979, by blaming the trade unions. Then they blamed Labour councils, the European Economic Community, the exchange rate mechanism and Jacques Delors. When European excuses ran out, they discovered world recession. At the weekend, the Secretary of State for Trade and Industry even blamed the Labour party.

The weekend before that, as things were beginning to get desperate, they looked nearer to home and found someone else to blame—Lady Thatcher—who, in her own words, is now the "enemy within" for the Conservative party. All was explained. The Prime Minister had been terrorised into silence in her Cabinet on a subject dear to his heart—British manufacturing industry. That is the

Prime Minister, the voice of the silent minority in the Cabinet, who failed to speak up for his love of British manufacturing industry—the love that dared not speak its name.

Having blamed Europe, the world, the Labour party and their former leader, whom do the Government blame now, when many people would say that they have no one to blame but themselves? They blame the British people. The Prime Minister has identified the British people's instinct for self-deprecation and for talking the country down. Not to be left behind, last Sunday the Chancellor discovered it all—the British people are to blame for the alibi society. Now we know it from a Tory—society is to blame after all. The party that told us that society did not exist has reinvented it, if only to take the blame for its own failures.

The truth is that Britain is not an alibi society that has let down a well-meaning Government: Britain has an alibi Government, who have been letting down British society for 14 years.

Mr. David Nicholson (Taunton): I am sorry to interrupt the hon. Gentleman's tide of enjoyment, but does he recognise that, as the Chancellor pointed out in the early stages of his speech yesterday, there is recession, unemployment and a fall in growth in other European countries, including socialist France? What does he have to say about socialist France, which is facing elections this month?

Mr. Brown: The hon. Gentleman should look at the figures. He will know that, during the past two years, unemployment has risen faster in Britain than in any other EC country. Let us remember that the Government claimed that they had created an economic miracle. In 1988 and 1989, they told us that we were living through a supply side transformation of our society. Some members of the Government even claimed that living standards would continue to rise year after year. Now, the Government have created 3 million unemployed.

When we consider what has been happening in Europe and around the world——

The Chancellor of the Exchequer (Mr. Norman Lamont) *rose——*

Mr. Brown: I am grateful to the Chancellor. If he intervenes, could he tell us in which part of his election manifesto he told his constituents that value added tax and national insurance would rise as a result of his policies?

Mr. Lamont: Why does the hon. Gentleman not answer the question put by my hon. Friend the Member for Taunton (Mr. Nicholson)? Unemployment in France is 3 million, in Ireland and Spain it is well in excess of the level in this country, and in Italy it is very similar to the level in this country. The European Commission projects that unemployment will reach 11 per cent. for the Community as a whole. Does every word of criticism, every stricture and every argument that the hon. Gentleman has made apply to those Governments as well as to our Government?

Mr. Brown: I am grateful to the Chancellor, because he allows me to explain what has been happening in Europe during the 1990s. Is it not the case—does he deny—that Britain was at the bottom of the league for growth not merely last year but the year before? Is it not the case that Britain has been at the bottom of the league for investment, and for employment creation? Is it not the case that Britain has been at the bottom of the league in the European Community for every major indicator in the 1990s? If the Chancellor is prepared to deny that, I will happily give way to him.

Mr. Barry Legg (Milton Keynes, South-West): Will the hon. Gentleman give way?

Mr. Brown: I thought that the Chancellor helped Back Benchers, rather than the other way round.

On Sunday, *The Sunday Times* revealed what we already knew: that we are not only experiencing high unemployment but are engaged in a process of industrial decline. It revealed that Britain invested half as much in its industrial workers as many of the world's best economies; that our skill levels are 40 per cent. below some of the world's best; and that we have the worst record for manufacturing investment since 1979, bar none, of the countries in the European Community. While investment in manufacturing has grown by 100 per cent. and more in Japan since 1979, it has fallen by 5 per cent. in Britain.

Our argument is that this Budget does not even begin to tackle the central questions of reversing our economic decline by rebuilding our industrial capacity. The central questions are how we invest in people for the future, how we invest in industry and how we invest in the social and economic fabric of our country to ensure that we will have not only rising production in industry but rising standards of living.

The remarkable feature of this Budget is that the tax rises are to pay for the mistakes of the past. The Chancellor does not have one contribution to make towards laying the foundations for future success.

We have been saying for years that manufacturing and industry matter; that we need a policy for manufacturing for the future; and that we neglect it at our peril. For years, we have been saying what the Department of Trade and Industry data reveal: that action to restore manufacturing required a comprehensive policy for research, technology, investment and the regions. We said this not because we believed that manufacturing was inherently preferable or because we had some romantic attachment to factories instead of offices, but because we knew that manufacturing is one of the major centres of innovation in our economy and important to our great industrial regions. It is central to our exports, to our tradeable economic base and to the future of our balance of payments.

The Prime Minister tells us that he was in the minority when arguing the case for manufacturing industry. I have looked through the speeches he made during the 1980s, when he was that voice for manufacturing industry but could not raise it forcefully in public. When he spoke about the famous economic miracle, did he say that he was worried about the future of manufacturing or that something had to be done about the balance of payments? No. He said:

"In the 1960s we watched the German miracle from our sick beds. Today in Europe we are the economic miracle."

That was what the Prime Minister said. He did not tell us that there were problems with manufacturing when, since 1979, German manufacturing has grown at five times the British rate. He said that Britain was the economic miracle.

What of the Conservative party under the Prime Minister's Chancellorship? Did the document about the state of manufacturing industry issued in 1990 by the

[Mr. Brown]

economic research department betray the Prime Minister's worries? No. What that document said was that manufacturing was an obsession of the Labour party—that it was an outdated attitude of the Labour party that put manufacturing at the centre of affairs.

What of the balance of payments which we warned about? Did the Prime Minister give speeches saying that the balance of payments deficit could cause us a problem? No. When even the President of the Board of Trade was warning that the deficit was of consequence, that it could not be dismissed as a second order problem, that it would not be easily financed, what was the Prime Minister saying? Nothing more, nothing less than that it was a second order problem, of little consequence, and could be easily financed.

What of the Chancellor during those great years at the Treasury when the Prime Minister and he were supposed to be speaking up for manufacturing industry? He said:

"The idea of an industrial strategy is moth-eaten, and one might even say half-baked."

Those were not the words of someone who looked as if he were supporting the industrial strategy that is now referred to by the President of the Board of Trade.

Even as late as 1990, as the recession required a new approach to industry in this country and a change of policies to allow British industry to triumph over the recession, did the Chancellor say that policies would have to adapt to the needs of manufacturing industry? No. He said:

"The real test of Thatcherite economics is now only beginning. The slow-down in prospect will put to the test the new-found flexibility and resilience of the economy and the effectiveness of the labour market reforms. It looks as if we may now be seeing the beginning of a reverse of a long-running trend which has seen the share of manufacturing in national income fall. I feel that the resurgence we have seen so far is nothing like the resurgence we are about to see."

For three years after that, manufacturing output has fallen, businesses in the manufacturing sector have gone bankrupt in record numbers, and unemployment has risen substantially. Surely that speech about Thatcherite economies was one of the great misjudgments of history. If the past three years have been the real test of Thatcherite economics, when the Chancellor sums up the Budget debate on Monday, it will be interesting to see whether he can tell us what the results for British manufacturing industry have been.

The Budget was effectively a betrayal of the people of Britain. The Government first betrayed the pensioners in 1979, when they broke the link between pensions and earnings. They then betrayed the unemployed, when they taxed unemployment benefit and then cut it. Next they betrayed the home owner, with the increase in mortgage rates that their policies produced. They then betrayed the low-paid by abolishing, cynically and cruelly, the wages councils on which 3 million people depend. They then betrayed patients in the national health service and public service consumers, and they continue to do so.

Sir Terence Higgins (Worthing): For how many years did previous Labour Governments have a link between pensions and earnings?

Mr. Brown: I think that the right hon. Gentleman should refer to history. The link between pensions and earnings was introduced by a Labour Government to help the pensioners of this country. The right hon. Gentleman should know that, as a result of breaking the link between pensions and earnings, many pensioners are hard up.

The Government betrayed the unemployed; they betrayed the low-paid and home owners. The Government betrayed people in the national health service, and they have now betrayed the taxpayers of this country by raising national insurance and value added tax. There is no one left for this Government to betray; they have no credibility in this country. The electorate will never trust them again. If Britain is to have a new start, it will need a new Government—and that will have to be a Labour Government.

4.13 pm

The Chief Secretary to the Treasury (Mr. Michael Portillo): What a speech we have just heard. What passion was shown as we witnessed the glowering countenance of the hon. Member for Dunfermline, East (Mr. Brown) across the Dispatch Box. I detected in his speech the sound of disappointed rage. The hon. Gentleman is disappointed that my right hon. Friend the Chancellor has framed a skilled Budget which is well suited to this stage of the cycle. Once again, faced with substantial difficulties in framing the Budget, my right hon. Friend has none the less produced a Budget which demonstrates a real grasp of the subject. He has exceeded the expectations of his critics.

Before yesterday, the commentators were saying that the Chancellor faced a stark choice—he could either protect the recovery or tackle the Government's borrowing, but could not do both. But my right hon. Friend has done both in the Budget—*[Interruption.]*—and British business has recognised that achievement. Sir David Lees of the CBI said:

"this budget will certainly help the recovery."

The Institute of Directors said:

"The Chancellor has listened carefully and the package of business measures announced is relevant and helpful."

The Federation of Small Businesses said:

"Small businesses will welcome being singled out for special support."

The Association of British Chambers of Commerce said:

"We asked for a budget which did not upset the fragile recovery, but addressed the urgent need to boost exports and press on with deregulation. This is what we have heard."

A cross-section of business leaders has given the Budget the thumbs up.

Mr. Max Madden (Bradford, West): What is the Treasury's assessment of the reduction in the demand for coal as a result of the imposition of VAT on fuel announced yesterday?

Mr. Portillo: The VAT changes alone will produce a reduction in carbon dioxide emissions of about 1·5 million tonnes and that is part of our firm commitment to the Rio convention. I shall later be asking Labour Members how they would achieve that commitment.

Mr. Bryan Davies (Oldham, Central and Royton): We appreciate, this being a debate, that the Minister has a prepared speech. But will he address his remarks to the interesting point raised by the hon. Member for Dover (Mr. Shaw), who alleged that the Chancellor said yesterday that the Government intended to restore in full to those on benefit the cost of the fuel tax? Is it really the intention of the Government to restore in full that extra tax on poor people?

Mr. Portillo: The Chancellor's words on that were clear. He said:

"Social security benefits will, of course, rise automatically to reflect the price effect of this change. But I recognise that this will cause particular problems for those on low incomes. My right hon. Friend the Secretary of State for Social Security will take this into account when the income-related benefits are uprated next year."—[*Official Report*, 16 March 1993; Vol. 221, c. 183.]

That was perfectly clear.

Mr. Gordon Brown: Will the Minister confirm what the hon. Member for Dover (Mr. Shaw) understood to be the position—that the benefits will be uprated in full to take account of the rise in VAT?

Mr. Portillo: All benefits will be uprated to take account of the RPI. That is perfectly obvious.

Mr. Gordon Brown: The point is not whether the VAT rise will be reflected in the RPI. Will the right hon. Gentleman give an undertaking that the VAT rise will mean that the benefits for ordinary people on income support and pensions will rise to take account of that? Will they rise in full?

Mr. Portillo: The hon. Gentleman is apparently inventing an entirely new concept—*[Interruption.]* He is saying that in some way income-related benefits must be adjusted for particular price rises that occur. That is an entirely new concept, and I will give him an example because all such issues are made up of swings and roundabouts. The increase announced in duty on road fuels puts about ¼ per cent. on the RPI. People on low incomes are very low users of road fuels, but they will be compensated through the RPI for the extra expense that other people will face. So there are swings and roundabouts—*[Interruption.]*—and the words of the Chancellor were perfectly clear.

Mr. Jeff Rooker (Birmingham, Perry Barr) *rose*——

Mr. Portillo: I will give way to the hon. Gentleman, but then I must make progress.

Mr. Rooker: Let us be absolutely clear on the point. How does the right hon. Gentleman respond to the work published this morning by the department of applied economics at Cambridge showing that, whereas the Budget will have a 3 per cent. effect on those with the lowest 10 per cent. of household incomes, partly as a result of the tax and VAT changes, it will have only a 1·5 per cent. effect on the top 10 per cent. of earners? In other words, if the nation's 10 per cent. poorest are not to suffer disproportionately, their social security benefits must rise by 3 per cent. above the rate of inflation. If the right hon. Gentleman will undertake to do that, we shall go away reasonably happy, or at least not so unhappy, and it should be easy for him to do that if he wants the Budget to be fair to all sections of the population.

Mr. Portillo: I believe that the Budget is fair to all sections of the population. For example, those on the highest earned incomes will be hit hardest by the tax changes in the tax credits for dividends, the tax changes for company cars and the tax changes to the married couple's allowance. All those affect people on higher incomes. There are swings and roundabouts. The hon. Gentleman did not bother to point out that currently income support scales contain a 20 per cent. allowance for community charge. Nobody will be asked to pay the council tax after 1 April, but that money is not being withdrawn—it is being left in income support. I refer the House once again to the words of my right hon. Friend the Chancellor yesterday.

Mr. Gordon Brown: This is wholly unsatisfactory; it is a clear attempt to evade the question. Will the Chief Secretary give us an unequivocal answer—will those on income support be compensated in full for the rise in VAT?

Mr. Portillo: I am not in any way evading the question; I am referring hon. Members to what my right hon. Friend the Chancellor said yesterday, which was that the rise in VAT would be taken into account when the income-related benefits are uprated next year. My right hon. Friend chose his words carefully and they are on the record.

Since the Conservatives took office 14 years ago, our two guiding economic aims have been sound money and sound public finances. Those aims must stand above all others. We have reiterated those principles day in and day out, before breakfast, before lunch and before dinner. All those involved in wealth creation know that those are the right principles. By contrast, the Labour party—which is not involved in wealth creation—scarcely even recognises those principles.

Before the election we said that we had no plans to raise VAT, and that was the plain truth—*[Interruption.]* Yes, it was. Last year, we were looking at a level of Government borrowing far lower than that we are facing today. We must take action to deal with the changed position. The recession has lasted longer than anyone thought and the proof of that is that the Labour party reminds us of it every day of our lives. Indeed, it has made the length of the recession its excuse for abandoning all the tax proposals that it put forward at the election. Its present stance shows that now, as always, it could not care less about the state of public finances.

Mr. Dennis Skinner (Bolsover): There has been a forecast of a £50 billion public sector borrowing requirement for some considerable time, so it has not come as a surprise to most people. The Chief Secretary fails to recognise that in the first 10 years of the Thatcher Government, the richest 1 per cent. in Britain accumulatively had £26·2 billion handed to them in tax cuts. What the Chancellor should have done yesterday was to recoup that money from the wealthiest 1 per cent. and not land it on the pensioners and others who will have to pay the additional VAT without any compensation.

The truth is that the Tory Government, through their Budget yesterday, not only helped the rich, but they refused to take back any of the money that they had given to them and, instead, they have crippled millions of other people. The Government are in favour of looking after the bosses and lining the pockets of their friends.

Mr. Portillo: The amount of money raised in income tax from the highest 5 per cent. of earners has risen consistently during the time that we have been in office. I have already pointed out that the changes that we made yesterday to the married couple's allowance, company cars and dividends will impact most heavily on the highest earners. The Budget was designed to be fair across all sectors of society and all levels of income.

The Opposition's policy has veered from side to side, with extremely strange results. They are now apparently in

[Mr. Portillo]

favour of raising taxes only at election time. That is not something about which I want to complain, but they should consider what that says for the political acumen of the man whom they have recently elected leader of the Labour party.

At the election, the Labour party proposed to raise taxes by £35 billion a year, three and a half times what the Government propose. Labour wanted the tax increases to be immediate. Labour's purpose was not to pay off debt but to pay off scores against the middle classes. We heard the same tone just now. Labour wanted 10p on income tax and 9p on national insurance, not to repay borrowing but in order to be able to spend more money.

Mr. Campbell-Savours: May I tell the Minister once again that the £35 billion that he quotes was a monstrous lie which won the Conservative party the general election. Does not he realise that millions of people are saying this morning that the election was won by the Tory party on the back of a lie? Does not he realise that, now that we have had the Budget?

Mr. Portillo: The election was won for the Conservative party perhaps by the right hon. and learned Member for Monklands, East (Mr. Smith), following the Luigi restaurant incident. That was the key. The right hon. and learned Gentleman corrected the then Leader of the Opposition, the right hon. Member for Islwyn (Mr. Kinnock), who tore him off a strip. That lost the election for the Labour party. The right hon. and learned Gentleman was rewarded by being made leader of the party.

We have to raise revenue because it is our duty as a responsible Government to do so. We have chosen to do it in ways that do not harm recovery or depress incentives, ways which draw money from all levels of earnings and which contribute to meeting our commitments on the environment.

Here are the facts which cannot be ignored. Next year the public sector will be borrowing £1,000 a year for every man, woman and child in the country. The interest on that borrowing will have to be paid for many years to come. My right hon. Friend the Chancellor could have chosen to postpone action. Many presumably expected him to do that. But those who create jobs in Britain need to know that the Government will reduce their borrowings.

The "mañana" approach would have done nothing for confidence. Investors in Britain take the level of borrowing seriously. *[Interruption.]* The Labour party is convulsed because it does not. For example, the hon. Member for Peckham (Ms Harman) has built a political career on moving from television studio to television studio evincing righteous indignation about alleged underprovision by the state for health or education or whatever other good cause she has in mind.

The hon. Lady was at it again last night, touring the studios of London like an understudy for Joan Collins, complaining that borrowing was too high, that we should be spending more, and that we should not raise revenue. It was a curious view from a shadow Chief Secretary; it was perhaps more appropriate for a film star. I am not aware that the hon. Lady has ever addressed the need for control. I am not aware that she could even spell the word "restraint". She was indeed a most original choice as shadow Chief Secretary.

The first lesson for Chief Secretaries, shadow or otherwise, is that there is no such thing as a free lunch. I should know, after my recent lunching experiences. If the hon. Lady thinks that her reputation can stand it, I will happily take her to the Churchill room for lunch and explain to her why that is so. *[Interruption.]* The right hon. and learned Member for Monklands, East has got the joke; well done. The Leader of the Opposition is very quick.

At the same time the hon. Lady can explain to me Labour's policies. She can explain about the extra public spending which Labour wants—more spending on employment, on health, on education, on science, on research and development, on investment—more on everything under the sun. To pay for it, there are only two choices—more borrowing or more taxing. The hon. Member for Dunfermline, East set out the options. He said:

> "I am not talking about increasing current borrowing . . . I am not talking about raising income tax or national insurance or VAT."

So what on earth was he talking about? Is Labour saying that borrowing is too high and spending too low, but that taxes must stay exactly where they are? If Labour is saying that, what nonsense it is.

Mr. Robert Sheldon (Ashton-under-Lyne): I understand that the Chancellor wants to raise revenue, and he chose VAT as a way of doing that. When our zero rating was under pressure from the Community in the 1970s, I argued that it was needed to prevent VAT from becoming a regressive tax. Income tax is a progressive tax. By removing an essential element of VAT, the Government are turning a neutral tax into a regressive tax, to avoid using income tax—which would have been the proper thing to do.

Mr. Portillo: The proper argument against Community intervention in our zero rates is the right of the House to determine our taxation rates. It is the right of my right hon. Friend the Chancellor of the Exchequer to decide what they should be. It has been our consistent policy to move from taxes on income to taxes on spending.

Our commitment to a medium-term strategy for public spending was shown in the autumn statement. It is essential that we reduce the proportion of national income spent by the state. For the years 1994-95 and 1995-96, we are committed to real increases in the control total of 1 per cent. and less. At a time when we are committed also to increasing money for the health service and increasing the number of students, and facing pressures on social security, those are very tough ceilings. Some of my hon. Friends think that they are not tough enough. A poll of Conservative Members of Parliament published in last week's *Financial Times* showed that 62 per cent. favoured cuts in public spending.—[HON. MEMBERS: "Hear, hear."] My hon. Friends say "Hear, hear." I admire their spirit, and I will welcome their support for the hard decisions that lie ahead.

I have started a programme of fundamental expenditure reviews, and over the medium term and beyond they will make an essential contribution to meeting

our spending targets and to containing the size of the state. All the industrialised countries of the world are facing up to the same problem.

Mr. Robert Ainsworth (Coventry, North-East): If those are the right hon. Gentleman's policies, and given that the Government have been in power 14 years, can he explain why public sector expenditure is 44·75 per cent. of gross domestic product? Why is that figure higher than it was when the Conservatives took office from a Labour Government in 1979?

Mr. Portillo: That is a curious point to be made by a member of the Labour party. The proportion of public spending in national income was higher when Labour lost to a Conservative Government. We got it down to just over 39 per cent. The figure has now risen to the mid-40s due to the recession. I am determined that it should go back down from here. That is this Government's commitment.

My right hon. Friend the Chancellor used yesterday's Budget not just to raise revenue but to pursue tax reform —most notably, by increasing the 20 per cent. band. When he introduced that band, Labour dismissed it as a gimmick, even though a 20p band was its policy also. Labour claimed that we would never get anywhere with it —i underestimated us in that. My right hon. Friend is determined to extend the 20p band year after year, until it becomes the basic rate of tax for all and the top rate of tax for most. For 5 million taxpayers, that pledge is already met—delivered, despite the recession, in the very first Budget of this Parliament.

The Budget accepts Britain's responsibilities towards the environment. The Rio convention was in June—after the election. It radically affects the view that we have to take and our judgment of how taxes must be raised. Reducing the quantity of carbon dioxide that the United Kingdom puts into the atmosphere is not easy or cheap. The Government are in earnest. My right hon. Friend the Prime Minister put Britain's name to the United Nations convention on climate change. Along with others, we are committed. We have to reduce carbon dixoide emissions by 10 million tonnes by the year 2000. The Budget measures, along with the steps that we have already announced, will deliver a reduction of about 7 million tonnes. We are therefore two thirds of the way to meeting our commitment, less than a year after the Rio convention was signed.

We have carefully chosen the way in which we shall reduce emissions. The extension of VAT to fuel and power will help us to meet our Rio convention commitments and minimise the burden on industry. Indeed, it brings domestic consumers of fuel and power into line with industrial and commercial consumers, who already have to pay VAT on their energy bills.

The House will recall the dreadful humbug that we have heard from Opposition Members. Labour's election manifesto of April 1992 proclaimed:

"The greatest challenge we face is the responsibility to ensure the survival of the planet."

Opposition Members might have done better to concentrate on the survival of the Labour party.

Mr. Chris Smith (Islington, South and Finsbury): Will the right hon. Gentleman give way?

Mr. Portillo: I shall give way later. I am coming to the hon. Gentleman.

The leader of the Labour party was up there, leading on greenery. He said:

"Protection of the world environment must move to the top of the international agenda."

Bravely said. There he is—the jolly, green giant of Monklands, East. His words were fine, but where is the beef? Labour talks about the environment; it lectures about the environment; it preaches about the environment; it chops down trees and prints policy documents about the environment. But anyone who studies Labour very closely will find no green roots—a few green nuts perhaps, but no green roots.

How would Labour achieve our Rio commitments? Would it perhaps impose a national speed limit of 35 mph? Would it introduce a new Eurotax? Would it build more nuclear power stations? Or would it close all the coal pits in the country? The decisions that we have made take us two thirds of the way to meeting our commitment, two thirds of the way to Rio—just about as far as Caracas. The Labour party has not got as far as Clapham junction.

Mr. Chris Smith: The right hon. Gentleman may like to tell us why his proposal to impose VAT on domestic fuel will reduce carbon dioxide emissions by less than 1 per cent. He may also want to remind the House that the Labour party's proposal, published a month ago, on a national programme for energy efficiency work would be four times as successful, at no cost to the taxpayer, and with no imposition on households.

Mr. Portillo: The hon. Gentleman must acknowledge that the VAT change will enable us to achieve 15 per cent. of the Rio commitment. It will account for 1·5 million tonnes of the 10 million tonnes to which I have referred. The hon. Gentleman's remarks puzzle me very much. I have here a copy of something he wrote in *Green* magazine of February 1993—just last month:

"Back in 1990 I proposed a series of small but effective tax measures, none of which have yet been put into practice. If I were Secretary of State now I would twist the Chancellor's arm right up his back to see these implemented."

So what are these tax changes that the Labour party wants to introduce? Not VAT, perhaps? If they did not involve VAT, however, by now the hon. Member for Dunfermline, East would surely have risen to say that he would definitely repeal the imposition of VAT on fuel and power. We are led to the interesting conclusion that what we have done is precisely what Labour proposes to do.

Mr. Chris Smith: The Chief Secretary is talking nonsense. If he had eyes in his head, he would have read the proposals for tax changes that we published in full three years ago. We stand by those proposals, not one of which included the imposition of VAT on domestic fuel.

Mr. Portillo: I will tell the hon. Gentleman how I reached my conclusions. I note that the hon. Member for Dunfermline, East has not chosen to deny the charges that have been put to him. He has visited one studio after another, but he has not once denied that he will maintain VAT charges on fuel and power. When asked about it by my hon. Friend the Member for Woodspring (Dr. Fox), he made no answer. Silence was not only golden in this instance; silence was Gordon.

I have examined the matter closely. Watson might say, "Very curious, Holmes", but it is not all that curious, Watson. Labour's policy document "Looking to the Future" stated:

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"Zero-rating on items such as food, fares, books, and children's clothing should remain."

Hon. Members should note that, cunningly, the document did not mention fuel and power. A most significant omission, Watson. The document went on to say:

"We will look at ways of . . . increasing taxes on environmentally damaging products".

Aha! I deduce from that passage that Labour was planning to put VAT on fuel and power all along. Elementary, my dear Watson—but there is more.

A Labour document produced after the election, entitled "Agenda for Change", talked of

"developing a range of green taxation incentives"

and "fiscal incentives". Most tellingly of all, only a month ago *Tribune* stated:

"Labour's Shadow Chancellor is expected to announce . . . proposals for green taxation".

What a dreadful end. Hanged, Watson, with words from his own mouth!

The Budget helps business. It helps exporters, by increasing export cover; it helps British companies, and foreign-owned companies that want to invest in Britain, by tackling the problem of surplus advance corporation tax; it helps small firms by encouraging fixed-rate lending; it helps entrepreneurs by letting them reinvest the capital gains that they make from selling their businesses; it helps the construction industry by setting out new plans to build the channel tunnel rail link and the Heathrow Express; it helps the self-employed by offering them perhaps the greatest ever package of deregulation for small businesses, covering self-assessment, statutory audit, VAT cash accounting, bad debt relief and VAT penalties; and it helps every one of the 800,000 businesses that were facing large increases in their rates bills.

The hon. Member for Dunfermline, East concentrated much of his speech on unemployment, but I found his lack of grasp alarming. His prescription is "First tackle unemployment; recovery will follow." Dr. Brown treats the symptom first, rather than the disease. In fact, Governments must first provide for recovery; then they can secure lower unemployment. The order cannot be reversed. In his speech today, the hon. Gentleman was hopelessly confused on that point, expressing the belief that reducing unemployment would produce recovery. That is a complete misunderstanding of the position.

In a *Guardian* interview on Saturday, the hon. Gentleman committed the Labour party not only to full employment, but to full and fulfilling employment for everyone—not just jobs, he said, but good jobs. That is an admirable aspiration, but, with the hon. Gentleman's policies, it is an impossible dream. The hon. Member for Peckham has been more cautious. I think that she may be developing some chief secretarial tendencies after all. Interviewed on Channel 4 by Vincent Hanna, the hon. Lady said:

"What we are committed to is full employment redefined to take account of the changing circumstances of the economy."

Vincent Hanna said:

"So it's not full employment."

The hon. Lady replied:

"No, it's just a new definition of full employment."

However redefined, full and fulfilling employment for all would not be achieved by Labour. The party's claims are a sham, a cruel deceit of the unemployed and a remarkable piece of political dishonesty. The truth is that Governments cannot spend their way out of unemployment; what we can do is help the unemployed to improve their skills. The long-term unemployed can lose both skills and motivation, but the Budget contains measures specifically designed to help them. A total of 30,000 long-term unemployed will be able to take courses at colleges of further education, and will receive an allowance based on their benefit. We shall enable 60,000 more to tackle the tasks that are crying out to be performed in our communities.

On top of that, we shall set up innovative pilot schemes, paying a subsidy to employers who take people on to their books after they have been out of work for a long period. The subsidy will be based on benefit rates. It will be withdrawn in stages, but we hope that, by then, many of the people concerned will have proved themselves, and that their employers will be happy to keep them on. Those are truly pioneering schemes, and they have been widely welcomed.

These Budget schemes cost money—£230 million in all. Our latest proposals add to the large amount that the Government already spend on training and help for the unemployed. We are now spending £2·8 billion a year on helping the unemployed, and offering 1·5 million opportunities. If those whom we are now training are to find jobs in future, however, we need sustained recovery and a sound economy. Unemployment can be brought down; jobs can be created. Between 1984 and 1990, the United Kingdom economy produced 3 million extra jobs. That was the best performance in Europe. Even now, Britain still has more people in work than it had 10 years ago, and more of the work force are employed than in any other major European Community country.

We have the conditions for recovery and job creation. We have the lowest interest rates in Europe; inflation is below the European average and at its lowest level for a quarter of a century; we have the lowest corporation tax rates in the European Community or the G7; we have a top income tax rate of 40 per cent., which is much lower than the top rate in Italy, Germany and France; we have rising manufacturing investment, rising productivity—it is rising faster than it has for five years—rising manufacturing exports, the highest level that we have ever had, and rising business optimism: it is at its highest for five years. Moreover, the punitive regulations of the social chapter will apply to others, but not to us. For that reason, foreign companies are flocking to the United Kingdom.

The Budget has created the conditions for a lasting recovery. It helps business and tackles Government borrowing: it provides a climate for growth. British business is enjoying low inflation and low interest rates. It knows that the Government are responsive to wealth creators; it sees that we have established a clear strategy to control spending and raise revenue. That is the achievement of this Budget and that is why I commend it to the House.

4.48 pm

Mr. A. J. Beith (Berwick-upon-Tweed): As I listened to the Chief Secretary, I recalled that he had written a pamphlet entitled "A Vision for the 1990s". I wondered whether this was the Chief Secretary who argued in the pamphlet for

"an ultra low tax, high growth economy."

He is the Chief Secretary who has to describe to us an economy which is not growing and who is trying to defend a Budget which includes significant tax increases. However, he is also the Chief Secretary who wrote in the pamphlet:

"No Conservative can want to rest at present levels of taxation in Britain."

He has certainly given a new meaning to that phrase.

It has now become clear that the Government are a tax-raising Government. Of course, that was the case before it was less clear. The Government have raised taxes regularly and consistently. The question that the Chief Secretary left with us, even at the end of his speech, is how much more are the Government prepared to raise taxes in order to deal with the public sector borrowing requirement which they forecast? Even on the Government's own assumptions about recovery, there is a £30 billion PSBR at the end of the period described in the forecast. From what the Chief Secretary said, that does not sound like something he is prepared to accept or approve. Is there a further strategy of more tax increases if the Government are shown to have been too optimistic and if the recovery does not occur? That is the question that Ministers must answer in the debate.

It is a question asked not only by hon. Members but by the markets and those who lend to the Government. If the Government are so confident, one wonders why they are prepared to offer such a high real rate of return on gilts to the market. If inflation is going to be kept down to the extent that the Government prophesy, they are offering a very favourable rate of return on gilts.

The Budget confirms failure and does not build success. The price of that failure is visited heavily on the many families and individuals on low and modest incomes, through the 1p on national insurance and the 17·5 per cent. value added tax for fuel. The useful aspects of the Budget, such as the adoption—on a limited basis—of our proposal to convert benefits into a job subsidy for the long-term unemployed, are simply not enough to speed up recovery.

Of course, I welcome the fact that the Government have shown an interest in our proposal, but I was surprised that they want to limit it to people who have been unemployed for two years. Many more people who have been unemployed for between six months and two years could also benefit from the scheme. The idea of introducing only a pilot study will mean that, on the Government's best assumptions, a maximum of only 10,000 people can be helped. We believe that many more could be helped without significant cost to the Exchequer. The idea is to transfer benefits to a job subsidy. Our proposals involved transferring only part of the benefits so that any displacement costs would be covered. However, the job-encouraging projects are not sufficient to speed up recovery, and nor are the capital projects.

Very little is new in the capital projects which the Chancellor chose to mention yesterday. The Heathrow link has been with us for ages, and proposals and Bills have been before the House for a long time. It is no great new bonus to the construction industry. The channel tunnel link has been thrown into absolute confusion by the Government's announcement. British Rail has done all its work for a King's Cross terminal, but the terminal is now to be at St. Pancras. We hope that the project will go ahead, but it will be delayed and further confused. It seems that crossrail will disappear without trace on the basis of yesterday's announcement.

Let us consider the autumn statement. We were told, very disingenuously, that the Jubilee line was to go ahead. That announcement was made in the autumn statement, but the line is still not going ahead because the private sector does not think that the funding which the Government have so far offered is adequate. That was the case when the announcement was made, and it is still the case. The capital projects are far too limited to promote a real recovery.

What does the Budget tell us about the general economy? It tells us how big a mess the Government have got us into—a £50 billion deficit and little sign of the promised post-election recovery. We were promised, as soon as it was announced that the Conservatives had won the election, that recovery would take off. It did not happen. Instead, we have massive unemployment, which makes the debt problem spiral. We cannot tax our way out of that spiral. We must reduce unemployment if we are to give confidence to business and to individuals.

Individuals do not rush out to buy goods in the shops, even if interest rates are lower, because they fear that they or their families will be hit by unemployment. They may now fear that they will be hit hard by the tax changes which are to come. Even if it is relatively cheap to borrow capital, businesses will not borrow if they see no prospect of selling the goods that they make because they will not have a return on that capital.

It is necessary to have capital spending of a kind that will benefit the construction industry. It is necessary to have a job start scheme on a much larger scale. It is also necessary to help small businesses—an area in which the Government have taken up a number of the ideas that we and small business organisations suggested to them.

In some cases, the Government could have done more. The VAT threshold for accounting could have been raised to a much higher level. The Chief Secretary must bear in mind that companies which have tried to cut their costs or have tried to expand by moving premises will not benefit from transitional relief, so they still have the problem of the uniform business rate. There were some helpful changes in that sector, but they do not add up to enough to make the vital difference.

A more comprehensive programme of the kind that we advocate would need to be backed by an anti-inflation monetary discipline, but we do not have that. The Chancellor was fascinating and revealing on the subject of the exchange rate mechanism. He explained what a good thing it had been and how valuable in reducing inflation but how much better off we were going to be now that we were out of it. He made it sound as if we had been to a health farm for a couple of weeks to lose weight, but, thank goodness, we did not need to go back again. It is not like that. Sooner or later we shall need to apply an effective anti-inflation discipline again, but we do not have it. All that we have is a series of indicators from which the Chancellor can pick and choose, depending on how he feels when he gets up in the morning. That is not a coherent or understood basis for monetary policy, and not one on which the Government and the markets can rely.

With neither the type of programme nor the discipline that I have described, we face the prospect of sustained high unemployment as well as a continuing high public sector borrowing requirement, even if the Chancellor's optimism is justified. How is that hole to be filled? That question has not been answered.

[Mr. A. J. Beith]

Let us consider the tax measures that the Government have introduced. The Chancellor announced the tax on domestic fuel with a thinly veiled attempt to curry the support of the Eurosceptics in his party. That technique has not been developed very successfully by Government Whips in any event but, in this case, the Chancellor tried to curry that support by arguing that it would be not a European but a British tax. The Eurosceptics might be expected to oppose the harmonisation of VAT rates, but the Chancellor said that there would be no nasty European energy tax for us as we have a much nastier tax of our own.

It is much nastier because it is not an energy or resource tax. It is not directed at resource use or pollution. Orimulsion and windpower are taxed on the same basis under VAT. Oil and solar power have the same impost levied on them under VAT. They will attract VAT of 17·5 per cent., as will the standing charge which is so hated by pensioners who try to keep down their energy costs. All will be subject to 17·5 per cent. VAT. The new arrangement does not discriminate as a carbon, energy or resource tax would.

Just such a tax is on the agenda of the Council of Ministers and will come up in April under the Danish presidency. It appears that it is backed by a great deal of Danish commitment. The Chancellor has sought to pre-empt the decision by substituting a tax which does not draw any distinction on the basis of energy efficiency, of pollution or of resource use. It is a tax designed to raise revenue, but the Chancellor would be a very disappointed man if it achieved its effect. If the tax had the effect of drastically reducing energy consumption, he would not get his revenue.

The tax will not have that effect because it is targeted at those whose demand for energy cannot be elastic. It is directed not at industry but at the ordinary domestic consumer. It will bear heavily on families who have no choice, especially tenants of badly built houses, which are not energy efficient. Those people have no choice about where to live—they probably live in the only house allocated to them when they applied to the council. The tax will hit pensioners hard, especially in the north and in Scotland where energy costs are necessarily higher. The unspecified benefit changes, which the Chief Secretary was unable to define or explain, will not help those who are just above the benefit levels.

It is a stock response of Governments, when introducing a new penal impost, to say, "There is no need to worry, because poor people will be helped by benefits." On the basis of what we have heard today, I do not think that they will—but apart from that, it is on the many people who are struggling to pay their way and who are not entitled to any benefits at all that such a tax bears so heavily. Pensioners with just a little bit of capital saved for their retirement, who receive no benefits because of those savings, will receive no compensation for the energy tax. Working families just above benefit levels are among the people who will be hit hard.

The Chancellor should remember his election campaigns. He should remember the way in which he attacked other parties for the possibility that they might introduce taxes on energy. He has proposed a far more drastic petrol tax than we did, and without any of the safeguards for rural areas. Would he be kind enough to trawl through the stock of Conservative leaflets that argued so vigorously and bitterly that anybody who voted Liberal Democrat risked higher energy charges, especially charges on petrol? The Government have gone far beyond anything that we proposed in either direction.

Let us examine the other key taxation element in the Budget—personal taxation. The most devious tax increase is the raising of employee's national insurance contributions. In all but name, that is an increase in income tax —something that the Conservatives said that they would not introduce. It is even worse than an increase in income tax, because it is not as fair. It does not apply to higher levels of income, and makes the anomalies of the national insurance system even worse—national insurance does not apply to perks and all the other factors that the income tax system covers. That is because of the distinctive, and now outdated, character of the national insurance contribution.

The Chancellor tried to justify the increase in national insurance contributions by saying that there was a shortfall in the national insurance fund. But Ministers know perfectly well that the fund has become a fiction, and that there will still be a shortfall in it. This is a tax increase, and it was designed to be a tax increase—but it is a badly designed tax increase.

The broadening of the 20p income tax band is worth only £25 next year for someone earning as little as £5,500 a year. That will not even offset the increase in employees' national insurance contributions. Someone on average earnings will be £125 worse off because of the increase in national insurance contributions, even after the extension of the 20p income tax band has been accounted for. When the freezing of the personal allowance has been taken into account such a person will be £215 worse off. Ministers' descriptions of what they are doing have not been entirely accurate or fair.

Mortgage interest tax relief is another subject on which Ministers have consistently attacked other parties for considering measures on which they themselves are now embarking. I vividly remember how, during the general election campaign, our proposals for radical reform of mortgage interest tax relief were furiously attacked by Ministers who implied that Conservatives would never touch this sacred benefit—it was to be preserved for all time. Now they have restricted mortgage tax relief further, but there has been no genuine radical reform. The Government are not transferring help to poorer people so that they can buy houses.

The basic trouble with the system, even when it is modified by being restricted to the 20p rate, is that it still gives a lot more help to people who can afford to buy larger and more expensive houses, with larger mortgages. Furthermore, people paying little or no tax cannot benefit from the relief. There is no longer the old alternative of the option mortgage scheme that used to direct help to people on low incomes who were trying to buy houses.

The Government seem to recognise that mortgage interest tax relief is not a good system. Indeed, I believe that there is increasing recognition of that fact even among Conservatives who fought the election pledged to preserve the system for ever. However, if the Government intend to reform the system, they should do so in ways that genuinely help people suffering hardship, and assist the housing market, too.

There are in the Budget measures helpful to industry and small business. Some of them, such as the cash

accounting on VAT, are cut-down versions of our proposals. Several measures have, rightly, been welcomed by the CBI and other industrial organisations.

The advance corporation tax proposal is so complicated that I decline to give a more considered judgment on it until I have examined it for a lot longer—but action clearly needed to be taken, because the old system operated against the interests of some of our best and most efficient exporting companies. I hope that the Government have got it right. We shall discover whether they have when we examine the measure in more detail in the Finance Bill.

My anxiety is that the changes do not add up to a programme that will restore confidence, let alone a programme to rebuild the manufacturing industry about which the Prime Minister now says that he has always been concerned. The Budget is the bill that taxpayers are having to meet for the catastrophic mismanagement of the economy under the Conservatives. It does not relieve that bill with any adequate stimulus for recovery, and it exacts payment through the very taxes that the Prime Minister and the Chancellor promised not to increase—the very taxes that they accused other parties of favouring. That is not so much the Clinton approach as the Bush approach —one goes into an election campaign denouncing things which one then goes on to do. Perhaps the Conservatives will be able to demonstrate that that is the only way to win general elections. That would be a cynical commentry on the way in which politics have developed. The Conservatives have debased politics by seeking election on a platform of low taxes while pursuing a policy of high taxes,

Mr. Rod Richards (Clwyd, North-West): Does the right hon. Gentleman recall his party's document, "The Policy Declaration for the Social and Liberal Democrats", dated 1988 which says:

> "The party should therefore not be afraid . . . to extend VAT over several years to food, children's clothing, domestic fuel, newspapers and financial services"?

Will he comment on that?

Mr. Beith: I recall that document vividly, and also how totally it was repudiated within six hours of its having been produced by the two then leaders of the party. I recall that occasion with special affection, because I was one of those who was most determined to repudiate the document. On this matter it was plain wrong, and I am sorry that the hon. Member for Clwyd, North-West (Mr. Richards) has not only read it but been influenced by it, and is pursuing part of the policy set out in it. In that respect it was plain wrong. I said so at the time, and so did my parliamentary colleagues, which is why the document never became party policy.

I was arguing that the Government have bebased politics by seeking election on a platform of low taxes while pursuing a policy of high taxes. They have reduced the economy to the point at which, according to their own forecasts, even the large tax increases proposed will achieve not a balanced budget but a £30 billion deficit. The Government should go.

I believe that the British public are entitled to a re-run of the general election, in which the Conservative party is required to stand on the policies that it is in fact pursuing. I invite the Prime Minister to arrange just such a re-run of the general election. I am sorry that, for the saddest of reasons, it is only the voters of Newbury who will have the opportunity to deliver that judgment.

5.7 pm

Mr. Michael Jopling (Westmorland and Lonsdale): I hope that the right hon. Member for Berwick-upon-Tweed (Mr. Beith) will forgive me if I do not follow him exactly, except to say that I was interested to hear another example of the typical Liberal Democrat party posture of having a new policy every day. If the policy that they have tomorrow does not suit them, they change it for the day after tomorrow.

The right hon. Gentleman used words such as "catastrophic failure of economic policy" to describe the Government's performance. I guess that, in the middle of the recession, opposition parties all round the world are using that parrot cry about the Governments with which they are confronted. It is not very constructive.

I hope that my remarks will be short, and I shall divide them into two parts. First I shall speak about the Budget; secondly, I want to express my significant anxieties about where it leaves us for the future.

I welcome the Budget, which I believe is constructive and helpful. I especially welcome some parts of it. In my constituency, where there are many small businesses, the measures proposed by the Chancellor, especially those on VAT, will be a huge help. I hope that the House will endorse those measures when the time comes. I declare an interest as a director of Blagden Industries. We have been enormously penalised by the imposition of advance corporation tax, so I welcome the proposed changes to that.

I want to be brief, so I shall not dwell further on the Budget, except to say that I have grave anxieties about a public sector borrowing requirement of £50 billion this year. That is too much. Although the Government are right to spend more in a recession and to put up their borrowing requirement—Keynes is not yet dead, I guess —I point out to my right hon. Friend the Chief Secretary that I told him some weeks ago that there should be significant increases in taxation, given that level of public sector borrowing requirement.

I hope that the Government have gone far enough in the Budget. I am enormously concerned to read the public sector borrowing requirement projections for the years ahead. They are summarised on the second page of the pamphlet published by the Treasury yesterday which is entitled, "The Budget in brief". Table 1, which deals with the public sector borrowing requirement, shows that, starting from £50 billion in 1993-94, there is a continuing PSBR, ending with £30 billion in the financial year 1997-98. When one adds up the figures, one realises that the horrific figure for the PSBR in the six years up to and including 1997-98 is no less than £233 billion. That figure should cause every one of us, especially Opposition Front-Bench Members who have been pleading for more and more Government spending, to hesitate.

I am really alarmed when I see in the Red Book what is projected to be the cost of servicing that massive debt. I invite the House to turn to page 73 of the Red Book and to look at the figures for central Government debt interest. The figure is due to rise from £17·5 billion in 1992-93 to £26 billion in 1995-96. What the Red Book does not make clear is the figures that are made clear in "The Budget in

[Mr. Michael Jopling]

brief". In the extra two years up to 1997-98, there is a further PSBR of £35 billion in 1996-97 and another £30 billion in 1997-98.

It is almost impossible to avoid the conclusion that, in 1997-98, we are likely to have to look for £30 billion in debt interest. We shall be in the most uncomfortable position in that year, because, while borrowing £30 billion, we shall have to find another £30 billion to pay the interest on the debts that we have incurred.

Mr. William Ross (Londonderry, East): I am interested in what the right hon. Gentleman says, because I have also noticed the figures. Does he think that the figures given for debt interest are too low, given that the total debt at that time must be more than £400 billion? Surely the Government must be projecting a debt interest rate of about 7 or 8 per cent. per annum. I fear that, with that level of debt, we shall not get money at such a rate of interest.

Mr. Jopling: If the hon. Gentleman looks at table 1 in "The Budget in brief", he will see just above the figures I mentioned for PSBR for six years the figures for the percentage of gross domestic product. It is all right to have a relatively high percentage in a single year, or even for two or three years. I commended the Government for that. However, to continue that for six years—as I said, the figure is £233 billion over six years—should cause anxiety to all of us.

I attempted to examine the implications of that huge bill in debt interest for the future rate of taxation necessary to pay for it. Having consulted the autumn statement tax ready reckoner, which the House has before it, I am forced to this conclusion. Revalued to 1993-94 prices, the increase in central Government debt interest from £17·5 billion in 1992-93 to £26 billion in 1995-96 is equivalent to about £6 billion. To raise that additional revenue at 1993-94 income levels would require an increase in the standard rate of VAT of about 2·75 per cent. or an increase in the basic rate of income tax of about 3·5 per cent., assuming that the increases applied for a full year.

I have made it clear that the figures in the Red Book take us only up to 1995-96 whereas the PSBR projections go up to 1997-98. There is a further £65 billion of debt added in the final two years. Extrapolating from those figures, the implication of what is in the pamphlet is that paying for that debt would require either an increase in VAT at that time of 4 per cent. or an increase in income tax of 5 per cent.

Mr. Townend: Does my hon. Friend agree that there is an alternative? That alternative is to take a long and hard look at public spending.

Mr. Jopling: I am coming precisely to that point, but I am grateful to my hon. Friend for raising it. My hon. Friend has arrived at the next point in my thought process slightly before I got to it. The figures for debt interest in the years ahead just will not do. The Government really cannot go on on the basis of those figures for the years ahead.

The Treasury has three options for dealing with the situation, which will otherwise be intolerable. The first is to increase taxation. The second is to spend far less, as my hon. Friend the Member for Bridlington (Mr. Townend) suggested. The third is to engineer much faster growth in the economy. The Government are likely to have to do all three. I hope that they will not cringe from further taxation in the November Budget or after that.

I hope that my right hon. Friend the Chief Secretary will be more than usually tough and hard in the public expenditure survey round, which I presume will be, as usual, in the summer and autumn. I hope that the Chancellor will continue to do what he has been doing to encourage business, to encourage the economy and to get more growth. Clearly, that is a way in which we can find the funds to deal with the extremely worrying situation that will develop.

To sum up, the Government have been correct this year, but the projections for the next four years are unacceptable. There is a great deal of hard work to be done, and the Government will have to take a great many tough decisions. I urge them not to shrink from taking them.

5.19 pm

Mr. Dennis Canavan (Falkirk, West): There were great hopes that yesterday's Budget would be a Budget for jobs. Sadly, however, those hopes have been dashed. The whole country needs a Budget for jobs, given that, even according to the Government's official figures, there are 3 million people unemployed. We all know that the Government have tried to fiddle the figures more than 20 times and that the real level of unemployment is over the 4 million mark, which means that unemployment has quadrupled since the Tories came to power.

Much has been said about the social cost of unemployment, but the economic cost is also considerable. It costs the Treasury about £9,000 per year to keep a person on the dole rather than in work. That means that, even on the Government's figure of 3 million, the total cost per year is £27 billion. It is surely common sense to ask why we cannot invest that kind of money in the creation of real jobs and real training opportunities for unemployed people. Why cannot we invest in the construction industry, in housing improvement and insulation programmes, in the provision of infrastructure, in the electrification of the railways and in the many socially useful as well as economically viable projects required throughout the country? The Chancellor specifically mentioned the Heathrow Express and the link from the channel tunnel to St. Pancras. But what about high-speed rail links with the channel tunnel from Scotland and the north of England? I detected no mention of them in the Chancellor's statement.

The Chancellor announced only a few measures that might help a maximum of 100,000 unemployed people—a mere 2·5 per cent. of the total. In Scotland alone, 62,000 manufacturing jobs have been lost in the past three years and more than 10,000 businesses have collapsed in the past year.

The Scottish manufacturing base has been decimated to such an extent that we are surely entitled to look to the Government for special measures to assist what industry we have left in Scotland. Take the Scotch whisky industry, for example. Taking into account the employment generated indirectly by that industry—in bottling, packaging and so on—it employs about 70,000 people, which is a considerable number. Yet a few weeks ago,

United Distillers proposed 700 redundancies and several plant closures, including the closure of the Rosebank distillery in my constituency.

Part of the problem facing the industry and those employed in it is the unfair competition that is the direct result of the lack of fairness in the Government's own tax regime. It is no use blaming the European Community, because the Government have the power to take unilateral initiatives to try to create a level playing field. Although they took one small step in that direction yesterday, there is still a long way to go to end the tax discrimination against the Scotch whisky industry, the unfair competition from imported wines from France, and so on. I urge the Chief Secretary to pass on that message to the Chancellor. We are grateful for small mercies, but it is about time that the Government took much more radical measures to help the industry.

The Budget is also a Budget of broken commitments. The Government have clearly reneged on their election promises not to extend the scope of VAT and not to increase national insurance contributions. They have done both. The 1 per cent. increase in national insurance contributions is, in reality, a tax increase. In fact, it is worse—and more regressive—because it will hit people on lower incomes even harder.

Probably the worst feature of the Budget, and the one that has deservedly come in for the most scathing criticism, is the proposal to impose VAT on domestic fuel and power. The Chanceller tried to justify it yesterday by claiming that other European countries do not zero-rate domestic fuel and power. Let me give him another European comparison. There has been a higher percentage increase in the number of winter deaths in this country than in other European countries of a similar climate. Many of those deaths are caused by hypothermia and other cold-related diseases.

Pensioners and families on low incomes are suffering from fuel poverty to such an extent that, particularly during the winter months, many of them face a choice between eating and heating; they cannot afford both. In Britain today, there are about 6 million homes that cannot be heated to the basic standards for healthy living set by the World Health Organisation. The 17·5 per cent. increase in domestic fuel bills will make matters considerably worse.

The Chancellor said yesterday that there will be additional help from the Department of Social Security for people on income support, but the Chief Secretary gave no commitment to my hon. Friend the Member for Dunfermline, East (Mr. Brown) who asked whether that additional help would meet the whole of the additional fuel burden that people on low incomes face.

The Campaign for Cold Weather Credits has been fighting for some time for a more equitable system of assistance to help people on low incomes meet their fuel bills during the winter. It suggested the extension of the £6 per week cold weather allowance—which is not very much, after all—to all recipients of income support during the months December to March inclusive. I understand that the total cost of that would be about £550 million. However, when I wrote to the Secretary of State for Social Services suggesting that that scheme be adopted, I received an unsympathetic and negative reply, so I am not hopeful. We shall have to wait and see what the Secretary of State comes up with in his statement, which I hope will be made soon.

The fact remains that there are many individuals and families on low incomes who do not qualify for income support and, according to the Chancellor's statement yesterday, they will get no assistance whatever to help them meet the 17·5 per cent. increase in their fuel bills.

It is ironic that many of the victims of fuel poverty are literally sitting on top of hundreds of thousands of tonnes of viable and workable coal reserves which are in danger of being abandoned because of the Government's nonsensical energy policy and proposed pit closures.

As the Liberal spokesman, the right hon. Member for Berwick-upon-Tweed (Mr. Beith), said, it is undoubtedly a feature of the Budget that people on low incomes are being asked to pay for the Government's economic failures. From when the Conservative Government came to power until the end of the last financial year, the Treasury received £132 billion in revenue from North sea oil and proceeds from privatisation of various industries and public services. What have the Government done with that money? Instead of investing it in our future, they have frittered much of it away in tax benefits to their rich friends.

Investment in manufacturing industry is 6 per cent. lower than it was in 1979. Manufacturing trade has been in deficit since 1983. As the right hon. Member for Westmorland and Lonsdale (Mr. Jopling) said, the public sector borrowing requirement is at an intolerably high level. The Government's own estimate for the next financial year is £50 billion. The Government have brought the country to the brink of economic ruin and we would be down the plug hole completely if it were not for the proceeds of privatisation and North sea oil revenues.

Sadly, the Budget is a missed opportunity. It will do nothing to promote economic recovery. It will do nothing to create real jobs or training opportunities for unemployed people. It will do nothing to create or redistribute wealth. It will reduce the living standards of people on low incomes and try to make them pay for the economic failures of this discredited Government.

The only consolation is that yesterday's Budget statement will probably be the last to be made by the present Chancellor of the Exchequer. His departure will not be regretted and I hope that he will take the Chief Secretary to the Treasury with him.

5.31 pm

Mr. Michael Brown (Brigg and Cleethorpes): I shall dwell on the last comment of the hon. Member for Falkirk, West (Mr. Canavan) because it is frightfully important. I very much hope that my right hon. Friend the Member for Kingston upon Thames (Mr. Lamont) delivers the next Budget and the next public expenditure round with my right hon. Friend the Member for Enfield, Southgate (Mr. Portillo). It is essential that the policy which my right hon. Friend the Chancellor of the Exchequer announced yesterday is seen through.

I have never suggested to my right hon. Friend the Prime Minister whom he should or should not have in his Cabinet, but I intend to do so today. I hope that he will bear it in mind. It is essential that my right hon. Friend the Chancellor of the Exchequer should present the next Budget, and especially the one after that, because he must see through the strategy that he produced yesterday for economic recovery and to deal with the public sector borrowing requirement.

[Mr. Michael Brown]

I have absolute confidence in the Chancellor of the Exchequer. [HON. MEMBERS: "Why?"] I will tell Opposition Members why. Yesterday's Budget was the 15th that I have listened to on these Benches. The Budget which I cheered most loudly was the one delivered in 1981 by Lord Howe.

Mr. Peter Mandelson (Hartlepool): It did not get the hon. Gentleman a job though, did it?

Mr. Brown: No, it did not get me a job, but it won the 1983 general election. It sowed the seeds for winning the 1987 general election. The hon. Member for Hartlepool (Mr. Mandelson) seems more interested in jobs here. I am interested in jobs out there in the constituencies. I am more interested in jobs in Brigg and Cleethorpes than the hon. Gentleman is interested in jobs.

The Budget in 1981 sowed the seeds for our election victory in 1983. It sowed the seeds for the whole recovery of the 1980s. I cheered that Budget to the echo. It was received with total consternation by Opposition Members, and not a little consternation by Conservative Members. Yesterday, my cheers for the Budget were second only to my cheers for the Budget in 1981.

This is only the second time that I have sought to catch the eye of the Chair in a Budget debate. The last time was in 1981. What moved me to speak in that debate was what moved me to speak in the debate today. The devastating state of the economy in the late 1970s led the then Chancellor of the Exchequer to take some brave and bold decisions in 1981. He had to balance the need to restructure the British economy and take it out of recession with the need to deal with the burgeoning PSBR which had defeated Labour Governments throughout the 1970s.

Similarly, yesterday, the Chancellor, faced with the world recession and its consequences for Britain as we come out of that recession into recovery, had to deal with the problems that recessions create for the PSBR. I endorse the comments of my right hon. Friend the Member for Westmorland and Lonsdale (Mr. Jopling).

The hon. Member for Hartlepool might be interested to know that the present Chancellor of the Exchequer is the first since I have been a member of the Parliament who has been kind enough to seek my views on what should be in the Budget. So I am making slow progress. My right hon. Friend asked me at lunch earlier this year at No. 11 Downing Street what I thought should be in the Budget. My hon. Friend the Member for Richmond, Yorks (Mr. Hague) was present, and will testify to this. The only thing that I asked my right hon. Friend to do was to tax, tax hard, tax heavily and tax as soon as possible. That is not something that I like saying, but it has to be done, for the reasons that my right hon. Friend the Member for Westmorland and Lonsdale gave.

My only slight criticism of yesterday's Budget was that the medicine which was poured out should have been swallowed by the country today rather than next year or the year after. However, I fully appreciate that the Chancellor of the Exchequer has to make a judgment and balance the need to ensure that the fragile recovery is not jeopardised with the need to make sure that we deal with the PSBR.

For precisely the reasons that my right hon. Friend the Member for Westmorland and Lonsdale said were in the Red Book, if one looked closely, and in the Budget package which we received from the Vote Office, there will be consequences if we delay dealing with the PSBR now in respect of the additional moneys which my right hon. Friend the Chief Secretary will have to find to service that PSBR. It is essential to deal with it.

My right hon. Friend the Chief Secretary was involved in the public expenditure round last autumn. Many hon. Members on both sides of the House cheered that public expenditure statement to the echo. I was more hesitant with my cheers then, since I felt that the public expenditure settlement was reasonably generous. I knew that there would be consequences, and we heard them in the Budget yesterday.

I give my right hon. Friends the Chief Secretary and the Chancellor of the Exchequer every encouragement to take whatever difficult decisions have to be taken, even if they impact on the various spending hobby horses which every hon. Member in the House has. I have my own. I fully acknowledge that I may have to make sacrifices.

One thing is clear. I support the Government's economic policies, Mr. Deputy Speaker, because if you come to Brigg and Cleethorpes, you will see the recovery taking place. Even Opposition Members and the hon. Member for Hartlepool might make a journey to my constituency. They will see for themselves that today unemployment in my constituency is below the national average, whereas it touched just over 20 per cent. in the 1980s, due to the decline in the steel and fishing industries. It is an industrial constituency and unemployment is now below the level at the 1987 general election.

Mr. Mandelson: If, as the hon. Gentleman said, recovery has come to his constituency, can he answer two questions? First, why has unemployment risen by 2,000 in his constituency during the past two years? Secondly, if recovery has occurred, would he tell us the secret of his constituency's success, so that we can share it?

Mr. Brown: Yes, I would be happy to do so. First, I suggest that the hon. Gentleman goes to the Library and looks at the figures for my constituency before he quotes statistics. Two years ago, in January 1991, unemployment was 3,932, and in January 1993 it was 5,267. I do not know whether, if one subtracts one from the other, the answer is 2,000.

Mr. Mandelson: Will the hon. Gentleman give way?

Mr. Brown: No. I now understand why the Labour party has such difficulty with figures. They cannot even get them right when they make cheap political jibes about other people's constituencies.

If the hon. Member for Hartlepool cannot be bothered to go and look for himself, I can tell him that there were massive redundancies in the steel industry in the early 1980s. Thanks to the Conservative Government's infrastructure policies, my constituency was made a development area, whereas previously it was an assisted area.

In the early 1980s, thanks to my noble Friend Lord Joseph, we secured two enterprise zones for my constituency. If the hon. Member for Hartlepool took a

journey along the River Humber today, he would first see SCM Chemicals, a Hanson Trust company, which employs about 700 people.

If he had accompanied me to my constituency last Friday, he would have had the opportunity to go to Hydro Fertilisers, which is a large chemical factory—*[Laughter.]* It is no laughing matter. That large company is based in my constituency and employs about 1,000 people. Last Friday, I attended the opening of its new nitric acid plant, which involved a £5 million investment.

If the hon. Member for Hartlepool had accompanied me to my constituency two weeks ago, he would have been able to enjoy a visit by the President of the Board of Trade, who performed the topping-out ceremony at the—*[Laughter.]* The hon. Member for Hartlepool seems to think that this is a laughing matter.

Mr. Mandelson: It is hilarious.

Mr. Brown: He says that it is hilarious. My right hon. Friend the President of the Board of Trade performed the topping-out ceremony at Kimberly-Clark's Kleenex factory, which will create 700 jobs at the end of the year and 2,700 jobs by the end of next year.

Mr. Portillo: I wonder whether my hon. Friend listened to the Opposition going on earlier about unemployment and manufacturing industry, and whether he can account for the fact that, when he mentioned jobs, manufacturing industry and companies by their names, Opposition Members were convulsed with hilarity.

Mr. Mandelson: It's the way he tells 'em.

Mr. Brown: I cannot account for the reaction of Opposition Members when confronted with the reality of the recovery. I cannot understand Opposition Members' hilarity when I mentioned the employment and expansion policies of companies along the Humber estuary, but I shall ensure that my constituents are made aware of their attitude to serious evidence.

We shall leave the Kimberly-Clark factory, where the President of the Board of Trade performed the topping-out ceremony, and move on to Associated British Ports, which runs a large dock in my constituency—the port of Immingham—where jobs are increasing monthly. Then, we arrive at the power stations. The construction industry has been busy, and fabrication yards in south Humberside full, as National Power and PowerGen's power stations near completion.

The shadow Secretary of State for the Environment, along with other Opposition Members, made much of dealing with the Rio summit and of how the Labour party would implement its provisions. He attacked the Government for applying value added tax to energy bills. The two power stations in my constituency will be able to generate electricity while emitting no sulphur dioxide and virtually no carbon dioxide. My constituency is at the forefront of ensuring that we produce energy in a way that does not result in carbon dioxide emissions.

I have no difficulty in accepting the provisions in the Budget. They will make an important contribution to the recovery and, more importantly, to dealing with the public sector borrowing requirement.

If Opposition Members would like to visit my constituency, I should be only too happy to escort them and to show them the industrial development there. The infrastructure laid does in the 1980s, as a result of Government investment in roads and the motorway system around south Humberside, is one of the major reasons why we have been able to attract inward investment from abroad. Brigg and Cleethorpes has one of the highest levels of inward investment as a result of policies pursued by the Government and those adopted in the 1980s. Today we are benefiting from the industrial policies of the Government in the early 1980s.

Mr. George Howarth (Knowsley, North): Will the hon. Gentleman give way?

Mr. Brown: No. I have already given way once, and I know——

Mr. Howarth: On a point of order, Mr. Deputy Speaker. The hon. Member for Brigg and Cleethorpes (Mr. Brown) mentioned Associated British Ports. Would it be appropriate for him to declare his interest, as I understand that he is registered as its parliamentary adviser?

Mr. Deputy Speaker (Mr. Geoffrey Lofthouse): The hon. Member for Knowsley, North (Mr. Howarth) is fully aware of the procedures on declaring an interest in the House, and I have no doubt that the hon. Member for Brigg and Cleethorpes (Mr. Brown) is also aware of them.

Mr. Brown: Yes, Mr. Deputy Speaker, I am proud and happy to declare that I am the parliamentary adviser to ABP, which is one of the largest companies in my constituency and which runs the successful docks at Immingham. I am certainly not ashamed to do so, and I am sorry that I did not declare that I have the great privilege to be its adviser, as ABP employs many of my constituents in Immingham and I wish the company well. I hope that it will go from strength to strength, make more and more profits and generate more and more investment in the Immingham docks, so that yet more people will be employed there. I have no hesitation in saying with pride that I wish that company well.

There are many industrial manufacturing companies in my constituency. Thanks to the successful application of Government policies in the 1980s, there is solid recovery in the British economy. I invite any hon. Member to come to my constituency. I shall be happy to take the hon. Member for Knowsley, North (Mr. Howarth) around Immingham docks. He might then learn why we have made a success of the east coast ports and why the west coast ports, including Liverpool, failed so dismally in the 1980s.

I fully endorse the Budget, and I wish my right hon. Friends the Chancellor and the Chief Secretary well in their endeavours. I hope that they both continue in their duties at the Treasury for a very long time to come.

5.49 pm

Mr. Clive Soley (Hammersmith): The hon. Member for Brigg and Cleethorpes (Mr. Brown) went to the lunch at No. 11 and called on the Chancellor to tax and tax again. The question that the Opposition want him to answer is why he did not say the same to his constituents at the general election. That was the big lie told by the Conservative party. This Budget, perhaps more than any other, will go down in history as the one that revealed that that party won the election on a lie that was bound to be found out, because it knew that the promises it gave during that campaign were untrue.

Mr. Michael Brown: My constituents know what I stand for because I have always been described by my political opponents as the arch Thatcherite of south Humberside. Since 1979 I have always made it clear to my constituents that should there be any suggestion of the Government being faced with a deficit in public finances, I would call for taxation to be increased.

Mr. Soley: That is not the answer to my question. The hon. Gentleman went along to lunch with the Chancellor and asked him to tax and tax again, so why did he not say that at the general election? The hon. Gentleman must have known then, in common with all his hon. Friends, that the country was in dire economic straits. We all knew that the public sector borrowing requirement would go up, almost regardless of what the Government did. If the hon. Gentleman is saying that he did not know that, he must be economically blind, because it was known by every economic commentator.

I accept that the Conservative party won the propaganda war of the election, but anyone who knew anything about the true state of the British economy knew that its promises were untrue. The hon. Member for Brigg and Cleethorpes may talk about the employment opportunities in his constituency, but we remember the Tory poster during the 1979 election campaign, when the hon. Gentleman entered the House, that sported the slogan "Labour isn't working". The level of unemployment under the Conservative Government, however, has been consistently higher than it ever was under the previous Labour Government. It is worth noting that the last time that inflation was as low as it is now was under a Labour Government, when the rate of growth was 2·2 per cent. and unemployment stood at a third of a million. That achievement is a measure of the Government's failure.

The failure of the 1981 Budget, which compounded previous failures, was that it destroyed the industrial base of Britain. In the early 1980s we lost close on one third of our manufacturing capacity. The policies of Lady Thatcher may have been wrong, they may have failed and done enormous damage, but at least they were espoused openly and honestly. At the previous general election the Conservative party acted dishonestly and it knew it. When Lady Thatcher destroyed the manufacturing base of British industry it was inevitable that Britain would have a weak economy. One cannot have a nation state with a weak industrial base and a strong financial structure. Britain dominated the world for so long because of our strong industrial base. Likewise, Germany and Japan have done well in the current financial world because of the strength of their industrial base. If that is taken away, one's financial strength is also lost. That is why the pound was devalued—any country would devalue in such circumstances.

Throughout the 1980s, the Government chipped away at our industrial base in such a way as to leave us terribly exposed. My hon. Friend the Member for Dunfermline, East (Mr. Brown) won an earlier exchange about Europe with his interpretation of the statistics. The findings behind another statistic, which was issued by the European Community about three weeks ago, should be made crystal clear to everyone. It reveals that, for the first time, the standard of living in Britain is below the average for EC countries. Anyone above the age of 40 will remember that this country was always in the top four in terms of EC standards of living. Now we are below the average; we are one of the poorer nations. The Government, however, try to get away with the lie that, somehow, our situation is comparable with that in other European countries because they, too, are faced with high unemployment or investment problems.

The truth of the matter is that so much damage was done during the 1980s that the Government are now trying to put together the pieces. That is the only thing that one can say in their favour. The right hon. Member for Westmorland and Lonsdale (Mr. Jopling) was right to say that things will get worse. The PSBR will continue to grow until the Government announce the true public expenditure cuts that they need to make, and which the hon. Member for Bridlington (Mr. Townend) would love them to make, to unemployment benefits. The only way in which that can be done, however, is by reducing unemployment, unless one is set on putting the unemployed on the breadline. The Opposition have always argued that one way to get the PSBR under control is not to have a high level of unemployment.

Recently, at Prime Minister's Question Time, the right hon. Gentleman reversed the policy of Lady Thatcher and told me that he sought to achieve full employment. I followed that reply with a written question and, in answer, the right hon. Gentleman defined full employment as high employment with a low level of inflation. To achieve that, however, one's aim must be full employment, but the Government do not accept that. As long as they accept a high level of unemployment, they will, by definition, accept a high level of public expenditure. That will cause them problems because they will either have to make cuts in other expenditure or conceal the dole queues in other ways.

The issue of housing finance has troubled me for a number of years. The Government have addressed it, to a limited extent, in the Budget with their changes to the mortgage income tax relief. For many years I have argued that housing finance has not only aggravated our housing problems, but caused major problems for the British economy.

Our housing crisis need not have arisen. The cuts that the Conservative party made to the provision of council housing were supposed to be designed to allow other houses to be made available for the private rented sector. That did not happen. The private sector represented 14 per cent. of the rented market when the Conservative party inherited it from the Labour Government, but it has now fallen to 7 per cent. The private rented sector is collapsing even though the Government have claimed that they want to enhance it. It is collapsing, and will continue to do so, because of mortgage income tax relief, which has always been a subsidy designed to make buying and selling houses attractive and renting housing, either as a landlord or a tenant, unattractive.

The collapse of the private rented sector has had important consequences and, to be fair, the Government now seem to recognise that, because the Chancellor is now phasing out mortgage income tax relief. That was the clear message from his decision, last year, to get rid of it for top rate taxpayers, as it was from the Government's refusal to upgrade that relief from £30,000 and their decision, yesterday, to reduce it from 25 per cent. to 20 per cent. It is clear that they are phasing out mortgage income tax relief. That is the right thing to do, but I wish that the Government would admit it. The President of the Board of

Trade admitted it when he was on the Back Benches and said some six years ago—I have a copy of his speech somewhere—that that relief should be abolished except for first-time buyers. He also said that, in any event, it should be abolished after the first 10 years. I happen to know that a number of people on the Government Front Bench share that view.

When the late Lord Ridley was Secretary of State for the Environment I said that it would be possible to revive the rented sector if all the parties agreed to phase out mortgage income tax relief. At that stage, however, the Government did not want to bite on the bullet, mainly because Lady Thatcher supported the subsidy. It is a common mistake to believe that Lady Thatcher was against subsidies; she was a strong supporter of them for private sector education, private health or house purchase. She would not allow it to be cut. If the late Lord Ridley had had his way, he would also have phased it out. We should have had all-party agreement to phase it out. But the big mistake that the Government are now making is to phase it out without putting anything in its place, which is equally stupid. A subsidy is necessary to help people to buy houses.

The reason why the earlier rescue package failed disasterously was that the Government refused to change the subsidy system. Just over a year ago—I think that it was 18 December 1991—the Government said, in response to fears that they had about the coming general election, that they would introduce a mortgage rescue scheme to rescue 50,000 families. I checked relatively recently and found that the number of families who have been rescued under that scheme is about 140, compared with the 50,000 promised. The reason for the failure is that the Government did not place money in the system to protect people with genuine difficulties over paying their mortgage.

Mortgage income tax relief is a problem and I would support the Government in saying that it should go—the Government should say that it needs to go urgently. Mortgage income tax relief has added about two percentage points to the inflation rate. Every time the Chancellor or a Government Member appears on television to talk about the inflation rate they use the phrase, "excluding mortgage income tax relief or house prices". What they mean and what Lord Lawson said some time ago is that mortgage income tax relief adds about two percentage points to the inflation rate.

The increase in the inflation rate is serious enough in a time of housing boom, but it becomes more serious when added to the other factors of housing finance. Those factors include the equity release that came in the artificial boom years of the mid-1980s, which were thought to be the Thatcher miracle years. At that time about £20 billion a year was released from housing equity as people borrowed money on the value of their houses. However, that process fuelled the import problem as they spent that money on imported goods as we had destroyed our manufacturing base. In doing so, we fuelled the boom. Lord Lawson's big mistake in his Budget was to believe that that boom was based on the real wealth of Britain, rather than artificially engendered manufacturing wealth.

Much of that equity relief came from homes that had been bought under the right-to-buy policy. It is not well known, but the total amount brought into the Exchequer under that policy was £25 billion—equivalent to all the other privatisations put together. If even a significant part of that had been channelled into housing investment, this country would have had not only better housing stock, but a more effective construction industry which was not on the rocks as it is today. Such investment would have produced the other manufacturing advantages that flow from house repairs, maintenance and new-build. It would have helped the furniture and window industries and all those sectors that constitute a large part of Britain's manufacturing base, which is linked to the construction industry and is so important to the underlying base of the economy.

In other countries where there is a healthy rented sector people do not save by buying houses and waiting for house prices to rise so that they get rich. That has not happened here in the past few years, but has normally happened in Britain. In those other countries people save money in banks and investment societies that invest in industry. People in this country have historically relied on house price inflation to make them wealthy. People in our income group—I am referring to those who rely solely on a Member of Parliament's salary, which may not apply to many Conservative Members—rely on getting rich and securing an investment for the future by buying a house that will increase in value over the years. That does not constitute investment in industry or manufacturing—it is the sort of investment that can be released and developed in other ways.

Mortgage income tax relief is also important in relation to the mobility of labour. One problem of the mobility of labour in Britain is the lack of an effective rented sector. Mortgage income tax relief restricts the rented sector so that it is not easy for people to move around. A Welsh miner in the Welsh valleys who loses his job because the Government close a mine can sell his two-bedroomed house for about £10,000, move down the road about 100 miles to Reading—not a big move—where there is some available work and buy a similar house for £100,000. The Government will not achieve mobility of labour in this country until they do something about housing finance.

I regret that the Labour party did not make as much of the housing issue as we should have done in the period leading up to the general election. If we had concentrated on the subject of housing finance we could have won the arguments, not merely on housing, but on finance and the British economy. At that time, I had developed policies designed to reform housing finance and create a level playing field for the rented sector and the ownership sector. Banks and building societies were queuing up to talk to me about how to do that.

I believed that a key issue was the need for a housing investment bank. Initially, I suggested that the Government should set up a housing investment bank into which money released from capital receipts could be invested. The sum involved would then have been about £6 billion or £7 billion, which would have provided a good package on which local authorities could draw over a period. It would also have attracted private sector money to create expansion in the rented sector.

Initially, I thought that the Government would have to set up that bank, but one major building society and two or three banks came to me and said, "Don't bother—we'll do it for you." They said that if the capital receipts were invested in the bank and they were given a guarantee on the risk factor of about 1 per cent., they would also invest in it. The construction industry was also interested in investing money in the bank as it could see the advantages

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to be gained for itself. It would have been a long-term investment bank that would have attracted funds from people wanting ot make a long-term investment as they do with pension funds.

There was a possibility of constructing the sort of bank that exists in other countries in Europe, some states of the United States and elsewhere. It would have attracted extra private money to invest in housing. Such investment would be good, not only for the housing stock, but for the construction industry. Such a bank provided an opportunity that we have lost. The Labour party should have made a strong case for it. If the Government want to steal a march on us, they should say to the building societies and banks that, although the Labour party did not give them the chance to take advantage of such a policy, they could do so under the Conservatives. At least that would take some of the homeless kids off the streets —a phenomenon that we have not seen in this country since the 1914 period—and would take families out of bed-and-breakfast accommodation.

Such a policy would also allow the Government to do something that they want to do: move towards market rents. There have been arguments about market rents, against which I have no argument as long as they are affordable. It is their affordability that matters. Market rents are made affordable by having a level playing field for owner occupation and the rented sector within the housing finance structure. If that does not exist, it inevitably follows from the economics of the policy that the market rents will be unaffordable. That is precisely what is happening. That is why housing associations are experiencing so much difficulty and the private sector will not invest.

Before the election I said what we should have done. I now repeat that and say that, in the Budget, the Government should have given private landlords tax breaks. They should have done so only on the basis of an exchange for registration so that landlords would have to be registered in order to receive that subsidy. The registration would ensure that they delivered a proper standard of housing and did not harass tenants or provide bad service. The private rented sector has always produced the worst abuses in the rented sector generally. I was quite happy to say to landlords wishing to enter the system that, in exchange for the subsidy, they should give guarantees about management standards. In that way, we could revive the private rented sector, which would benefit the economy as a whole.

Mr. William Ross: Many of us who are listening with great interest to what the hon. Gentleman is saying know that one of the great costs involved in building a house is the price of the land on which the house stands. How would the Labour party and the hon. Gentleman have dealt with that issue in terms of planning law?

Mr. Soley: I could refer the hon. Gentleman to a document that I produced on that subject—I also spoke on planning matters—and while the land issue is important, it is not as crucial as it is made out to be. Even so, I accept that we need a social use class order for planning, which would help matters considerably.

A much wider argument involves the role of local government. We needed to allow local government to designate areas for social housing. I will not go far down that road, although it is not a million miles from the Budget in that if, for example, we had had a Greater London authority and said that we wanted a certain amount of docklands land used for affordable housing, for rent or for sale, we would not have the housing problem that now exists in London. The same could have applied in other areas. That is the way to use the planning system to deal with planning provision generally.

There are many areas in which the Government could have intervened by way of the Budget to reform the housing finance system in a way that would not only help people get homes, but would help the British economy out of its structural problems.

Apart from Belgium, we are the only country with anything resembling mortgage income tax relief. It is a straight subsidy of about £5 billion which does not go to those who most need it. It does not save people from being repossessed, and when they are repossessed they go into bed-and-breakfast accommodation and everybody paying the council tax contributes to that accommodation for them. It is a ludicrous system, which is why about a year and a half ago I put to the Government a mortgage rescue scheme directed at preventing people from going into bed-and-breakfast accommodation by keeping them in their own homes.

I could speak at length on that subject. I leave it by reminding the House that throughout the 1980s the Conservatives produced a disaster in housing policy to the extent that, for the first time in 70 years, we have homeless teenage British children begging on British streets. That has come about in part, though not wholly, through a failure to address the housing finance system. The present system in Britain not only distorts housing but distorts the economy, and unless we address it more effectively we shall continue to fail in housing policy and in dealing with some of our wider economic problems.

6.11 pm

Mr. John Townend (Bridlington): Before dealing with the Budget, I must challenge some of the remarks of the hon. Member for Hammersmith (Mr. Soley) about the myth that is being fostered that the economic policies of Lady Thatcher were a disaster in the 1980s. For the first two Parliaments of her rule, we had the most successful economic policy Britain had witnessed this century.

As the Chief Secretary said, we saw the creation of 3 million jobs and an explosion of enterprise and initiative. We reformed the industrial climate—the trade unions—we reformed the tax system, and we created an enterprise society, all based on two pillars of economic policy—fiscal rectitude, moving progressively to a balanced budget, and bringing inflation down by controlling the money supply with a floating exchange rate.

The tears started to fall when we abandoned those two policies. We started giving in to the demands of people who wanted us to spend more on this and that, and the budget deficit began to rise. Lord Lawson abandoned his monetary policy—he caught the European bug; he tried to shadow the deutschmark and began dropping, when he should have been increasing, interest rates—and the economy overheated.

That was the cause of our problems today, so I am delighted that the Government have now accepted that they should go back to the earlier principles. We have left

the ERM and have a floating exchange rate, we are controlling inflation by our monetary policy and, hopefully, this year's Budget is the beginning of the control and reduction of the budget deficit.

I strongly support the broad thrust of the Budget. I was looking for three things from it. First, I wanted a Budget for recovery; secondly, I wanted a Budget that sent a message to the markets that the British Government really were serious about dealing with the problem of the deficit; and, thirdly, I wanted a Budget that would be welcome on these Benches and would form the basis for a fifth election victory. The Chancellor has succeeded on all three counts.

We wanted a broadly neutral Budget with no massive tax increases in 1993-94, which could have snuffed out the fragile recovery which is taking place. We have a package of help for industry, small business and the long-term unemployed. I have been interested in small business throughout my political career. Indeed, I started out as a small business man, so I am particularly pleased with the measures to help small businesses.

The reduction in the cost of the loan guarantee scheme will be helpful. At a time of recession, the speeding up of the repayment of VAT on bad debts is long overdue, and I am delighted with the reform of the VAT penalty regime. It was unacceptable previously that relatively small errors —even clerical errors—that could be made by any small business man should result in heavy penalties.

Certainly my hon. Friends will be delighted that there is to be no real increase in business rates this year. There will be 10,000 more places on the business start-up scheme, which is good news because, as we appreciate, jobs in the future will come from small businesses. The new manufacturing factories will create wealth, but with their robots and automation they will not create many jobs.

Further moves towards deregulation are wanted by virtually everybody. Help for industry, particularly exporting industries, is vital and it is good to see export credit cover increased and the cost decreased. The racing industry was liable to be driven to Ireland, but it, too, has been helped. We have also dealt with the problem of surplus advance corporation tax.

I am pleased that the Government have appreciated the problems of the City of London. I have been worried about the City. We felt that, with the single market, we might not do as well as Germany in machine tools and other manufactured products. But in banking, insurance and financial services, such as dealing in stocks and so on, we thought that we would sweep Europe. Unfortunately, we have suffered some disappointments in that respect.

The management of our banks has not been as good as it might have been, to say the least. Their capital has been undermined with large bad debt write-offs. The insurance industry has been badly hit. In Lloyd's there has been incompetence and, in some cases, dishonesty, and now we have the problem of TAURUS. The City is struggling. I am pleased—I say this unashamedly, being a member of Lloyd's—that the Chancellor has grasped the nettle and is helping insurance, Lloyd's and the industry as a whole to have a level playing field, with a tax allowance for reserves to deal with future claims. That will be helpful to the City. It is vital that the insurance industry survives and prospers.

All those many changes, which improve the lot of business, show that we have a listening Government. The Budget contains many measures, some of which may not seem important individually, but put together they represent a significant and helpful package.

Even so, I have some reservations, the first being in respect of excise duty. My family has been in the wine and spirits trade for generations. I am delighted that my business is in the north of England, although I am not affected personally. We are faced with the single market. The degree of increased imports by private people, duty-free, of beers, wines and spirits is extremely worrying.

I was delighted that the Chancellor decided not to increase the duty on Scotch whisky. He is aware of the problem. The brewers estimate that 10 per cent. of packaged beer consumed here is coming in duty-free. Wines and spirits are also pouring in. The Treasury estimates that it will lose £250 million in duty this year. That means a loss of business to the British industry of getting on for £1 billion. We are exporting jobs in retailing, wholesaling, brewing and packaging. It is estimated that one in six off-licences will close, with the loss of thousands of jobs.

The Chancellor said in his Budget speech:

"But there is a natural concern as well about the impact of an increase in cross-border shopping, and the effect that it might have on British businesses, particularly in the south-east. In considering what changes to make to excise duties, I have had to balance that against the need to raise revenue. I have therefore decided to raise the duties on most alcoholic drinks by only 5 per cent."—[*Official Report*, 16 March 1993; Vol. 221, c. 176.]

I have to say that that is double the rate of inflation. It is a higher level than usual. Experience in other countries —especially in the United States of America, where different states have different regimes for sales and excise taxes—has shown that, provided that differences in retail prices do not amount to much more than 5 per cent., there is no serious damage. However, once the difference increases to higher levels, damage is done.

The duty on a bottle of wine in France is 3p. We have now put up our duty to £1, so hon. Members can appreciate the enormous difference. Far from increasing the gap, surely my right hon. Friend the Chancellor should have kept the duties the same for at least this year, and then progressively brought them closer to the French and Belgian levels. As the spokesman for the Brewers Society said today, there will be a growing black market in beer and wine, imported and sold to the trade. It is a charter for the wide boys.

Mr. Martyn Jones (Clwyd, South-West: As someone employed in the brewing industry for 19 years, I have to agree with the hon. Gentleman. Does he agree with me that the Chancellor has given himself a tremendous problem over the next couple of years, as he will have to equalise the duty in the United Kingdom with that of our EC partners? He has increased the duty; and he will have to bring it down from about 40p on the pint equivalent to 4p on the pint equivalent.

Mr. Townend: My understanding is that there will be complete harmonisation. As I have said, the increase will distort the market and export jobs. I do not advocate that we reduce our duties to 3p for wine and 4p for beer, as that would result in the Exchequer losing virtually all the revenue. However, if the duty was brought down to 50p on a bottle of wine, although the difference would still be significant, the incentive would be much less.

I want now to move on from this Budget to the second Budget in November, and to the November 1994 Budget. My right hon. Friend the Chancellor has spelt out large and specific tax increases. He has made it clear to the

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market that the Government have returned to a policy of fiscal rectitude, and that they are serious about dealing with the deficit. I strongly welcome and support that move. I do not like increases in taxation, and, let us be frank, the increase in the burden of taxation is substantial—£6·5 billion in 1994-95 and £10·5 billion in 1995-96.

There was a worrying omission from the Budget statement. There was no mention of a contribution to cutting the deficit through a reduction in public spending. I was hoping and expecting my right hon. Friend to say that the Government and the public sector would be sharing the burden with the long-suffering taxpayer. I was hoping that he would match the reductions, and that in the autumn he would cut the control total for 1994-95 by £6·5 billion and that for 1995-96 by £10·5 billion, to reduce the Budget deficit still further.

I agree with my right hon. Friend the Member for Westmorland and Lonsdale (Mr. Jopling) that the problem of the budget deficit is very serious and will last a long time, dragging down the economy. If we are to solve the problem, it must be attacked from two sides. We must accept rather high increases in taxation, but also reductions in public expenditure. As can be seen from page 73 of the Red Book, the settlement for the coming year is very generous. We will have a fiscal stimulus in 1993-94. If we take out interest charges and cyclical social security —so we are not taking in the costs of recession—the control total will rise by no less than 5·58 per cent., with underlying inflation standing at about 3 per cent.

We must remember that one of the most significant elements of public expenditure is the cost of wages and staff, which is limited to 1·5 per cent. Therefore, in volume terms it means that expenditure is rising by about 4·5 to 5 per cent. Spending has increased at a frightening speed, and that is a significant cause of our budget deficit. It is not right to blame it all on the recession.

Page 74 of the Red Book shows that Government general expenditure as a proportion of gross domestic product rose from 42 per cent. in 1991-92 to 45·5 per cent. this year. Even with the tax increases, it will decline by only 1·5 per cent. in the next two years. As the figure for 1988-89 was only 39·25 per cent., it is obvious that the increase is significant. It is vital that the Government give a commitment to bringing down spending as a proportion of GDP, and back to less than 40 per cent.

Overall, taxation at the next general election should be no higher than it was at the last election. There is a real political imperative, which is why the Government must turn their attention to public expenditure. There are two reasons why we won the last election. The first is that the public decided that my right hon. Friend the Prime Minister would be a better Prime Minister than the former Leader of the Opposition, the right hon. Member for Islwyn (Mr. Kinnock). Secondly—above any other consideration—the public thought that, if they voted Labour, they would be voting for a party of high taxation.

Although I support the increases in taxation to get the deficit down, as soon as the recovery is under way, we must cut spending and reduce taxes. I suggest that the Government look at what happened in America with President Bush, and at what happened in Australia last week with Mr. Hewson. I do not think that we will be returned at the next election if we go into it with significantly higher taxes.

We are on the right track. I am sorry that my right hon. Friend the Chief Secretary is not here because there is no doubt that he carries a heavy load. We have dealt with one leg—taxation. The future of the Government and of the Conservative party depends on whether my right hon. Friend can get the support of his Cabinet colleagues to deal with the other leg—public expenditure. I look forward to the first Budget in November that deals with both taxation and spending. I hope that by then my right hon. Friend will have been successful, and that there will be at least £5 billion to £10 billion off the control target.

A great deal of money is being wasted in many areas. I intend to table some parliamentary questions about that. I do not think that anyone appreciates the increase in the costs of financing care in the community for people who are mentally ill. A case was brought to my attention this week of a rather difficult patient who has been decanted from a large hospital into care in the community. The revenue cost for that one person is £100,000 a year. It is being paid by direct grant from the Welsh Office. I have figures that show that previously the cost for a patient in a large hospital was £20,000 to £22,000 a year, but when they go into care in the community it is well over £30,000.

It is the same with law and order, where the costs are very high. The county council in my area was very upset because a youngster was sent to a special detention centre at a cost of £2,000 a week, or £100,000 a year. That cost is unacceptable, and there are many areas that we need to study.

One of my hobby horses is the question whether, in our current state and with a large budget deficit and a large balance of payments deficit, we can really afford to be spending £2·25 billion a year on overseas aid. I am not opposed in principle to overseas aid, but when we have to borrow from the foreigner to give it away and then repay the foreigner with interest, surely that is not good business. Therefore, I am happy that the Government have two pillars of monetary control to help bring the budget deficit under control.

I have great faith in my right hon. Friend. I support fully the broad strategy of the Budget and hope that, when I speak in the next Budget debate in November or December, I shall be able to congratulate my right hon. Friend on dealing with the other leg of the problem.

6.30 pm

Mrs. Jane Kennedy (Liverpool, Broadgreen): I wish to direct my first comments to the short passage in the Chancellor's speech that has direct implications for hundreds of my constituents and those of my hon. Friends representing seats in Liverpool, Glasgow, Cardiff and London where employment in the pools industry is likely to be affected by the introduction of a national lottery. Hon. Members who shared with me the distinction of serving on the Standing Committee that examined the National Lottery Bill will be relieved to hear that I propose not to refer even once to a level playing field.

Taxation of the lottery is of great interest to many people. Charities and voluntary organisations and sports and arts organisations had hoped to see no taxation at all, which would have increased the anticipated benefit from the lottery. Football pools companies involved in the sale

of soft gambling products, who will see some erosion of their market share, hoped for a reduction in the pools betting duty. Neither has materialised in the Budget.

The Chancellor's proposal to start taxing the lottery in the first year at 12 per cent. will disappoint many, including Conservative Members who had hoped that it would escape taxation. The consequences of that level of taxation for the good causes will be a reduction in the expected benefits.

In a press release yesterday, Customs and Excise predicted a turnover of about £1·5 billion in the first year. We must treat all such predictions with caution, but that is revealing. It would leave an approximate pay-out to each of the five good causes of about £78 million per year. On that prediction, for every £1 spent on the lottery 12p will go to the Chancellor, compared with 5p to charities. I hope that the Advertising Standards Authority will monitor closely the marketing hype that will surround the launch of the lottery. A lottery whose tax take is more than twice the amount going to charity can hardly be described as a lottery for good causes. European lotteries are taxed at levels of up to 30 per cent. I wonder how long it will be before the Chancellor or his successor finds lottery proceeds too tempting to resist.

Football clubs will also be disappointed that the Chancellor missed the opportunity to extend the 2·5 per cent. concession on pools betting levy, which ends in two years' time and which allows pools revenue to be ring-fenced for the Football Trust and the Foundation for Sport and the Arts. Much work has been done through the Football Trust to help clubs meet the requirements of the Taylor report, making stadiums safe and more attractive for supporters. There is still a long way to go and I hope that there will be an amendment to recognise the continuing role of the Football Trust.

The 12 per cent. duty to be levied on the lottery will allow up to 50 per cent. of turnover to be paid back in prizes. Without the further reduction in pools betting duty, the pools will be limited to their current 25 per cent. prize level. That differential between the lottery and the pools will make the pools a relatively less attractive proposition. The smaller companies such as Zetters and Vernons will be particularly disadvantaged. Vernons' employees on Merseyside will continue their campaign to see fair competition established.

Fairness would be good for the lottery as well as the pools. A healthy pools industry would help stimulate interest in soft gambling which would in turn promote sales of the lottery. The collapse of the pools would not only lead to further unemployment in my constituency but would damage the lottery. The lottery promoters would be forced continually to modify their gains to maintain public interest. The Parliamentary Under-Secretary of State for National Heritage, the hon. Member for Salisbury (Mr. Key), would find it increasingly difficult to stick with his "very British lottery", a concept which has won widespread support. Pools workers would also benefit from a more secure future. One of my biggest fears—further unemployment in my constituency—would be removed if the Chancellor would consider that point further.

Past economic performance on Merseyside has been among the worst in Britain. The sustained decline in employment in Liverpool, especially in port-related industries, in transport and in manufacturing, has frequently been much faster than the national average. I endorsed fully the comments of my hon. Friend the Member for Hammersmith (Mr. Soley) when he talked about the decline in manufacturing industry being a direct result of the policies of the Conservative party.

The service industries were heralded by Baroness Thatcher as the engines of economic growth in the '80s. That policy has the Prime Minister's tacit endorsement, no matter how much he now protests that he did not support the perverse logic inherent in it, because he remained a member of the Cabinet that espoused it.

The Budget will do little to arrest the decline on Merseyside. It is devoid of any strategy to put people back to work or to give young people throughout the country, the 6,713 unemployed in my constituency, where one in four men are out of work, or the 1 million long-term unemployed nationwide some hope of a decent future. They cannot look to the Government for any imaginative or effective policies to alleviate their hardship.

The Chancellor said yesterday that he wants tax decisions to be made here and not in Brussels. I suspect that he believes that economic matters more generally should also be determined here. But economic policy made here has done nothing for the people of Merseyside. They have to look to Europe for help.

The recent nomination of Merseyside by the European Commission for objective 1 status—the status reserved for the regions whose development is lagging behind that of others in the Community—will provide grant aid via the European regional development fund for a range of projects to facilitate regeneration and will give a glimmer of hope to those of us engaged in the task of turning Merseyside's economy round.

As I have said, the Budget does nothing for jobs. The measures announced to help the unemployed are insufficient to cure the malaise. In any case, they are too late and on too small a scale to have any real effect. They are nowhere near proportional to the problem. Only one in 10 of the long-term unemployed will be helped by the measures.

More generally, the Chancellor said that supply-side measures were vital in the long term. For 13 years he and his predecessors have been saying that, yet their supply-side reforms have failed to produce a dynamic economy. Instead, there has been a failure to invest in infrastructure, new technology and capacity, much of which has been scrapped in any case because of the recession.

Unlike the hon. Member for Brigg and Cleethorpes (Mr. Brown), I am unable to describe the advantages of the Government's policies for my constituency. However, there are some spectacular success stories, including one on Merseyside that I wish to describe to the House. GEC Plessey has recently completed a massive programme of investment in its Edge lane plant, resulting in a world-beating centre for the development of new communication technology. Unfortunately, that success story is the exception to the rule. GEC Plessey's successful development of high technology has resulted in a shake-out of hundreds of jobs in the plant, where engineers are no longer needed and production jobs are increasingly scarce. The victims of the shake-out need to be re-skilled to enable them to turn their hand to other work, which has to be available for them. Government provision of such training is woefully inadequate and condemns many to long-term unemployment.

[Mrs. Jane Kennedy]

It is surely a sign of a failure of economic policy when, after 13 years of supposed supply-side improvements and at the height of a recession, the current account of the balance of payments is over £12 billion in the red and growing rapidly. In my limited experience of economics, that flies in the face of conventional economic wisdom.

The devaluation of the pound following black Wednesday gave an important boost to the economy's tradeable sector, and the Prime Minister's much publicised interview in *The Independent* on 4 March implied that devaluation was one element that made Britain uniquely competitive. I seem to remember—this was not long ago—the Government telling us that devaluation was completely ineffective because any competitive gains from a lower pound would be wiped out by higher prices.

Looking back, the misguided financial deregulation of the 1980s ensured the credit explosion that fuelled asset price inflation. Many people, perceiving that their wealth had increased, spent more—and everything seemed rosy. In March 1988, however, the Government lowered income tax when it was clear that consumer spending was running out of control. Inflation was inevitable, as was a ballooning balance of payments deficit. Manufacturing, which had been pushed to the side but which is so vital for economic prosperity, was simply too small to sustain our import needs.

With increasingly shambolic monetary policy and the failure of monetary targeting, entry into the exchange rate mechanism was seen as the panacea. With exorbitant interest rates dampening domestic demand and propping up the pound, recession was inevitable. The depth and length of the recession produced the low inflation in which the Government place such faith and for which they take credit. They pin hopes of recovery on lower interest rates, which have only been made possible because the ERM—a major plank of Government policy—failed.

The irony is that the forces for recovery defined by the Government—low inflation, low interest rates and a competitive currency—have been put in place because of a catastrophic failure of Government economic policy.

Some of the measures announced yesterday must be welcome and they suggest that the Government have at last woken up to the plight of manufacturing industry. I refer in particular to the extension of export credit cover. I am told that the reforms to advance corporation tax are also of great benefit, but, like the right hon. Member for Berwick-upon-Tweed (Mr. Beith), I cannot comment further. I await the views of hon. Members who know more about that subject than I do.

The Chancellor was silent on tax breaks for capital investment—which was strange, considering that if he anticipates recovery, measures to encourage investment are essential. The temporary measures introduced in the autumn statement are not being extended, which will disappoint many.

A further measure that may help Merseyside is the abolition of petroleum revenue tax in the case of new fields, which we hope will encourage development of the Liverpool bay oil and gas field.

For the majority of my constituents, however, the Budget is profoundly depressing. The prospect of higher personal taxes over the next few years will do nothing to encourage consumer spending now. Higher fuel costs through the imposition of VAT on previously zero-rated gas and electricity supplies—despite Tory promises—will hit families on the edge of poverty the hardest.

The hinted benefits increase will have to be seen to be believed, particularly given the clearly stated objective of reduced Government spending in the next few years, described at column 175 of yesterday's *Official Report*. Savage cuts will inevitably hit the Department of Social Security. Unlike the hon. Member for Bridlington (Mr. Townend), I do not urge the Government to cut spending on care in the community. That is not an expensive option, and it is agreed by all to be the proper way of caring for the mentally ill and those with mental health problems. Neither do I urge the Chancellor to cut expenditure on law and order or overseas aid.

While it is true that the economic slump is felt world wide, it began sooner here and has lasted longer, and we are in a weaker position to recover in terms of our manufacturing base. The Chancellor has done nothing to overcome the United Kingdom's structural economic problems, and I have little confidence that my constituents will more easily find work as a result of yesterday's announcements.

6.44 pm

Mr. Douglas French (Gloucester): I sympathise considerably with the remarks of the hon. Member for Hammersmith (Mr. Soley), who has just left his place—not as they relate to my noble friend Lady Thatcher but as they relate to the phasing out of mortgage interest relief. He elaborated on views expressed earlier by the right hon. Member for Berwick-upon-Tweed (Mr. Beith). Both see considerable merit in phasing out mortgage interest relief, and yesterday's Budget offered a golden opportunity to abolish it altogether. There could scarcely have been a better opportunity, with interest rates as low as they are, and when the maximum benefit to each family is only around £600 a year. That figure is not significant compared with the fall in mortgage repayments resulting from recent interest rate reductions.

The abolition of mortgage interest relief could have been significantly cushioned by adjustments to the 20 per cent. band. More importantly, it would have saved a considerable amount of revenue—a sum approaching £5 billion—and revenue saving ought to have been the key to yesterday's Budget.

The Budget acknowledges that the deficit problem is enormous, but not that it is enormous enough to warrant immediate action. I would prefer the Budget to face up to the need to start a deficit-reducing programme now, and not delay it. Tackling MIRAS would have been a good start.

I find it difficult to have full confidence in a judgment made in 1992-93 that assesses a need to raise additional revenue of £6·5 billion in 1994-95 and £10·5 billion in 1995-96. Such figures assume a level of recovery which should come and which we all hope will come, but the time scale is uncertain—as we know from the past two years. They assume also a level of recovery which will be deeply affected by events in Europe and in the United States, and a forecasting accuracy that has seldom if ever been achieved in the past.

There is a sound reason why Budgets have historically been held at annual intervals. Usually, the intervals have been less than annual only at times of economic difficulty.

We have not before attempted Budgets less frequently than at annual intervals, but it seems from yesterday's approach that the likely future practice entails the forecasting of figures, and particularly of tax takes, far in advance.

The deficit levels confirmed yesterday were worse than the majority of commentators expected—at £35 billion for 1992-93, rising to £50 billion in 1993-94. Much City opinion was surprised by the £50 billion figure. Those who watched television coverage of the Budget know that, when my right hon. Friend the Chancellor referred to it in his speech, the chief economist of James Capel, Keith Skeoch, reacted with the words, "That must be a mistake." This indicates the extent to which the figure of £50 billion, while expected and anticipated in the course of time, was not expected this early.

At the time of the last autumn statement, a forecast by Goldman Sachs predicted on current trends a deficit in 1996-97 of £80 billion. That figure was viewed as ridiculous at the time. If it had been forecast in the knowledge that the 1993-94 figure was already £50 billion, the chances are that the Goldman Sachs prediction of six months ago would have been not £80 billion but somewhat higher.

The document "The Budget in Brief", which was published yesterday by the Treasury, says:

"The Public Sector Borrowing Requirement (PSBR) in 1993-94 is projected to be £50 billion, equivalent to 8 per cent. of GDP. But the Government's objective is to bring it back towards balance over the medium term. The discretionary increases in tax revenues announced in the Budget will build up over time, and together with the public expenditure plans in the Autumn Statement will ensure that this happens."

Those are very fine words, but for many people they are not very convincing, and they will not be convincing until the next public expenditure plans are revealed in November. Thus, we are to have eight months of uncertainty, eight months during which we shall not know how satisfactorily the Government will tackle the public expenditure problem.

Dr. Lynne Jones (Birmingham, Selly Oak): On the question of public sector spending, surely the credibility of the Government's PSBR policy will depend on whether they get growth back into the economy so that tax revenues can start to rise again, with people now unemployed back at work.

Mr. French: I accept the hon. Lady's point in theory, but it would be very risky indeed to base all action on the assumption that growth will return within a particular time. Naturally, one hopes that it will, but it would be extremely imprudent to make such an assumption. As we have seen in the past, assumptions do not always prove to have been justified, however well based they may have been.

The position becomes even more disconcerting when we read in the Red Book that the Treasury projects that the PSBR for 1996-97 will be £35 billion. That is the same, in cash terms, as the figure for 1992-93. My right hon. Friend the Member for Westmorland and Lonsdale (Mr. Jopling) was absolutely right to draw attention to this problem. Over a period of five years, in cash terms, no progress is to be made, yet revenues are expected to rise because of the recovery from recession. The indication is that there is to be no significant progress in reducing Government expenditure, in cash terms, during this period.

In 1992-93, the PSBR was 5·75 per cent. of GDP, and in 1995-96 it will go down only to 5·5 per cent.—hardly any worthwhile change at all. As my hon. Friend the Member for Bridlington (Mr. Townend) pointed out, the same sort of pattern is to be found when one compares spending as a percentage of GDP. In this regard, I refer hon. Members to page 74 of the Red Book. In 1995-96, Government spending will fall only to 44 per cent. of GDP. That is not the progress we need: it is too slow.

Why did the Chancellor reach the view that, in this respect, no immediate action should be taken? Why is the majority of significant action to be deferred? Clearly, the Chancellor has asked himself how fragile the recovery is and how much it could be harmed by revenue-raising measures designed to reduce the deficit. The fact that the current year is virtually revenue-neutral implies that the Chancellor has concluded that the recovery is very fragile indeed.

Why is the recovery so fragile? It is fragile because market confidence is so low, and confidence is low because the commitment to curbing the deficit and putting finances on a proper footing is inadequate and lacks credibility. What will give it credibility is action, not words—action now, as opposed to action later. I very much regret the fact that the Chancellor seems to feel that well chosen words now are a reasonable substitute for action. I simply do not believe they are.

To that extent, I find myself totally in agreement with one member of the Treasury panel of independent forecasters, Professor Tim Congdon, who is regarded as the maverick. I should like to refer to the March issue of *The Gerrard and National Monthly Review* in which Professor Congdon has published his now-infamous "Open Letter to the Treasury Panel". Before getting to the extremely complex part, I should like to quote these words:

"Since everyone agrees that the Budget deficit must be reduced in the medium term, there is, in my opinion, no advantage in deferring tax increases. The longer the tax increases are postponed, the higher will be the future costs of servicing the national debt, and the larger will be the tax increases that are eventually necessary."

I totally endorse that judgment. In fiscal and economic policy, it has been shown time and time again that, if tough action has to be taken, it is better to take it early rather than late. Deferred action causes uncertainty, even if it is designed to be informative and to show commitment, and is undertaken with the best of intentions. I can think of nothing more certain to dampen the capacity of an economy to spring into life than an announcement that, whatever happens, heavier taxes are on their way but they are not to be imposed just yet.

Leaving aside the overall tax take, what is the effect of announcing tax levels in advance? That is something of a novelty. I do not recall any Budget in which it happened to anything like the same extent. It is an innovation, possibly inspired by the Clintonesque approach, but there are very considerable dangers in it.

Taxpayers cannot reasonably assume that the rates being announced will apply when the time comes. Everybody knows how unreliable economic forecasts are, how frequently they are wrong. If forecasts are wrong and have to be changed, the tax rates depending upon them may also need to be changed. As I understand the situation, these rates are to be included as an integral part of the Finance Bill. It seems to me that this makes the situation worse rather than better. If rates have to be changed subsequently, further difficulty will be created, and more explanation will be required.

[Mr. French]

In my opinion, such a practice also fetters the judgment of the Chancellor. My right hon. Friend may be fettering his own judgment for future Budgets—I very much hope so—but, on the other hand, he may be fettering the judgment of subsequent Chancellors. One has to ask whether the rates being announced for future years run with the existing Chancellor or whether, in the event of his moving on, they will fetter the judgment of any successor.

It is fairly certain that the precise rates being specified at the moment will not, in the event, be applied. It is almost certain that future Budgets will have to show why figures that were announced so far ahead have had to be altered. As a result, a measure designed clearly with the best of intentions—to provide continuity and certainty of policy—is far more likely to breed uncertainty. In my view, it is therefore self-defeating and extremely imprudent.

I am also very uneasy about the practical effects on the conduct of the individual taxpayers of announcing tax increases so far in advance. Indirect tax increases are one thing. Advance announcements may have the effect of bringing expenditure forward, although that is not very likely to be possible in respect of domestic fuel and power, but direct tax increases announced so far ahead freeze taxpayers into inaction.

Many taxpayers are currently having to hold back on discretionary expenditure, although they have cash to spend as a result of the recent mortgage rate reductions. A natural fear of unemployment, and the painful experience of running a tight household budget—which is all too recent a memory—lead them to consider it prudent not to spend any surplus they may have. The prospect of direct tax increases will continue to restrict their spending, and thus will not achieve what might be expected of such a policy.

If the decision to increase taxes had been implemented now, it could have been balanced by further action on interest rates. The United Kingdom's interest rates may be the lowest in Europe, but the gap between interest rates and inflation is still too large. The decision to increase taxes next year and in the following year implies a further fall in interest rates, but the decision to impose no tax increases in the current year clearly diminishes the chance of lower interest rates in the short term.

I want to say something about the Chancellor's small business package. I was surprised that he should seek to breathe life back into the loan guarantee scheme. If he is to succeed in his strategy, he will have to lean fairly heavily on the banks: the practice of banks throughout the country is to steer clear of the loan guarantee scheme if they possibly can. There are many stories of potential bank customers who have sought to bring the scheme into play, only to be discouraged from doing so. That, I think, is because the scheme has a central flaw: it invites banks not only to set aside normal banking criteria but also to lend on terms which will ultimately cost the borrower more. That has always struck me as inherently contradictory.

I consider it unfortunate that, insofar as the Chancellor decided to make any tax concessions—I believe that a considerable tightening of the fiscal stance was necessary—he opted to hold the inheritance threshold at £150,000. I found that profoundly disappointing. A minimal amount of expenditure could have gone some way towards fulfilling my right hon. Friend the Prime Minister's declared aim of enabling wealth to cascade down the generations.

The present system of inheritance tax reliefs, which encourages capital to be passed to the next generation in dribs and drabs, puts the older generation in an iniquitous position. They must decide to what extent they will seek to avoid the taxman by giving away money, when they do not know how long they will live, what their financial requirements may be and what they may need for health and geriatric care: for fiscal reasons, they are required to decide whether to divest themselves of the capital that they have saved over their lives, or to deprive the next generation of the benefit of their work. They are being required to place themselves at risk by not retaining sufficient funds for their own needs in old age. The sooner the threshold can be raised, the better.

In conclusion, however, I give my right hon. Friend the Chancellor full marks for the broader measures relating to business, and for the package of employment measures. The two are closely related. The stronger the cash flow available to businesses, and the more tax and regulatory burdens are removed from them, the easier it is likely to be for them to employ new people, and the greater will be the likelihood of business growth and permanent job creation. I suspect that the need for new jobs will prevail for much of the 1990s; I fear that it is an intractable problem, but I hope that it will prove less intractable than the deficit appears to be at present.

7.5 pm

Mr. Robert Ainsworth (Coventry, North-East): I have listened to most of the debate, and I wish to develop three themes. First, the Budget is an absolute betrayal of every policy that the Government put to the electorate only a year ago; secondly, the measures proposed in it—supposedly to help the economy—are ill directed and will be ineffective, because they are so minuscule in comparison with the problem itself; and, thirdly, despite the massive difficulties in which we find ourselves, the Government have yet again taken the opportunity to protect those at the top of the income scale at the expense of everyone else. I do not think that many Opposition Members are surprised by that.

The betrayal could not be deeper. If the Budget has achieved anything, it has brought about a substantial increase in the cynicism that the country must feel about the entire democratic process—or, at any rate, about the Government whom it elected only a year ago. Listening to Conservative Members, I can hardly believe that they are the same people who put their party manifesto to the country such a short time ago: the promises that were made then have been thrown away.

Hon. Members may recall the exiled Conservative party leader's aversion to U-turns, and her famous remark:

"You turn if you want to; the lady's not for turning."

We have seen some U-turns from the Government—U-turns on public spending, on Europe and on monetary policy. People felt betrayed before, but the phenomenal U-turn in the Budget takes the biscuit.

The Conservatives did not use the language of George Bush, but their promises were made as clearly as his promises to the American electorate, and they have been reversed as clearly as his were. Their first pledge was made by the Prime Minister in the run-up to the general election:

"We are the only party that understands the need for lower taxation".

The second was

"We will maintain mortgage tax relief".

No caveats or hidden retreats were involved then. Thirdly, the party had

"no plans and no need to extend the scope of VAT".

Now, a massive wedge—as the Chancellor put it—of new taxation is to be introduced over the next three years. In one respect, at least, the Budget was an innovation: effectively, we were presented with three Budgets, involving tax increases next year and in the following year.

I do not believe that the British people will be conned by the Conservative party again. It is clear that the political intention behind the Budget is to drag forward the bad news, demanding a post-dated cheque from taxpayers in the hope that they will have forgotten what happened when the time comes for them to judge the Conservatives once more. The Government will not get away with it because people now treat with cynicism everything that the Conservatives say. I promise the Government that we shall never let them forget their betrayal.

There is one issue on which the Conservatives have been consistent. Despite the difficulties that we face, the Conservatives have again attempted to enhance the position of the highest earners at the expense of everyone else. The Government claim that they are a Government of low taxation, but, when one examines what has happened in the past 14 years, one finds that that is not true.

There has been a massive shift in the burden of taxation from the rich to the poor. There can be no doubt that the shift was systematic and deliberate. When the Government first came to power, the poorest 10 per cent. of the community even then paid 40·4 per cent. of their income in taxation in one form or another, either direct or indirect. That had been pushed up to 46·3 per cent. in 1990. Whether they paid it through VAT, income tax, national insurance contributions or any other form of taxes, in one way or another they paid almost half of their incomes in tax. At the same time, the richest 10 per cent. have seen their proportion of taxes fall from 35·6 to 32·2 per cent. The rich pay a third of their income in tax while the poor pay half of their income in tax. That is a deliberate policy, the reverse of the principle that Robin Hood was supposed to have supported. The Government systematically take from the poor and give to the rich.

The proposals in the Budget are an extension of that policy. Almost every increase in personal taxation is designed to hit those on average or below average incomes but not to hit those who can well afford to make a small contribution to solving the problems that the Government have created. Instead of raising income tax, the Government have chosen to freeze personal allowances. They did so deliberately because it will hit those on lower incomes to a far greater extent than those at the top. The married couple's allowance has also been frozen.

The worst proposal—the extension of VAT to fuel—has been dressed up in green clothes. The Chancellor cannot have his cake and eat it. The Chancellor and the Chief Secretary told us that this was an environmental measure which would save billions of tonnes of carbon in the next few years. If it is to raise tax revenue, as explained in the figures before us, how on earth is it to reduce carbon consumption? The measure has been cynically dressed in green. There is no intention of saving carbon; it is a measure for clawing back revenue. Again, it will hit the poor, and ordinary people, to a much greater extent than the better off.

If the Government want to prevent carbon consumption, they should be promoting home insulation and further investment in new technology for vehicles. They should have pursued such ideas with some vigour, instead of putting VAT on fuel bills. The move is a deliberate and cynical betrayal of all that the Government said during the general election campaign, when they pledged not to extend VAT.

Another proposal that will deliberately hit those on average or below average incomes is the extra 1p on national insurance contributions rather than on income tax. Anyone earning above the threshold figure will not pay that 1p, which means that those who could well afford to make a contribution are protected while others bear the full burden. We need to assess how much further that proposal will take the trend of taxing the poor to protect the rich.

Politics, pre-election promises and the distribution of tax are all important, but the overriding issue facing us all is the state of the economy. Does the Budget do anything to get people back to work or to lift the economy out of the doldrums? The proposals are minuscule and ill directed. The big issue confronting us is not the plight and dilemma of the Lloyd's names. There are many Lloyd's names among Conservative Members, and I understand that they consider their plight to be of profound importance. However, in view of the Prime Minister's recent statements, and if he wishes to maintain any credibility, he should be agreeing that manufacturing industry is the way to get out of the mess we are in.

Where in the Budget were the capital investment allowances which could encourage British industry and lift us out of the difficulties that exist in so many of our trading partner countries? There were none. Where was the commitment to infrastructure to give the British economy the boost that it needs? The Budget contained two proposals for infrastructure. The first involved 6 miles of railway line between Paddington and Heathrow. What a wonderful and profound piece of work. It will really set people alight. The second, dressed up as a commitment to infrastructure, was the announcement that the St. Pancras rail link to the channel tunnel would go ahead. What does that mean exactly?

It meant that the Government were considering the St. Pancras option as opposed to the King's Cross option. It meant that the decision will automatically be delayed for at least two years because of the change in policy. It meant that even if it is agreed and financed—although the commitment was not for public but for private funding, which has not yet been arranged—we shall have a cheaper and, I believe, inferior scheme to the one that had been stressed before. It meant that our effective transport links with the European markets via the tunnel and for the country north of Watford will be at least 10 years behind the opening of the tunnel. That is a complete disaster.

In other debates in the House we have heard Conservative opinions of our position in Europe, and the economic consequences of our membership. They justify their refusal to embrace the social chapter of the Maastricht treaty on the basis that we have to offset the disadvantage of our geographical position, compared with that of our neighbours, by keeping our wage costs and non-wage social costs below those in Germany, Belgium,

[Mr. Robert Ainsworth]

northern France and elsewhere. Because we are on the periphery of Europe, we apparently have to take lower wages, lower social security provision, lower levels of health and safety at work and all the other features that add to manufacturing costs.

Yet at a time when there is a massive need for investment in the infrastructure that will help the economy to grow, support our manufacturing industry and help to solve the problem of our not being at the geographical centre of the market, here we are deliberately kicking into touch the one proposal for a major piece of infrastructure investment that would largely solve the transport problems and give manufacturing industry, especially in the west midlands, a major boost. We are copping out, deliberately kicking the ball up the park. We refuse to take a decision, and then dress up that refusal as a decision that will help the economy. I suggest that that is a deliberate lie.

I do not believe that the Budget will solve our problems. Some Conservative Members have explained that, despite the £10 billion in tax increases proposed, which will form a wedge over the next two years, there will still be a substantial problem at the end of it all. By the way, I estimate that £10 billion in tax is the equivalent of 7p on the income tax rate. So all the supposed reductions in tax that the Government have introduced over the past 14 years have just been effectively undone by the Chancellor's imposition of those tax increases yesterday. Yet they will not solve the problems; they will not even shut the gap that has opened in our public sector finances.

We have heard some proposals by Conservative Members. I listened to the hon. Member for Bridlington (Mr. Townend), who is a little more straightforward than some of his colleagues. At least we know exactly where the man stands, and what he proposes. In his opinion, more massive cuts in public expenditure are needed—that is his only answer.

Public expenditure means hospitals, policemen and teachers. The hon. Member for Bridlington was honest enough to accept that. He said, "Let us get rid of the community care burden. Put people back into Rampton-style hospitals. That was cheap. Community care is far too expensive." Everyone who has seen the budget provisions made for local government knows that community care is massively underfunded. People are being decanted from institutions—that is a diabolical expression to use about human beings, but that is what is said—and there is no provision for them. They are walking the streets. Everyone knows that community care is already hopelessly underfunded. When we talk about cutting public expenditure, that is the sort of thing that we mean.

The real problem is that our economy is not big enough to support the standards of living that we all want to enjoy, or the public sector proposals. That is because of the policies pursued by the Conservatives over the past 14 years. Our manufacturing output grew by 12 per cent. between 1979 and 1990, yet our consumption grew by 40 per cent. Anybody, even a 10-year-old schoolchild, could tell us that that divergence could not be sustained.

What are we doing? Do we actually intend to take action to start the economy growing, and to catch up with our partners again? Or shall we simply try to close the gap by more public expenditure cuts that exacerbate the growing rift in our society, the gap between the rich and the poor, and increase crime and lead to all the other problems that we have seen grow so massively already? The Government are totally bankrupt of ideas about how we can take ourselves forward and get ourselves out of the mess into which they have taken us.

7.25 pm

Mr. Gerald Malone (Winchester): I shall not follow the hon. Member for Coventry, North-East (Mr. Ainsworth), except to say a word or two about business initiatives. I shall devote my remarks to the initiatives on capital gains tax that my right hon. Friend the Chancellor announced yesterday.

The attack by the hon. Member for Dunfermline, East (Mr. Brown) was nothing short of extraordinary. He made not a single positive suggestion about what the Labour party might intend to do about the country's economic situation. The Labour party and its official spokesman espouse a series of public spending measures that outstrip anything that would be proposed by the Government, yet fail to confront the difficulty caused by the deficit in the economy today. Furthermore, they decry the fact that there is a deficit, say that we should reduce it more quickly and then, rather absurdly, say that there is no scope for doing so by raising taxation.

I thought, as I expect Ministers did, that the rather unusual practice followed by the hon. Member for Dunfermline, East, when he loaded the Dispatch Box with several significant and threatening tomes at the beginning of the debate, might provide us, for the first time, with a solution. I thought that those weighty documents might be Labour's solution to the economic problems, and might tell us how to get out of recession. Sadly, the tomes only threatened; they provided no clue or aid to the hon. Gentleman's argument. They were as worthless a prop and addition to his speech as were other Labour Members' arguments about the economic situation.

I welcome my right hon. Friend's announcement on capital gains tax. Over the past 14 years, the Government have been building an enterprise economy. Trade union powers have been curbed, restrictive practices have been swept away—one of the latest to be got rid of is the dock labour scheme. As a result of our enterprise economy, Britain is now a magnet for investment. In 1991, 40 per cent. of Japanese investment and 30 per cent. of United States investment in the European Community came to this country, because we are an enterprise economy. One of the essential elements in the enterprise economy is that small businesses, which are so crucial to its survival, must be encouraged. One of the ways to do that is to reform capital gains tax.

Capital gains tax is Labour's envy tax. It was introduced in 1965, just as the white heat of Harold Wilson's technological revolution was turning into a rather dull socialist glow. Since then, the tax has become more complex. A huge range of exemptions and anti-avoidance provisions have been built up over the years, as one Government after another have decided that the tax is basically unfair.

I was attracted by a remark by Lord Wilberforce, who said of capital gains tax in the other place last year:

"It is absolutely impossible for the ordinary citizen to understand. It is impossible for many accountants to understand . . . it is also impossible for the officials of the Inland Revenue to understand."—[*Official Report, House of Lords*, 14 January 1992; Vol. 534, c. 119.]

I echo his remarks, because it is also extremely difficult for politicians to understand.

Capital gains tax is dealt with in 291 sections, 12 schedules and more than 300 pages. The legislation has become unmanageable, and I am delighted that some steps have been taken in the Budget to change all that. I must confess that this is a personal grudge match for me. The tax was introduced in the 1960s, when I was a law student at university, so I had to try to cope with it. I did not. It was the one subject that held back my qualification as a practising lawyer for a number of years, until I borrowed somebody's understandable notes and managed to pass the examination. I assure the House that, after 30 years or so, my sense of vengeance is not quelled; I am delighted at last to have an opportunity to strike back.

Capital gains tax does not raise a lot of money. The forecast yield for 1992-93 from individuals and trustees is only just over £1 billion, and in 1987-88, 60 per cent. of CGT payers paid on average only £1,800 each. No wonder there are so few rich taxpayers and so many rich tax lawyers and accountants.

Reductions of CGT levels and a change in the rules would encourage greater realisation and mobility of capital. Especially when there is clearly a capital shortage following the recession, it is important that we introduce new regulations which allow capital to become more mobile and to increase. That is why I extend a warm welcome to the changes announced by my right hon. Friend the Chancellor.

I hope that my right hon. Friend will bear in mind experiences elsewhere of reforming capital gains tax, and that he will not just relax the rules, as he announced yesterday he intended to do. When the United States cut CGT rates in two years—in 1978 and in 1982—realisations went up, in 1979 by 45 per cent. and in 1983 by 11 per cent. Government revenue actually increased. That suggests that such capital taxes are extremely stultifying, that they are avoided as a result of the many exceptions that Governments build into the rules, and that they are regressive.

When my hon. Friend the Financial Secretary looks at capital taxes in the future, perhaps he will take a leaf out of our own book. I refer to the time when we considered taxation on personal income. When we got rid of penal rates and made the tax fair, overall receipts increased. I am certain that, if my hon. Friend took that approach to capital taxes, and especially to capital gains tax, the experience would be repeated.

I encourage my hon. Friend to look at the body of evidence, which shows that, when capital taxes are reduced and the rules are modified, more venture capital can be raised. In the United States, when the rate was cut to 20 per cent. in 1982, $12·5 billion was suddenly raised by public offerings of shares. When the rate went up in 1986 to 28 per cent., there was a fall of $2 billion.

Similar evidence and similar statistics are available for the venture capital sector. Venture capital will be extremely important, as we move out of this recession into a period of growth, in sustaining the recovery and building a strong future. I suggest to my hon. Friend that, when he considers the tax, one useful change would be completely to exempt shareholdings in unquoted companies. So many of those companies are the result of personal enterprise and of the build-up over a period of years of capital that people should be entitled to realise. I hope that my hon. Friend the Financial Secretary will build on our right hon. Friend's reforms.

I very much welcome the retirement relief measures, and especially the reduction in the qualifying shareholding from 25 per cent. to 5 per cent. That will benefit the growing number of firms in which the founding investors have reduced their equity. That often happens during the lifetime of a company when outside equity is introduced.

My right hon. Friend's deferment provisions are also welcome. They will allow entrepreneurs to move their investments between companies in the marketplace. It is crucial that, when fresh capital is to be moved from one business that is successful to another within a group which is ailing, it should be moved without the burden of taxation. That is a sensible reform, and I welcome it very much.

The importance of my right hon. Friend's measures is that they will ensure that small businesses benefit from maximum flexibility. No longer will conventional entrepreneurs who buy and sell companies attract CGT. In contrast, there are other absurd rules that enable people who realise some capital assets to invest elsewhere. It may interest my hon. Friend to know that, if a farmer selling potatoes under quota happened to reinvest the money in a space station, one of the strange anomalies in the system would mean that he would not be required to pay CGT on the transaction.

I should like the exemption to be extended to more conventional business enterprises, and I am sure that that is precisely what my hon. Friend has in mind. The reform is very welcome. I am certain that it will be welcomed not only in the House, but in the broader business community, and I am sure that it will underpin the economic revival that is under way.

I address my next remarks to Opposition Members. Of course Conservative Members do not like to see an increase in taxation. However, if Labour's policies and not the Government's were being implemented, the changes in taxation that a Labour Budget would bring would be enormous and damaging, and would stop growth in its tracks.

By targeting domestic fuel, we are not merely introducing a sensible environmental measure. Over the course of privatisation, prices—especially gas prices—have been reduced in real terms by 20 per cent. The regulator has insisted that that should happen, and he has now set new parameters for increasing the cuts in prices by another 6 per cent. below the retail prices index. The important point is that, once the transformation has taken place and once the policy is fed through, the bills in people's pockets will be reduced by far more than would have been the case if taxes had been levied in another sector where prices had been increased.

I welcome the Budget, and I look forward to hearing what my hon. Friend the Financial Secretary says in support of the measures on capital gains tax reform. I look forward to hearing his response to my few suggestions tonight.

7.36 pm

Mr. William Ross (Londonderry, East): We all realised when the Chancellor made his Budget statement last year that he was introducing an election budget. That was widely recognised in the House at the time and the point

[Mr. William Ross]

was made to him often enough by Opposition Members. In those circumstances, the Chancellor painted a picture of fairly rosy prospects for the coming year. However, he was constrained at that time by membership of the exchange rate mechanism which meant that he could not reduce interest rates. There were many things that the Chancellor would have liked to have done which he simply could not do. In September, as a result of the market forces that Conservative Members so much admire, he was freed. Black Wednesday set him free to introduce his own Budget this year for the first time. He has done so, but it is a year late.

The Chancellor has introduced the Budget after setting spending targets last November for the next year of two. Those targets are fixed—they cannot be reduced. A few months later, therefore, the Chancellor has found himself in a firm bind because he faces public expenditure which he must meet although tax revenue will come nowhere close to meeting the figure required. There is an old saying that hope deferred is hope denied. On this occasion, it is a matter of tax deferred being revenue denied, in a year when it is very much needed because the public sector borrowing requirement, with which I shall deal in a moment, is far too high.

I am sure that the Financial Secretary will recall that when the Chancellor made his autumn statement on 6 November 1991, I asked him about the rise in public expenditure, which he told us would be £53 billion over the next three years. The Chancellor replied:

> "It is an extremely important point that our intention and our policy are to balance the budget over the cycle . . . As he knows, corporation tax is paid a year in arrears and corporation tax receipts, therefore, lag very much behind the cycle. That is why I expect the public sector borrowing requirement to continue to be high next year, even though the recovery will be well under way. The plans that I have announced today and what I have said about the PSBR are consistent with our firm policy of balancing the budget over the cycle."—[*Official Report*, 6 November 1991; Vol. 198, c. 461.]

We are now moving into the third of those years, and that £53 billion increased expenditure appears as a £50 billion deficit—not quite what the Government and the Treasury had in mind at the time, I suspect. That £50 billion is a horrifying figure.

One wonders exactly what the public sector debt is. I intervened in the speech of the right hon. Member for Westmorland and Lonsdale (Mr. Jopling) to say that I thought that it was over £200 billion. I have found a number of figures one way and another. It is the one figure that no one seems too willing to broadcast. It is, however, self-evident that, whatever our public sector debt is—and my figures vary from just under £200 billion to £240 billion—this year, we are adding £50 billion to it. We are increasing the public debt by anything up to 25 per cent. in one year.

That figure is based on the Treasury forecast. I do not think that, given the record of the past few years, any hon. Member will be prepared to take any Treasury forecasts—of expenditure, revenue or anything else—with anything other than a great big fistful of salt. Last year, a £28 billion deficit was forecast. That was in March. By November, the figure was £37 billion. Now March dawns again, and it is down to £35 billion. One would need better figures than those if one wanted to reach sensible conclusions about what the situation will be in November this year or March next year—never mind in 1997-98.

On 12 November last, the Chancellor told us in his autumn statement, at column 1004 of *Hansard*, that the deficit was about 6 per cent. of GDP—far too high, he said—and that next year it would be 8 per cent. That 6 per cent.—never mind the 8 per cent.—was well over the Maastricht trigger point for substantial cuts in public expenditure. This Budget is not exactly in keeping with the spirit or the letter of European union—not that we on these Benches will weep about that.

Why should we believe the Chancellor's forecasts? He is probably doing his best, but that is really a question of reaching in the dark and pulling down a figure. The forecast is a wild educated guess—if that makes sense—and it must be treated with a fair degree of suspicion.

The right hon. Member for Westmorland and Lonsdale drew attention to the public sector borrowing requirement —£35 billion this year; £50 billion next year; £44 billion the year after; £39 billion in 1995-96; £35 billion in 1996-97; and £30 billion in 1997-98. We are talking about a total of £233 billion or a doubling of public sector debt over six years. That is not a prospect that anyone who has the future welfare of this country at heart will view with pleasure.

We need to ask ourselves what percentage of GDP the total public debt will be at the end of 1997-98. I suspect that it will be 50 per cent. or possibly higher. The Financial Secretary may be satisfied with that, but he will find many on the Conservative Back Benches who are not. It is not a figure that anyone can view with pleasure—and I certainly view it with great concern.

We were also told in the autumn statement that the broad money target was 4 per cent. to 8 per cent. The scale has expanded at both ends: it is now 1 per cent. to 9 per cent. With a broad range like that, I am not sure that the target means anything any more. It is a general target at which to aim. It is as big as a barn door and, if we hit it anywhere, I suppose someone will be able to say, "At least we are within target". That is not really quite what one expects from a Conservative Government who claim financial rectitude.

In November, the Chancellor also expressed concern about the amounts being paid in interest charges on Government debt. At the time I thought that that figure was £18 billion or £19 billion. But according to the table on page 20 of the Red Book, it is £17·5 billion this year. It will be £19·5 billion next year, and keeps right on increasing—to £29·5 billion in 1997-98. In other words, in that year, we will have to borrow sufficient to cover our debt interest. No householder or business would like to do that.

If the forecasts are anywhere near right, and with the total of public debt being well over £400 billion, I do not see us getting away with an interest charge of £29·5 billion. We would need to find someone to lend us a lot of cheap money if we wanted to do that. I think that we shall be paying considerably more than that. In fact, I do not think that the Government can allow us ever to reach that position. Whether the hon. Member for Winchester (Mr. Malone), to whom I listened with great interest, or anyone in the House or the country likes it or not, there will not

only be swingeing tax increases but considerable public expenditure cuts—unless, that is, the Chancellor gets a lot of people back into profitable work very fast indeed.

The Chancellor stated that he would balance the budget over the cycle—at the time, he was talking about 3 per cent. above and 3 per cent. below balance; it is a lot more than that now—but he did not ever tell us how long the cycle was. He did not tell us when it started or finished. It is starting to look to me like a 30-year cycle. I do not think that the Financial Secretary, who is smiling from the Treasury Bench, wants to finish his days in the House, after a long and honourable career, wrestling with the end of this cycle. Perhaps he will deal with that in his reply.

Having been told by the press and others that the Chancellor is not exactly in favour of the straitjacket of the Maastricht agreement and the rest, and that he sings in his bath, I have not been quite as critical of him as many in the newspaper world and in the news media generally. The poor chap is doing his best no doubt. He and I entered the House at the same time and he has climbed to much greater heights than I am ever likely to attain. I like the Chancellor; he is quite a nice chap. But he has a really hard task ahead of him if he is to get the country's finances back on to some sort of stable footing. He now has the freedom of movement to take remedial action.

I have also noted—as, no doubt, have other hon. Members, although no one has mentioned it yet—the dangers of a structural deficit appearing. It seems to me that, if we are not already suffering from a structural deficit, we are half way through the door, and I think that the Chancellor knows that perfectly well. As a result, he started yesterday on the construction of a structure to deal with that emerging difficulty.

There is no short-term salvation. The Chancellor must get more people back to work. He must help small business —he made some efforts in that direction yesterday— because small businesses can involve an awful lot of labour. He knows quite well that there will be increased output in this country for some time—perhaps a considerable time—before there is a marked drop in unemployment.

There is one matter on which I must express severe disappointment. The Chancellor did not use the Budget to help shipyards. I wish that he had taken a careful look at early-day motion 1225 signed by 210 Members from all parties. He will be aware that since 1970 United Kingdom shipbuilding has been reduced by some 75 per cent. while in the EC there has been a reduction of only 53 per cent.

I hope that when the President of the Board of Trade next meets the European Commission he will demand the removal of the hidden state subsidies paid to shipbuilders in other member states and that he will provide the same assistance to our shipbuilding, ship conversion and ship repairing industries as our competitors in Europe receive from their Governments. There is a great deal of heavy engineering in shipbuilding and many skilled people could be put back to work.

Especially in view of the problems which were brought to light by the terrible incident in the Shetlands a few months ago, which was thankfully averted by a storm, the Chancellor could have earned himself some kudos with the green movement if he had done something to help shipbuilding. Something must be done and the sooner the better. It would be helpful to the economy of Britain.

The Chancellor must also raise some revenue in the short term—in the coming year. So what has he done? Sadly, not very much. He told us that the Budget was broadly neutral, as if that were something to be applauded. It could have been applauded if the national finances were in equilibrium, but they are not. So the Chancellor hit the pockets of the drinkers and smokers. I must confess that I am happy that he did something with the ad valorem aspect of tobacco tax. That will certainly help what remains of our cigarette manufacturing industry, a fair chunk of which is in Northern Ireland. It will help our industry compete with the cheap imports from elsewhere. I do not smoke so no one can say that I am gaining any personal benefit out of that measure.

The Chancellor hit fuel and power, especially domestic fuel and power. Many people in rural parts of the United Kingdom, north, south, east and west will not be happy with the changes in the fuel tax on vehicles. In rural areas there is no public transport worthy of the name so people depend on a personal vehicle. It will make life difficult for lower paid members of the population in those areas, not least in my constituency.

The right hon. Member for Berwick-upon-Tweed (Mr. Beith) said that the 17·5 per cent. increase in fuel bills over the next two years would apply to standing charges for gas and electricity. I hope that that is not so, but I fear that it will be. What will be the effect on bottled gas? We do not yet get gas down a pipeline in Northern Ireland, although it is coming. The people who use bottled gas might well escape the increase in standing charges because they do not pay them.

However, in Northern Ireland we have the highest costs of fuel and energy in the United Kingdom and the 17·5 per cent. increase will hurt our constituents badly. Large increases are also in the pipeline for large users of electricity in the next year or so as a result of privatisation. That will not help job prospects in the Province. We cannot afford to allow job prospects to worsen in any part of the United Kingdom in the coming year. In Northern Ireland we face other possible increases in domestic electricity prices. So our domestic consumers will suffer a great deal more than the 17·5 per cent. increase in the next year or two.

By way of an aside, there used to be a spade factory at Templepatrick. I suppose that it is still there. One of its products was spades for cutting peat. It may well find that there is increased demand for its product. Not that I advise cutting peat as a job even for the Minister. I did it and it is pretty hard work. I am not sure that peat is all that cheap a fuel in any case.

If the imposition of VAT on fuel is a gesture to the environmentalists' demands, it is a costly one for the country. More seriously, it has broken through the zero VAT barrier. Once a barrier is broken down, one must expect others to pour through afterwards, so undoubtedly we shall see further extensions of VAT in future years.

The Chancellor hit car owners twice. That was explained to us carefully in the autumn statement so we cannot complain about that. We knew that it was coming. What he has taken with one hand, he has taken back twice over now that March has come round.

The Chancellor hit mortgage payers. They are a captive tax constituency so for them there is no escape. That measure will not be popular. Although mortgage interest is low at present, tradition proves that that does not necessarily hold for long. I suspect that it will increase. Then we shall really hear the noise.

[Mr. William Ross]

The Chancellor tried to avoid thumping house sales —in the eyes of some people—by offsetting the changes in mortgage interest tax relief by increasing the exemption from stamp duty to £60,000. However, that helps only people who are going out to buy. It does not help the existing borrowers, who will find their mortgage payments increased for every month.

In his effort to create a new tax structure, the Chancellor must consider ways of creating immediate income for the Revenue. He does not seem to have done that. He gave everyone two bites of a very sour and bitter lemon. He told folk that the abolition of the special car tax was coming. Now he has done it. Now he has told people what he will do next year, the year after and the year after that. Every time that he comes back to the House to explain that the new taxes will come into operation, he will receive another hammering from everyone in sight.

I assume that one of the reasons why the Chancellor has had to give such long notice of the tax changes that he spelt out yesterday is that it will take time to make them. But unfortunately for him and for the public finances, it is all revenue tomorrow, not today when the Chancellor needs it to reduce the huge deficit. So when he grasped the nettle of raising income tax by 1 per cent. via the national insurance contribution and froze the personal allowances, why did he not go a little further and bang income tax up immediately? It would not be popular but it is not popular anyway. So why not get most of the pain over in one fell swoop? After all, as others have said, a penny on income tax brings in about £1·7 billion and 3p would bring in £5 billion.

From what I was told by the better-off in my constituency, many people in the United Kingdom would have been prepared to put up with an increase in income tax to see us through this tough period in our economic life. The Chancellor will have to do it sooner or later. Income tax has great benefits. It is a sensitive tax. Increasing it has an immediate effect. It is easy to increase it and easier than any other tax to reduce. He could do it immediately. The Chancellor should have gone down that road. It is not a happy or welcome measure but it is a necessary one and one which people would have accepted.

If the Government are to apply harsh measures, they should get it over with in one fell swoop. If the Chancellor had done it this year, he would have been a year further away from the next election. We would all have called him the most terrible names, but if Chancellors are doing their job, they can never be popular. He admitted that last night. Chancellors should not be popular people; they should just do what is right. In any field of human endeavour, that leaves one out of sorts with many of one's neighbours.

The Budget maps out the way ahead but does not address the immediate problems of our huge deficit. I wish the Chancellor and the Government well because if they do not succeed, heaven help us all. However, I believe that we shall be back here in November with real tax increases.

7.59 pm

Mr. David Shaw (Dover): Many people will say, "What a Budget!" It was sensible, fair and skilfully delivered and the phasing of tax increases was a masterstroke. The Budget was good for jobs and especially good for small businesses—I say so as chairman of the Conservative Back-Bench smaller businesses committee.

The Budget contains some measures to help small businesses. The loan guarantee scheme has been successful, but has not been as widely taken up as one would have liked. By extending the scheme to cover 85 per cent. of the total loan, and to a total amount of £250,000, the Government are effectively implementing a radically new guarantee scheme, which will be able to service the needs of virtually every business apart from the largest.

I hope that no hon. Member will refuse to draw the scheme to the attention of all the small businesses in their constituencies. I hope that Labour, Conservative, Liberal and Northern Ireland Members will draw its benefits to the attention of businesses in their areas. The extension of the scheme is good for small businesses, it is a valuable measure and it should be welcomed by the House.

I also wish to draw hon. Members' attention to the deferral of the uniform business rate. Many small businesses were badly upset when the change to UBR was introduced, not because the change was wrong but because it incorporated about 17 years of non-revaluation. As we did not bite the bullet and revalue business premises, there was a considerable increase. Businesses were rightly concerned about their future as we entered a worldwide recession. As a result, many business men were worried that they would lose their businesses, but the Government listened and deferred the increase in UBR—apart from inflation—last year and for the coming year. That was a major achievement for the Government and it has benefited small businesses significantly.

The third measure that I shall draw to the attention of the House is really a series of mini-measures, which will be of inestimable benefit to small business men who are fed up with filling in forms for Government officials. Sensible changes will be made to value added tax. Various measures will take many businesses out of the VAT registration requirements and some sensible measures will relieve businesses of the penalties and problems that they face because of innocent delays or errors in completing VAT. Those penalties and difficulties have been magnified during the recession and have been unfair on many small businesses. It is good to know that the Government have a means to listen to those concerned, that they have listened to people such as myself who have brought such worries to the attention of Ministers, and that they are adopting sensible changes.

I pay tribute to Customs and Excise for no doubt being prepared to help Ministers to implement the changes. All too often recently, the small business community has been concerned that as the Inland Revenue has shown more flexibility and understanding, Customs and Excise has become the bugbear of the small business community. I welcome the changes and the recognition by Customs and Excise that its principles for implementing the VAT regime can sometimes be onerous for small businesses.

The Budget has successfully tackled the big issues. A deficit of £50 billion could not be allowed to continue of long as the effect on, and increase in, our national debt would have been enormous. By tackling the deficit in such a way we know that, as we come out of recession, there will be a significant reduction in the annual increase in our national debt.

There are also good signs that we are already coming out of recession. Industrial production was up in the

fourth quarter, and productivity has increased significantly during the past 12 months, making our country attractive for more overseas investment of which we already attract a significant amount.

I hope that further measures to reduce public expenditure will be included in the Budget in November, but I disagree with Opposition Members who think that one can reduce public expenditure only by cutting hospital building programmes. That is the Labour way to do things. If we have to reduce or curtail public expenditure, we do not do as Labour does. We do not cut school building programmes, as Labour did in the 1970s, and we do not have to cut the capital hospital building programme —we look to other areas.

I hope that my right hon. Friends on the Treasury Bench will take note of my proposal that we should study civil service numbers. In recent years the private sector has had to reduce numbers and we should do so, too.

The skill of the Budget will be appreciated at the next general election because by then we should have achieved, or be on the doorstep of achieving, a 20 per cent. basic rate of income tax. I hope to be fighting the next election campaign on a manifesto pledge for a 15 per cent. rate of income tax by the year 2000; it is within our sights and we have to go for it.

In the longer term, I hope that the Government will seriously consider abolishing the 40 per cent. rate of income tax. I remind hon. Members that the Victorian era, when income tax was 5p in the pound, was the last time that large amounts of risk capital were available for investment in small businesses. People had 95p in every pound in their pockets and many more people could afford to risk much more of their income on capital investment in risk projects to start businesses.

I also hope that we shall consider measures to help the shipping industry. During the Finance Bill and at every other opportunity I shall continue to advocate a continuation of the 40 per cent. first year allowance for that industry, as that would help shipping, would not cost a fortune and should certainly be continued. I lobbied heavily for the increase in the capital allowance writing-down regime and I hope that it will continue.

I congratulate Treasury Ministers on their incredibly skilful handling of the surplus advance corporation tax problem. For technical reasons, the solution to the problem defied the imaginations of many people. It has been solved not only with considerable skill, but in a way that should encourage many international companies to base their headquarters here. In that way, we can attract many companies to locate here and to employ more people in this country and to bring skilled people to this country, who are capable of employing them.

Let us consider the implications of applying VAT to energy and the effect that that will have on pensioners and those on income support. I was shocked by the extension of VAT to energy—I am always shocked by any tax increase, because I should prefer not to have increases. For the reasons I mentioned earlier, however, this Budget required some measures to deal with our deficit. The Labour party's expression of shock was utterly false indignation. Labour's proposals would have cost the nation even more, would have damaged businesses and would have involved increased regulation. Labour did not say what regulations would stop people and businesses from consuming energy. Regulation can be more damaging to the economy than tax increases.

An important issue was raised earlier. Yesterday my right hon. Friend the Chancellor said:

"Social security benefits will, of course, rise automatically to reflect the price effect of this change"—[*Official Report*, 16 March 1993; Vol. 221, c. 183.]—

that is the increase in value added tax.

It is important that the words "price effect" are qualified. I take them to mean the full price effect, because they do not specify a half, a quarter or one third. The words are not clear.

Opposition Members, and in particular the hon. Member for Dunfermline, East (Mr. Brown), have tried to frighten pensioners on income support about the future real level of that support. I will have no difficulty in going through the Lobby in support of the Government next week because I know that the Conservative Government will not let down pensioners on income support. Only the Labour party has a history of doing so. It is the Labour party which has put the stiletto knife into the backs of our pensioners. I remember when the Labour party refused to pay the Christmas bonus for two years in the 1970s. It was the Labour party, when Barbara Castle was Secretary of State for Social Security, which in 1975-76 fiddled the inflation rate in such a way that the inflation rate for 10 months was left out of the increase in the old-age pension.

The Labour party has fallen into a trap carefully constructed by my right hon. and hon. Friends on the Treasury Bench, because, by raising the issue of old-age pensioners, it has drawn attention to its record of failings in the 1970s when it fiddled the retail prices index calculation, as it affected pensioners. We will have the opportunity to say that we will not let down the pensioners or those on low incomes; it was only the Labour party, desperately in hock to the International Monetary Fund, which was forced to do that.

The extra money for the training and enterprise councils, the community action programme, the business start-up scheme and the educational allowance will help more than 100,000 people towards finding work. It is the unions' attitude which has damaged job prospects in this nation. The Labour party tie up with the unions did enormous damage. Lord Scanlon, Hugh Scanlon as he was in the 1970s, admitted that in a massive recantation of his beliefs in a recent article in the *Financial Times*. He admitted that the Labour party and the trade unions of the 1970s destroyed our car industry. We have rebuilt it.

One special measure missing from the Budget, which I believe should be given careful consideration, is one that I have designed especially for trade union officials. I advocate that special financial help should be given to trade union officials who want to start businesses. Those officials are organisers of men and women and, instead of organising strikes and causing problems for businesses, they could organise them in new businesses.

Why can we not give special help to trade unionists to become entrepreneurs? I believe that such help is needed because if 10,000 experienced trade union officials became entrepreneurs and employed 30 people each, 300,000 people could be taken off the unemployment register. That would be a significant change. Such special help should be given to trade union officials and committee members—we could even include Labour Members and other active members of the Labour party. They could all join in helping to get the nation going through the establishment of small businesses. I have read Labour's alternative

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Budget programme and I therefore realise how much the Labour party and the trade unions need that special assistance.

I welcome the help that has been given through capital gains tax relief for entrepreneurs who, having got their first businesses going, want to invest in others. Under the old system, tax relief was only available to a successful entrepreneur, who sold out his first business, if he went abroad. The new system means that that person can stay in this country and help to start new businesses. The change has long been advocated, and responsibly so, by the British Venture Capital Association. I support what the Government have introduced.

The Budget is good for jobs, good for small businesses and good for the nation. It is wonderful, and the only problem with it is that faced by the Labour party, because it points up its deficiencies, lack of policies and ideas. It is an excellent Budget from our point of view and from that of the nation.

8.14 pm

Mr. Alan Milburn (Darlington): The traditional bluster from the hon. Member for Dover (Mr. Shaw) cannot conceal the fact that yesterday's Budget was a disaster for Britain. The country was looking forward to a Budget for jobs, but I am afraid that it was served a diet of broken promises and steep tax rises.

Opposition Members have already alluded to the fact that the Conservative election pledges of no tax rises and no VAT rises have been broken. If the Governor of Hong Kong were in his seat tonight, he would be able to say, accurately, that the Government have served up a double whammy of VAT and tax rises.

Yesterday's announcement amounts to one of the biggest tax rises in British history. The extension of VAT to domestic fuel bills, the 1 per cent. increase in national insurance contributions and the freezing of personal allowances will hit every family.

Conservative Members have made much play of the fact that the Budget is good for the poor. The changes mean, however, that a further 200,000 people will be dragged into paying tax for the first time because of the freeze on personal allowances. Yesterday's announcement also means that 4·5 million people who currently pay tax at the 20p rate will lose out, once again, because of that allowance freeze. Because the national insurance contribution is more regressive than income tax, about 500,000 people who are too poor to pay income tax will instead pay higher national insurance contributions.

The Chancellor's window dressing cannot hide the grim reality. Once again, those least able to afford to pay will be penalised. The extension of VAT to fuel bills is not a green tax—it is a vindictive one, levelled against the poor, the elderly and the disadvantaged. After 14 years, however, I suppose that we should be used to that.

Since 1979, the poorest 20 per cent. of households have seen their tax bills rise while the richest 20 per cent. have seen theirs fall. I have never been convinced by the argument that the wealthiest people in our society need the carrot of lower taxation while the poorest need the stick of higher taxation in order to contribute to our economy.

Since 1988, the top rate tax cuts have given the very rich some £10 million. We were promised that that tax-cutting bonanza would provide a long-running, sustainable economic miracle, but that has proved as illusory as the Prime Minister's general election commitments of April 1992.

The Budget means that we are all now paying for the mistakes of the past, without being given a basis to build for the future. In particular, the Budget will do nothing to help the regions, such as my own, to get back to work.

In April last year, the Prime Minister promised that a vote for the Conservatives would be a vote for economic recovery, but since then the economy has gone from bad to worse. The economy, indeed the country, is tottering on the brink of collapse. The north, more than any other region, is paying the price for the broken election promises of the Conservatives.

The facts speak for themselves. Since the Prime Minister usurped his predecessor, a further 40,000 people have joined the dole queues in the north. The region has the highest unemployment rate in Britain, with 32 people chasing every job vacancy. Unemployment affects every person in my region and throughout the country. It costs the taxpayer £9,000 for each man and woman who is unemployed. The north's dole bill amounts to a staggering £1·5 billion.

Yesterday's Budget presented a unique opportunity for that money to be put to work stimulating recovery and creating new jobs, but it failed the most crucial of all tests. It will not make one single person feel any more secure about his or her future employment prospects; nor will it create a single new job. The Government's policies will ensure that unemployment continues to rise relentlessly. According to independent forecasters, unemployment is due to rise by a further 200,000 this year alone.

The Budget represents no basis for sustained recovery. The Chancellor admitted as much yesterday, when he said that our trade deficit would widen to £17·5 billion. It will do so because of the Government's lamentable failure to tackle the investment gaps that hold our country back. We are now paying for the neglect of 14 years of Government inactivity and mismanagement. Since 1979, the gap between the United Kingdom's economic output and that of the rest of the industrialised world has grown to £250 billion. If our growth had managed to keep pace with the European Community average, we would be £65 billion better off today.

Closing that gap should be the Government's key priority, but to close it requires a concerted strategy, diligence on the part of Ministers and, most important, investment. It requires investment in our infrastructure, our skills base, our manufacturing and our regions. It requires more than fine words from the Prime Minister, who has apparently rediscovered the importance of manufacturing; it requires action. But yesterday's Budget promoted inactivity, not activity, in the manufacturing sector.

Yesterday's Budget contained not a jot to stimulate economic recovery or put manufacturing industry back on the road to success. Yesterday's Budget once again signalled that the Government have simply given up the ghost and are not ambitious for Britain to succeed. They clearly believe that we cannot compete against the successful industrialised economies, such as Germany's, and the only way of competing is on the basis of lower and lower wages. The Government are not only talking down Britain, but actively dragging down the British people.

The Budget contained only a few training gimmicks, which cover only one in 30 of the nation's unemployed. According to our estimates, the gimmicks would mean a derisory extra £1 a week for each person on the dole register. Apart from those gimmicks and some rehashed project announcements, the Budget contained next to no new investment in the nation's infrastructure and skills base.

Where was the commitment to my region to restore the £21 billion-worth of training cuts that the training and enterprise councils are having to suffer this year? It is the economics of the madhouse to cut training budgets in the region with the highest level of unemployment, but that is precisely what the Government have done. We have the worst training record, not just among our European partners, but among the newly industrialising countries such as Taiwan and South Korea. Yesterday's Budget did not prove an opportunity for the Government to correct that training deficit.

The Chancellor announced a number of capital projects, which were mainly rehashed, and all in the south-east or London. He threatened to cut off the north from the rest of Europe by locating the chunnel link at St. Pancras instead of King's Cross—*[Interruption.]* The Financial Secretary to the Treasury may scoff, but that is the reality. When the letters start to flood in to his office, as they will in the next few weeks, I hope that he will have a suitable response to them.

Our region, on the periphery of Europe, requires through trains, through traffic and through ticketing to allow us to compete effectively in the single European market. There is no lack of skill, no lack of enterprise and no lack of ideas among the businesses and people of the north. They require a helping hand from Government, but I am afraid that they received nothing yesterday.

Allowing the regions to wither through inactivity means a massive loss of productive capacity, but that is what we have been witnessing for a decade or more. According to the statistical supplement to the autumn statement, in the period 1987-92, the peripheral regions suffered Government disinvestment, while the south and East Anglia received an enormous level of additional investment. In the period leading up to the 1992 general election, the Government bought votes in Conservative regions on the back of active disinvestment in Labour regions.

The late 1980s boom in the south of England was based on massive levels of state subsidy for housing, transport and industry being diverted from the peripheral regions. That policy did not work for the north or the south, as it resulted in under-resourcing in one instance and overheating in the other. The brakes had to be slammed on, with all the consequences about which we now know.

We also know from the supply estimates that the Government are pledged to cut further the regional aid budget, to the tune of £10 million during the next financial year. The Government should be sowing the seeds of regional prosperity. Investment today will pay dividends tomorrow. Instead, they are laying fallow a tract of this country. Their failure to realise the potential of Britain and its people is holding our country back; it constitutes a massive waste. Regions such as the north have the skills, the enterprise and ideas to make a vital national contribution to reviving our manufacturing industries. Yesterday, the Conservatives decided to ignore that potential, and their Budget has written off the regions, particularly the north.

8.20 pm

Mr. Barry Legg (Milton Keynes, South-West): I join my hon. Friends in welcoming the fundamental economic principles contained in my right hon. Friend the Chancellor's statement yesterday. We all recognise the primacy of monetary policy in pushing forward recovery in this country. All Conservatives firmly believe in the need for sound public finances.

The Budget contained many measures to lead us in the right direction. The Opposition's response to the Budget has been disappointing. It seems that no level of public expenditure satisfies Opposition Members; whatever the circumstances, they always want a higher level. In addition, there is no level of public borrowing that satisfies them; they always require a higher level——

Mr. William Ross: Not all Opposition Members.

Mr. Legg: I agree that the hon. Member for Londonderry, East (Mr. Ross) is an exception, and his speech today was a welcome breath of fresh air in the Chamber.

My right hon. Friend the Chancellor drew some wise international parallels yesterday. He said that recovery was coming in the United States, but not in Europe. Britain is now leading the recovery in Europe, and the projections that the European Commission has made of growth for the coming 12 months show that the United Kingdom will take the lead among the European Community countries. My right hon. Friend the Chancellor was wise to draw parallels with the United States, where there has been a strong and substantial recovery.

We need to look at how that recovery has been generated. It has been generated basically by monetary means—by reducing interest rates and relieving the burden of interest rates on consumers and businesses. That process is also taking place in the United Kingdom. In addition to the Budget measures, there has been a reduction in the costs to business of about £4 billion as a result of reductions in interest rates since white Wednesday.

I also welcome the changes set out in the Budget concerning the monetary framework, particularly in the full funding rule. Again, there are parallels with the United States, where in recent years the Federal Reserve, an independent central bank, has been underfunding the deficit and providing support to financial institutions and banks in that country. We need the same mechanism to operate here because our financial institutions have been hard hit during the United Kingdom's membership of the exchange rate mechanism.

The results of the main clearing banks and building societies announced in recent weeks show bad debt provisions totalling £6 billion, equivalent to 1 per cent. of GDP. So the change of abandoning the full funding rule in respect of British monetary policy is absolutely vital, since it will substantially strengthen our banking system, which must be in a position to lend to businesses and aid the recovery.

The Chancellor has made some changes in the monetary indicators that he is using to monitor the

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economy. I am glad to note that he has downgraded the M0 indicator—the indicator of growth in coins and notes in circulation—to a monitoring range and has put it on the same level as the M4 indicator. He was right in his comments about wishing to see some growth in M4 in present circumstances. But the range that he has set, of 3 to 9 per cent. for growth of M4 over the whole of the medium term, like many of the policy indicators, leaves too much to discretion.

The indicators for a broad money range must be adjusted from year to year as financial conditions change. To allow oneself such discretion over monetary indicators, and to have such a wide range of indicators—including asset prices, broad and narrow money and the exchange rate—will not add greatly to confidence in the marketplaces. Markets wish to see some certainty in the instruments by which the Government are guiding the economy and how changes in interest rates reflect those indicators.

There are probably some dangers in relying too much on forecasts. The Chancellor has set up his panel of independent forecasters and has drawn attention to the fact that the forecasts by the Treasury are not too far from those made by the independent forecasters. But many of those independent forecasters use similar economic models, and the fact that the Treasury model is close to the average does not mean that its forecast will be accurate. In recent years, there have been too many attempts to set and guide policy according to forecasts. We must have a set of clear financial principles by which we guide the economy —there were many indications in the Budget statement of an awareness of that.

Much concern has been expressed from the Government Benches, and by the hon. Member for Londonderry, East, about the size of the public sector borrowing requirement as revealed in the Red Book. Those concerns are well founded. The Chancellor has changed his policy on the deficit. The policy has been to try to balance the deficit over the period of the cycle. We now have a vague phrase about trying to move the deficit towards balance over the period of the cycle.

There is some disagreement and uncertainty about the length of the cycle. If we take the length of the parliamentary cycle—one might imagine that five years should cover an economic cycle—then, looking to the end of this parliamentary cycle in 1997, one sees a Budget deficit of 4·5 per cent. Not only is that well outside the criteria laid down in the Maastricht treaty, but it is probably well outside the criteria that Conservatives who believe in sound public finance should be supporting.

Further measures will probably be needed in the coming years to make sure that the deficit is set at a much lower level. I still believe that the deficit should be balanced over the cycle, which means that in the good years we run a surplus, and in the more difficult years we run a deficit. But we must balance it over the cycle to get the level of public debt down. As many hon. Members have pointed out, running up the level of public debt runs up interest costs for future years and burdens succeeding generations with too high a debt burden. Let us return that principle firmly to the forefront of our economic policies.

There are some interesting changes in the Budget by way of tax reliefs, and I detect some movement afoot to move more towards tax neutrality. If we can go in that direction, with the downgrading of the value of allowances, and, at the same time, reduce overall direct tax rates, we shall be undertaking a beneficial move.

I welcome the changes in mortgage interest relief. Like my hon. Friend the Member for Gloucester (Mr. French), who is no longer in his place, I believe that this is a good time, with interest rates falling, to reform mortgage interest relief. I am concerned about the effects of its having been put off by the Chancellor for a full year. In the coming year, we should be driving recovery through monetary means, and reducing interest rates if recovery does not come through. I fear that waiting a further year may mean interest rates rising slightly in 12 months' time, when we shall be reducing tax relief on mortgage interest. So the timing could have been better, with the changes being made in the current fiscal year.

Considering the other tax changes, I am glad that the Chancellor has given high priority to reducing the deficit. Without that priority, the financial markets would have waned in their confidence that the Government could meet their deficit financing requirements. What will be the effect on confidence and recovery of delaying that step for a further year? If consumers know that tax increases are coming 12 months hence, they will undoubtedly factor that into their spending patterns in the current year. They will know that tax increases are coming, but will not have the certainty of knowing exactly how much of their income will be taken by those tax increases.

There are benefits from achieving certainty, and addressing the deficit, at an earlier date. It would strengthen the Government's finances. In political terms, it makes more sense to address the deficit at an earlier stage. We need in the coming two or three years to get the economy back on to a sound financial basis, after the deep recession we have gone through. Once that has been done, we must change the balance of taxation and make sure that our pledge to reduce the basic rate of income tax to 20 per cent. becomes a reality. The increases in the 20 per cent. band of £500 for the two coming years can be only a gesture at this stage. We must redefine our fiscal priorities, and the sooner we do that the better.

I welcome the development of the unified Budget in December; much will need to be done at that time. The level of public expenditure must be given much thought. The reduction of public expenditure must be the other element balancing the increases in taxation that have been made. I hope that my right hon. Friend the Chief Secretary will look at housing matters. In reducing the tax benefits of mortgage interest relief, there is also the opportunity to consider housing benefits in the public sector. We need to ensure that they are more closely directed to those who need them, rather than indiscriminate subsidies being directed towards properties.

I welcome the comments of my hon. Friend the Member for Winchester (Mr. Malone) about capital gains tax. I took examinations in capital gains tax when I was studying to be a member of the Institute of Taxation. Unlike my hon. Friend, I enjoyed the capital gains tax sections, which I managed to pass on my first attempt. I welcome the changes introduced in the Budget, but I fear that the sections and schedules of the Capital Gains Tax Act will increase. It would be better to have a wider-ranging reform of capital gains tax in due course, probably with the introduction of a tapering system.

Although I enjoyed taking the examinations, over the years I have not enjoyed paying substantial amounts of tax on capital gains.

Several hon. Members have commented on the changes in advance corporation tax. They were certainly one of the most interesting technical sections of the Budget, but we should be quite clear about the businesses and companies that are affected by surplus ACT. The Chancellor appeared to suggest that the United Kingdom should be a mecca for international companies investing here. I agree with that, but the companies with the problem of surplus ACT are, in fact, companies resident in the United Kingdom which are investing overseas, which do not have sufficient income from trading in the United Kingdom to absorb their ACT or sufficient foreign dividend credits to absorb it. Therefore, I do not believe that making those changes is a high priority. I welcome the other changes in the ACT system, especially the ACT reduction for pension schemes, which currently have very substantial tax privileges.

Other measures that will be helpful over the coming months and years include the loan guarantee scheme and the further extension of the export credits guarantee system. These will be especially important because the detail of the Red Book shows that growth in the United Kingdom will not be a repeat of the 1980s. It will not in the main be generated by British consumers, who will be under some tax pressures over the coming years. Therefore, it is important to ensure that businesses export more and take full advantage of export opportunities throughout the world. The widening of support for that is very welcome.

The Budget gives us some principles on which to work, but there is a long road ahead. A great deal of financial change will be necessary over the coming years to ensure that the British economy is rebalanced so that it can take full advantage of being outside the ERM; so that it continues to be a mecca for overseas investment; so that Britain will be not only the country with the highest growth rate in Europe in the coming 12 months, but the country that will achieve the highest level of growth throughout the 1990s, just as we so successfully achieved in the early and middle 1980s.

8.44 pm

Mr. Peter Hain (Neath): The Budget is a triumph of hype over hope. The Chancellor has been preoccupied with protecting his own job, not the jobs of more than 3 million unemployed. He should forget the autocue and tackle the dole queue with a credible strategy for sustainable growth, without which shipyards will continue to turn into scrapyards and the wheels of British industry will remain clamped to a standstill.

To tackle the underlying structural weakness of the economy, we need a major and permanent shift from consumption to production. On present policies, high unemployment will become a permanent feature of the British economy and living standards will go into long-term decline. The stark fact is that Britain still consumes far too great a proportion of its national income. The so-called Thatcher miracle was a mirage. The 1980s boom was a consumption boom. Real living standards for most of us rose on the back of the squandered £100 billion North sea oil revenues and an explosion of credit.

During the 1980s, consumption increased by an average of 2·5 per cent. per year, whereas gross domestic product increased by an average of 1·6 per cent per year. Since 1979, consumer expenditure rose by 37·2 per cent. and GDP by only 22·3 per cent. That catastrophic gap was bridged by increasing debt as the Government virtually incited the nation to live on tick. Consumer credit has more than doubled. At current prices, consumer credit was £512 per adult in 1979 and £1,147 per adult in 1992—and that excludes the impact of negative equity affecting some 1·5 million households. Whereas, in 1981, for every £100 of disposable income household debt was £57, by 1990 that had doubled to £114.

The so-called Thatcher miracle has bequeathed a debt mountain that is crippling the prospects of long-term sustainable recovery, and the Chancellor has not even begun to address that. British consumption as a proportion of GDP is already the highest in the industrialised world, and is completely unsustainable. That has to be turned round as a matter of extreme urgency, but the Budget does not begin to deal with the task. Even the Government's preoccupation—some would say obsession—with low inflation is unsustainable. Some time next year, given Britain's ravenous appetite for imports, rising import prices will inevitably push inflation above 4 per cent., and it will remain there.

In those circumstances, what can the Government do? Either they slaughter their sacred cow of low inflation by abandoning it, or they go back to spending squeezes and slow growth—no U-turn, no policy reversal, just contra-flow Conservatism again. Indeed, from the Government's view the prospects are even more catastrophic than that. The huge budget deficit will soar to £50 billion and will stay at that level, as the Red Book figures show. The Chancellor is tackling it by slashing public services and public investment and by tax rises. That is not only hitting the poorest the hardest and damaging the quality of life for us all; it is self-defeating, because it undermines the real economy that cries out for investment.

The problem is also that, under the Conservatives, Britain has become allergic to Government intervention and investment, which it so desperately needs. We must overturn the suffocating conventional wisdom of Thatcherite and non-Thatcherite economics, otherwise the Budget will be another instance of where the operation was pronounced a success, but the patient died—another stage in a process of Britain's historic economic decline.

We need massive public investment and a radical programme on institutional reform. First, a £20 billion programme of public expenditure-driven investment in infrastructure, training and skills is essential. That should be financed partly by increasing borrowing and partly by mobilising wasted or idle resources, such as the £8 billion in housing capital receipts and the £27 billion cost of maintaining more than 3 million people on the dole. Japan showed the way with that sort of package only last year. The £43 billion Japanese recovery package in August 1992 was designed to boost output by 2·5 per cent., concentrating upon public investment and leveraging the banking system. We can do that kind of thing as well.

Beyond the immediate programme, the City needs complete restructuring. The Chancellor has merely fiddled at the fringes of the problem. Britain's financial institutions have to be forced off their chronic addiction to

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short-termism. We must make a break from casino capitalism, where the City conducts its affairs without any regard for the national interest.

We should begin by establishing new public banks with the specific remit of mobilising private debt: a housing and construction bank, a national investment bank and a small business bank. Their capital base would be funded by the Government and, equally important, by the financial institutions. Pension funds and insurance companies own some two thirds of the shares in British industry. They could be required, if necesssary by legislation in the absence of voluntary co-operation, to buy multi-billion pound bonds for the new banks.

The housing and construction bank would pioneer cheap mortgages to those on low incomes. The national investment bank would not simply provide cheap, long-term loans; it would also take equity stakes and force the commercial banks to do the same, so altering the whole relationship between loan finance and industry. This needs restructuring along the lines to be found in Germany and Japan, for example, where banks become positive actors in the industrial economy, not simply pursuing short-term returns.

The small business bank would provide cheap long-term loans. The Government could subsidise bank loans to small businesses and give tax breaks to individuals who provided equity finance, or they could provide a tax incentive to banks to take an equity stake in client companies, as happens abroad, especially in Germany.

Radical tax reforms are also needed to go further in phasing out tax relief on mortgages, which will cost £4·3 billion this year, and on personal pensions, which will cost a further £1·6 billion. That money should be used to sponsor and redirect resources into investment and production.

Credit controls of the kind widely adopted in more successful competitor countries are also essential. We need reserve asset ratios to curb liquidity leakages which merely increase indebtedness and consumption. To manage our exchange rate, we also need curbs on speculation. Some 95 per cent. of foreign currency transactions are not in support of international trade but simply speculative gambles which enrich the speculators.

In short, our overriding aim must be to promote industrial growth through Government intervention and expansionary macro-economic policies which are nowhere to be seen in the Budget and which the Government are incapable of and unwilling to produce. We have to break with a tradition of failure—of under-producing corporate Britain, over-indebted household Britain, parasitic financial Britain and collapsing public Britain.

8.52 pm

Mr. Richard Spring (Bury St. Edmunds): Yesterday was a happy day in my constituency because I have the great honour to represent the town of Newmarket, the historic racing capital of the world. The Chancellor's announcement will give hope to thousands employed in the horse racing industry and will help secure the future of the reputation of that industry as the finest bloodstock industry in the world.

Therefore, I thank my right hon. Friend the Chancellor, and most particularly my right hon. Friend the Paymaster General, who spent many days working out a successful scheme. Yesterday was a memorable day for British racing. I hope that the Chancellor's announcement will spur on the revival of a great and long-standing British industry.

Someone recently told me that being in favour of small business was like being in favour of motherhood and apple pie. If so, I plead guilty, and I am glad to welcome the Chancellor as well to motherhood and apple pie.

Parts of the press have described the Budget as a Budget for jobs. The 1980s saw a flowering of entrepreneurial activities that resulted in growth, in rising living standards and in repayment of national debt. It is significant that, in the period 1987-89, when unemployment fell so rapidly, fully 70 per cent. of net job creation was accounted for by firms with fewer than 100 employees. Similarly, firms with fewer than 20 employees accounted for half the new jobs.

Therefore, I am grateful to my right hon. Friend the Chancellor for the range of measures which will be welcome to the small business community. Those measures will help enormously small business men at a difficult time.

All countries have suffered recession. In Britain, company liquidations rose two and a half times in the period 1988-92. The number of smaller companies registering for VAT fell last year, for the first time since 1979. What clearly emerges from that is the need to revive the enterprise culture and to underline the importance of small business in the whole process of job creation.

In East Anglia in the 1980s, the number of businesses registered for VAT rose by the second largest percentage in Britain. It is estimated that, in my constituency, up to 85 per cent. of the work force are employed in small businesses. In villages in rural west Suffolk, there are dozens of small manufacturing businesses employing perhaps only half a dozen people each.

It is not only the recession that has so severely damaged small businesses; the growth in bureaucracy and the cost of compliance, as well as the difficulties of obtaining finance and acceptable terms for that finance, have also played a part. My right hon. Friend sought to address that in part yesterday. The lack of viable long-term finance has been hugely difficult for small business. Many hon. Members have alluded to that. All of us have had to deal with distressed constituents who have suffered the consequences.

The banks are under severe pressure. It is instructive that the big four clearing banks have recently increased their provision for losses and bad debts to a monumental £5·8 billion, as my hon. Friend the Member for Milton Keynes, South-West (Mr. Legg) pointed out. That is an increase of £0·5 billion from last year. I welcome a specific fund launched by one of the big four clearing banks in my constituency this week to help small businesses. However, we are talking about a major, continuing structural difficulty which may bedevil small businesses in future.

In boom times, the friendly bank manager is awash with cash and generosity. In recession, the unfriendly bank manager is seeking to restore his employer's battered margins precisely when the business man needs him most. Do I exaggerate? I think not. At the heart of the matter is the worldwide recession, yet it is clear from bankers themselves that, following their recent traumatic experiences, they are reluctant to lend to small businesses without the restructuring of lending practices as such.

No one is more ill-disposed to involving the state in lending money or making business decisions than I am. The results in our own country and of our own history manifestly have proved that to be disastrous. Nevertheless, the business community—the lifeblood of our economy—has been beset by a roller coaster ride of interest rates, which has been deeply damaging over the past 20 years. I therefore greatly welcome the prospect of limited fixed interest rates announced yesterday.

The loan guarantee scheme introduced in 1981 has undoubtedly been helpful. To its credit, 30,000 guarantees have been issued for loans of nearly £1 billion—a gap for companies lacking a history or track record has been closed by the scheme. Its extension is good news. The reduction in premiums is also welcome. The increase in the size of eligible and the higher proportion guaranteed will be most helpful.

However, given the banks' attitudes in the present climate, will that be enough—or should we look to a different structure to help finance our small business community? After the war, under the Marshall plan, the KfW was born in Germany. It is now self-financing, and that is critical. Essentially, the KfW's role is to pass on to small German companies the low interest rates at which it can it borrow in international markets. It is not the German Government who lend the money but the guarantor and owner of the majority stake.

By its construction, the KfW does not even appear in the German budget or impose on the public sector borrowing requirement. Does that impinge on free market principles? Yes, possibly it does—but given Britain's unique reliance on the lending institutions and the unsatisfactory experience of them, that alternative is one that we should explore.

The KfW operates in a way similar to the World bank. It has established a good credit rating over the years, and thereby attracts loan capital. It is a wholesale operation that affords smaller companies the opportunity to borrow on terms similar to larger companies. Any comparable institution here should not be based on access to loans but on the terms.

Interest rates are no more than 1 per cent. above long-term rates and loans are for up to 10 years. The emphasis is on the long term. Although commercial banks make the actual loans, the KfW is not in competition with them because it does the refinancing.

The Small Business Bureau has made that a central pillar of its thinking, and that has to be the logic of yesterday's announcements by my right hon. Friend the Chancellor. I urge him to consider such an arrangement in the months to come. The German experience is regarded as excellent—and such a scheme need not be part of the PSBR.

As we on this side of the House know so well, this country's ability to survive and prosper is dependent on the goods and services that we produce and sell. My right hon. Friend the Chancellor was right to emphasise growth over the next 12 months, to effect speedier economic recovery. However, I appeal to my right hon. Friend, as a number of my hon. Friends have done this afternoon, if growth is faster than expected, to attempt to reduce the £50 billion deficit projected for the next financial year. Fiscal restraint will inevitably afford opportunities for further monetary relaxation. I wholeheartedly support the review by my right hon. Friend the Chief Secretary to examine critically every aspect of Government expenditure. Control of state spending is not only an economic but a moral issue.

Recovery, particularly for smaller businesses, will be spurred on by the relaxation in the full funding rule, which will help the liquidity of banks and their ability to finance smaller business needs. The last three years have been extremely difficult. We can now see light at the end of the tunnel when our competitors can see only darkness. As we continue to recover and apply fiscal rectitude, we can put in place the regeneration of the British economy. The foundations are now in place. I greatly welcome yesterday's Budget.

9.3 pm

Mr. George Howarth (Knowsley, North): Before making my substantial points about the Budget's economic consequences, I will mention one or two positive aspects. The first concerns the loan guarantee scheme, and I declare an interest as an unpaid director of Pendleton's Ice Cream in my constituency, which is in the process of trying to put together a package to create jobs in the ice cream industry.

It is probably too late for that company to take advantage of the enhanced loan guarantee scheme possibilities that the Budget creates, but as someone who has just gone through the process of trying to fund a business, I acknowledge that improvements to the scheme are to be welcomed. In that instance, it is not the case of an individual but of a group of workers who intend to own 51 per cent. of the company's equity. Nevertheless, the financing opportunities for small businesses are welcome.

Secondly, I echo a point that was made by my hon. Friend the Member for Hammersmith (Mr. Soley). Ironically, this concerns the withering of mortgage interest tax relief. Let us recognise that that is what the Government are embarked on. One of the ironies here is that, during the last general election campaign, I was castigated by my Conservative opponent for having at one time had the temerity to advocate such a thing. Indeed, my opponent circulated to all owner-occupiers in the constituency a leaflet saying that if this dreadful socialist man were re-elected, mortgage interest tax relief would be whipped away. How strange that the Government of whom he wanted to be a supporter here should be doing that very job without my help. In any case, this is a move in the right direction.

The final positive point to which I wish to refer is the way in which the export credits guarantee scheme is being extended. In this regard, I shall say only that I am sure I was not alone, over the past few years, in making approaches to the Department of Trade and Industry on behalf of firms. This has been a major problem for exporting companies—particularly those in the machine tool industry, but undoubtedly for others as well. Unfortunately the move is a bit late. For instance, I know of a £5 million order that failed to go ahead in my constituency because of the lack of export credit guarantees. None the less, this long-overdue reform is welcome.

I wish to refer now to the problems that the Government have not resolved. The key question, which Ministers and many other hon. Members have acknowledged, is this: how are we to achieve growth in the economy, and, with growth, how are we to resolve the

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problems of unemployment? Time does not permit me to go into all the consequences of unemployment for individuals, but I have to point out that my constituency is probably one of the economic black spots of Europe. I do not say so with any pride; this is a simple fact of life with which we have had to deal over the past 15 years or so.

Unemployment has enormous economic and public finance consequences. For example, benefits alone cost £30 billion a year, and lost output and lost income amount to £60 billion a year. Unemployment cannot be lightly brushed aside in economic terms—to say nothing of its effect in human terms. What sort of growth is needed to stop the growth of, and then reverse, unemployment? I listened with close attention to much of the debate yesterday. The hon. Member for Worcestershire, South (Mr. Spicer) spent some time discussing this matter. His estimate, with which I more or less agree, is that it is necessary to have growth rates above 2 per cent. before one starts to eat into the problems of unemployment. Yet the Chancellor admitted yesterday that the Government expect a rate of only 1·25 per cent. this year, rising to 1·75 per cent. next year. Thus, we shall not begin to reverse the tide of unemployment that is sweeping the country. If we are to start to take the long-term unemployed off the register, we must have growth rates of about 2·5 per cent.

As I expect even Ministers would concede, there are several constraints. The most pressing of these is the horrendous balance of payments situation. If the Government achieve the wrong sort of growth—if, as was intended up until yesterday's Budget, growth is led entirely by the consumption of private individuals—the balance of payments problem will simply be exacerbated, as happened in 1987, 1988 and 1989, and the deficit will again spiral to £20 billion or thereabouts.

That is not the most appropriate means of achieving growth in the economy. It strikes me that there is only one sensible way out of our problems—public borrowing and public spending. I do not want to specify a target figure over and above the £50 billion, but it seems to me that, in so far as that amount will produce a growth rate of only between 1·25 per cent. and 1·75 per cent. and will therefore fail to eat into the unemployment problem, we need to think in terms of a higher rate of public sector borrowing. The PSBR must be pitched at a level that will lead to a growth rate of 2·5 per cent. The ultimate failure of the Budget is the fact that it will not achieve that, and thus will not begin to solve the problems of unemployment.

The Government will say that recent history shows that such solutions are no longer possible. The Labour Government of 1964-70 have been much denigrated—certainly by Conservative Members—but that Government achieved a consistent growth rate averaging 2·8 per cent. throughout their period of office. It is no accident that, during much of that period, virtually full employment was achieved.

That strikes me as a sensible target. The only way to achieve it is to devise capital expenditure programmes that do not necessarily have large revenue implications—and, my goodness, any of us could find dozens of such projects in our constituencies. Creating demand in the private sector is surely the most sensible way to create growth: it would minimise problems relating to the balance of payments.

The Budget contains some useful innovations, but its ultimate failure lies in the fact that it will not begin to solve the problems of unemployment. Any measure that does not solve those problems must, in the end, be deemed a failure.

9.11 pm

Mr. Michael Ancram (Devizes): I am grateful for the chance to speak, if only to congratulate my right hon. Friend the Chancellor on what I consider to be a courageous Budget. I use the word "courageous" advisedly: I think that my right hon. Friend had to make an immensely difficult decision. He had to decide between financing an enormous deficit and preventing the undermining of the recovery that has begun. I do not envy his position, and I respect the decision that he made. Until yesterday, I believed that financing the deficit was a priority; following my right hon. Friend's Budget speech, however, I accept that—having had to balance those two factors—he concluded that it was essential to give the recovered economy a chance to flourish, at least for a year.

For that reason, I am amazed by the reaction of Opposition Members. All that they have done is call for more and more expenditure; with one honourable exception, none of them has suggested how that expenditure should be paid for. The honourable exception is the hon. Member for Neath (Mr. Hain): his recipe was not one to which my hon. Friends or I would subscribe, but at least he tried.

Do Opposition Members live in a fantasy world? I think that it was Lord Healey who once said, "If you find an elephant on your doorstep, it is worth recognising the fact." I should have thought that a £50 billion deficit was a very large elephant, however it was measured; but the Qpposition seem to think that such a deficit can be ignored, and that we can proceed as though it did not exist —that it is possible to continue to get something for nothing. The truth is that, in this world, we never get something for nothing, and that is certainly not possible in terms of my right hon. Friend's Budget.

Over the next few months, my hon. Friend must seriously consider the question of the deficit. I agree with what many other Conservative Members have said today: my right hon. Friend the Member for Westmorland and Lonsdale (Mr. Jopling), for instance, made an important point about the cumulative effect of the deficit over the years, and the need to start financing it as soon as possible. I join my hon. Friends in hoping that a large part of that financing can be achieved through substantial public expenditure cuts.

I believe that the programme must be advanced as soon as possible, and I hope that Ministers will be courageous. There is enormous scope: examination of the universality of benefits, for example, could produce dividends, and I consider that it would be difficult for any hon. Member on either side of the House to argue against such action in the long run.

It is interesting to hear the Opposition call the Clinton experiment in America far-sighted and courageous, but, when we are doing essentially the same thing on this side of the Atlantic, they say that it is dishonourable.

I believe that the imposition of VAT on energy and domestic fuel is necessary, but do the figures for the take from the charge allow for the fact that we expect energy consumption to decrease as a result of the charge? The answer should be an important part of the presentation of the Chancellor's strategy.

I have been surprised that, yesterday and today, we have heard nothing about what the Chancellor did not do. In the lead-up to the Budget I received countless letters saying that we must not levy VAT on newspapers, books, adult education, children's clothes or food. My right hon. Friend yesterday announced that he would not be levying VAT on those items and that he had listened to the representations. I should have thought that at least those who had been speculating or making accusations in the past few months would recognise that my right hon. Friend had taken proper account of their representations.

The Budget has been greatly welcomed in my constituency, especially for its proposals for small businesses of which there are many in my constituency. They welcome the freezing of the effect of the business rate and the changes in the loan guarantee scheme of which they will take great advantage in the coming months.

I join my hon. Friend the Member for Bury St. Edmunds (Mr. Spring) in welcoming, on behalf of my constituents, the announcement about VAT on bloodstock. I was interested to hear the leader of the Liberal party on radio yesterday suggesting scathingly that the Budget was good for racehorses but bad for everything else. I can tell him that many people in my constituency and in neighbouring constituencies such as Newbury rely on the bloodstock industry and racing for a living and will not take kindly to his scathing remarks.

Mr. Beith: I hope that the hon. Gentleman realises that not only have we called for the type of changes that the Chancellor announced but my hon. Friend the Member for Roxburgh and Berwickshire (Mr. Kirkwood) called for them some months ago.

Mr. Ancram: I heard the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood) calling for them in the Chamber just after the vacancy in Newbury became known. I was surprised because I have lived in his constituency and I know that the racing industry does not play a very large part in it.

There are, of course, worries in my constituency about elements of the Budget and I hope that the Chancellor will take account of them. There is a feeling that some measures could discriminate against rural areas. I am referring especially to the increases in petrol prices. I know that it is very difficult to talk to petrol producers about pricing differentials for remote, rural areas. There is a difference between buying petrol at a motorway filling station as opposed to anywhere else. I hope that my right hon. Friend will join me in approaching petroleum companies to see whether the discriminatory effect on rural areas of increases in petrol prices can be mitigated.

As for VAT on domestic fuel and power, we must take account of the fact that in rural areas there is much less ability to choose the power source for heating one's home. Perhaps we could find a way of dealing with that anomaly.

Having listened to all the arguments, I believe that the key to the Budget did not appear in the Budget: it is to be found in the word "confidence". Whether or not my right hon. Friend's strategy succeeds depends on restoring confidence in the economy. I view the recession as being like a circle, with many people facing each other's backs and all waiting for the person in front to start moving before they move. I believe that we are beginning to see the first signs of movement within that circle. If my right hon. Friend's strategy is to succeed, we must inspire in people the confidence to go out and invest, and to feel safe to spend their money again. Only when that begins to happen shall we see the circle beginning to move, and the growth that my right hon. Friend wants beginning to occur.

That, above all, is why I found the speech of the hon. Member for Dunfermline, East (Mr. Brown) so intensely depressing. Again, all we heard from him was a litany of despair, and of talking down this country, its economy and its workers. It almost seems to me now as if the hon. Gentleman and his colleagues do not want the recovery to occur. They are going out and telling people, "Don't spend, don't buy, don't invest,"—because they know that if people start spending, buying and investing, the recovery will come, and their chances of ever being elected as the Government of this country will be gone.

I support my right hon. Friend the Chancellor of the Exchequer, I congratulate him on his courage, and I shall certainly support the Budget in the Lobbies.

9.20 pm

Mr. Peter Mandelson (Hartlepool): The aftermath of the Budget is inevitably dominated by its immediate effect on taxes, excise duties and national insurance. I do not want to dwell on those, except to say that, despite the efforts of the Tory good news machine, which is clearly not what it used to be, the public's verdict on the Budget was best expressed by the *Sun* today. I am not known for my devotion to that newspaper, but it is becoming increasingly shrewd and perceptive, for on its front page it summed up the Budget with the headline, "Nightmare on Norm Street". That clearly shows that the *Sun* increasingly intends to make an honest paper of itself at last.

It is clear from the public response, and from today's newspaper coverage of the Budget, that the price that the Chancellor has paid on behalf of his party and the Government is that the Tories are now indelibly stained as the party of devaluation, high taxes and broken promises. That has tremendous political significance. As we know —the Opposition have a special reason for knowing it, to our cost—the Tories have had a remarkable run of good luck on the subject of taxation. That subject dominated the 1987 election and the end of the 1992 election campaign —without justice, but I am afraid that the Tories managed to do us a fair amount of damage. As a consequence of the Budget, the Tory tax spell is now lifted, not only for now but for ever. I suspect that Conservative Members realise that, even if they dare not acknowledge it in public.

I shall put the short term on one side and concentrate, if I have time, on one or two comments on the fundamental question about the Budget—whether it makes Britain's economy stronger or weaker in the long term. First, the Budget should have squared up to the scale of unemployment, which is sapping the economy's strength. Clearly it did not do that, with the pathetically inadequate direct measures that the Chancellor proposed to combat unemployment. If he had been less concerned and preoccupied with the threat to his own job, he might have devoted more energy to creating jobs for others. Lamentably, he did not do that.

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Instead, the Red Book reveals not hope but despair about unemployment. It makes an average forecast that 200,000 more jobs will disappear this year—and that is coupled with what, although it is gloomy enough, I fear is an understatement:

"it will be some time before it"—

that is, unemployment—

"starts to fall again."

None the less, the measures described offer opportunities for only one third of the people who have been made unemployed since the Tory election victory last year. That is only a pin prick in the Government's own total of 3 million. I do not say that the schemes are wrong in principle and I do not think that the measures proposed should be damned by anyone because of their association with the Prime Minister's utterances on workfare. However, I believe that they are woefully insufficient. Leaving so many people out of contact with work for so long means that there is a risk of never being able to recruit many of them back to productive work. That is the long-term danger to our economy.

Unemployment is not just a social evil. On this scale and with so little possibility of an early reduction under present policies, it is an economic calamity. When people are laid off, their skills are unused and dissipated, and productive capacity is scattered and lost for ever. The unemployed lose and the country loses. The Budget has simply failed to square up to that reality and to offer a way out.

My next point concerns industry and British manufacturing capacity in the long term. Although the Government now mouth words about the importance of manufacturing, there are no signs that the attitudes of the Thatcher years are being reversed. There was no trace of that in the Chancellor's speech or in the Red Book. Why is this point so important? If anyone has any doubt about the importance of the manufacturing sector, they need only to have read *The Sunday Times* this week which contained revelations about the Government's secret report on the state of British manufacturing.

There is a unique feature in this recession. Unlike the recession of the early 1980s, this recession is cutting into the productive capacity not only of old industries, but of modern, hi-tech, precision-goods engineering industries —the manufacturing of the future. Crucially, along with that loss of capacity comes the loss of skills and the loss of a presence in vital areas of engineering, in micro-technology and in other sophisticated, new markets of services and of manufacturing. That is the biggest dagger in our economic heart in the long term. We shall never be able to conjure back the industrial capacity lost in the past, yet we now face the destruction of modern, productive capacity which is desperately needed if our economy is to succeed in future.

The threat to our future is confirmed in a highly pessimistic forecast of growth and trading performance in the Red Book. That forecast is all the more remarkable because on page 37 the Government claim that there is an "underlying improvement in competitiveness" in many sections of the economy and of manufacturing industry. The Red Book says that our competitiveness has improved —that improvement is, no doubt, from a very low base and is insufficient in comparison with the improvement of our rivals—but that economic growth will be slight. Our competitiveness, despite the claims for it, is not, in the Government's view, leading to economic growth.

The damning explanation is that, despite improved competitiveness, industrial capacity has shrunk so much that we simply do not have the size, the diversity and the versatility of tradeable manufacturing activity to take advantage of the opportunities available to us. That is the crushing indictment of the Tory record which is exposed in the secret report published in *The Sunday Times*. The report candidly admits:

"the flaws in British industry will take decades to remove."

The Budget fails to address that point and it fails to present any measures to deal with it.

Uniting the point about work and unemployment and the point about industry and manufacturing is the absolute necessity of investing in and developing human potential, and thereby genuinely transforming the competitiveness and size of Britain's trading sector in goods and services. We need a fresh ambition and purpose to achieve that. I have a suggestion that the Government may like to consider. We need to introduce a new target to spur Government and to galvanise the nation, and to turn this decade into a genuine investment decade.

The new target for the real economy should be investment, defined as an annual proportion of gross domestic product and including investment in people as well as investment in technology and the infrastructure. It would be a target that the private sector and the public sector would work in partnership to achieve and, if private investment fell back, it would be right for the public sector to fill the gap. I hope that the Government will consider putting in place that target and indicator for the real economy, alongside the nominal and monetary targets that they follow at the moment.

Until we put investment and the development of our people, as our essential economic resource, at the centre of economic policy, I fear that we shall continue on a path of long-term economic decline—a path which is all the more tragic because it is so clearly avoidable.

9.29 pm

Mr. Alistair Darling (Edinburgh, Central): People need a sense of where the country and its economy are going. After yesterday's Budget statement and today's debate—or, at least, Conservative Members' contributions to it —they have no such sense. People need to have confidence in the Chancellor; they have none. They need to believe that the Prime Minister, who has drifted from one problem to the next, has some clear vision of where he wants to go. Today, they are no wiser than they were last week.

Neither the Chancellor nor the Prime Minister has managed to salvage his position. They are linked together in devaluation and tax increases. We are told that the Budget is modelled, at least to some extent, on President Clinton's approach. The difference is that President Clinton inherited the economic problems in America whereas, in this country, the Prime Minister and the Chancellor created the problems that they are now trying to tackle.

The Chancellor has drained every last drop of his credibility. This is the same Chancellor who said:

"we will not have to increase taxes. I cannot see any circumstances in which that will be necessary."

This is the same Chancellor who told us that he saw green shoots, among other things, when we now know that, at

the time when he said it, there was every sign that the economy was continuing in recession. We know that the Conservatives won the last election on a fraudulent prospectus. We are talking either about gross incompetence—they did not see what was happening to the economy—or about a calculated deception of the people of this country.

It is not as though this is a Budget for investment in the future. The tax increases that the Chancellor announced yesterday were to pay for mistakes made by the Government over the past 14 years. It was an interesting Budget, because, for the first time, the Chancellor has attempted to tie his successor—whoever that may be—for the next three or four years. The hon. Member for Gloucester (Mr. French) made an interesting point—I say that not just because he is my pair—when he asked whether the commitments and tax increases promised by the Chancellor yesterday ran with the Government or with the Chancellor. We shall have to see. The Government have no vision; for them, "long term" means some time next week.

Credibility is important not just for the markets but to show that the Government have a strategy for recovery in the long term. Credibility is also important if politics is not to be further debased in the eyes of men and women in Britain. It is important that, when politicians make promises, they should be prepared to keep them. It will be emphasised again and again over the next few years that the Government said that they would introduce no new taxes. We watched their lips. It was interesting to see the Chief Secretary squirming this afternoon when he protested and spluttered, "We have no plans—honestly. That's the plain truth." When people resort to that form of words, it is quite obvious that what they are saying is not the case.

Just before the election last year, the Prime Minister said:

"we have no plans to increase VAT . . . there will be no VAT increase."

For the Chief Secretary to characterise a tax increase as a green tax is absolute nonsense. Taxes do not become green simply by the addition of the word "green" above the proposals in the Budget paper. The Chief Secretary also said that the Prime Minister put his signature to the treaty at Rio and that the VAT increases were part of that process. The Prime Minister also put his signature to the manifesto, so that does not prove very much. The Prime Minister said:

"we have no plans and no need to extend the scope of VAT."

The Prime Minister flies by the seat of his pants.

The chairman of the Conservative party—perhaps the next Chancellor, from what we are told—said that increased national insurance contributions were a "stealth" tax. If he says that they are a tax on income, surely they are a tax on income.

The Chief Secretary told us this afternoon that he was not in favour of direct taxation. Surely an increase in national insurance is an increase in direct taxation. It is one which will hit low-paid people particularly hard because of the ceiling on national insurance contributions.

People know that Tory Governments mean more tax for most people. Let us examine the Tory record since 1979. Most people are paying a bigger tax bill. Indeed, the poorest 10 per cent. of people pay the most tax. The richest 10 per cent. pay the least. We knew that the trickle-down theory of tax would never work. That has now been demonstrated beyond a shadow of doubt.

When we examine what the Government propose this year, we find the same pattern yet again. The top 10 per cent. of earners will lose about 1·5 per cent. of their income. The bottom 10 per cent. will lose 3 per cent. of their income as a result of the Government's proposals. So, again, those on low incomes are paying and those on high incomes, who are better placed to shoulder the burdens, are let off lightly.

As for the effect that the VAT extension will have on people on low incomes and those in receipt of income support, it was instructive to watch how the Chief Secretary found himself impaled on a hook that came from behind him, rather than from the Opposition. The hon. Member for Dover (Mr. Shaw) said that he was confident from what the Chancellor had said that income support would be fully indexed to ensure that the increase in VAT would be met. The Chancellor said:

"Social security benefits will, of course, rise automatically to reflect the price effect of this change . . . My right hon. Friend the Secretary of State for Social Security will take this into account when the income-related benefits are uprated next year."—[*Official Report*, 16 March 1993; Vol. 221, c. 183.]

There is no guarantee whatever that income support will be increased by 3 per cent. above inflation to take account of the effect of the Chancellor's announcement yesterday. He made no commitment whatever.

It was nonsense for the hon. Member for Dover to say that if the Chancellor had not meant that there would be a full increase in income support, he would have said that the increase would be only half as much or a quarter as much. Time and again, social security increases do not take account of the increased burdens that people have to meet. The Government know it and the country knows it. It is no use the Chancellor or the Chief Secretary protesting that those who will have to meet the full cost of VAT on domestic fuel will have the burden eased by increased income support. That is not the case. There is not a shred of evidence to suggest that it is the case. Indeed, if it were the case, the Government would have said so in clear and unambiguous terms.

Gas and electricity bills account for about an eighth of the expenditure of people on low incomes. The increase will hit people on low incomes and those who have no income at all especially hard, and the Government know it. As my hon. Friend the Member for Falkirk, West (Mr. Canavan) said, pensioners may be forced to make a choice between heating and eating.

As my right hon. Friend the Member for Ashton-under-Lyne (Mr. Sheldon) observed, under the Conservative Government VAT is becoming progressively regressive. The Government have described their proposals as a wedge of revenue. We are entitled to ask whether it is the thin end of the wedge. VAT has now been imposed on domestic fuel. How much longer will it be before other previously zero-rated items are brought into the scope of VAT? Perhaps the Financial Secretary will tell us when he replies.

We were told that the Budget would be a Budget for jobs. It was certainly a Budget to save the Chancellor's job. We were told that it was a Budget for investment. Look at what has happened. The House will recall that in his autumn statement the Chancellor heralded the go-ahead for the Jubilee line, now stalled. We are now told that the

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crossrail scheme has been put off until some time in the future. The central Scotland link is at least two or three years away.

The Chancellor promised that the Heathrow Express would definitely go ahead, yet in its press notice the Department of Transport said that agreement had been reached in principle. The Heathrow Express link—the sole firm commitment in the Budget—is just six miles of railway line. That is the only commitment that the Chancellor made yesterday. The only reason why it has been held up is a dispute between accountants and the impending threat of privatisation, which is effectively blocking many schemes for rail development.

The Chancellor has promised the channel tunnel link again, 10 years late. Trains will travel between Paris and the channel tunnel next year at a speed of 180 mph. They will have to slow down slightly to go through the tunnel and then they will travel through Kent at 47·5 mph. That is an indictment of the Government's stewardship of the transport infrastructure. What about links to the north? The Chancellor had nothing to say about that.

What is the Government's strategy for the economy? We left the last century as the workshop of the world, but we are about to leave this century in the second division. We seem to have lost our ability to invest in and manufacture goods of high added value. In the 1980s, our share of world high-tech exports fell from 11·2 to 9·2 per cent. We also lost our market share of medium and low-tech exports, and not just to European or US competitions.

All the time, on the other side of the world on the Pacific rim, economies have been growing at between 6 and 9 per cent., despite the recession in the United States, to which they were supposedly linked. Those economies have mastered basic manufacturing and the ability to exploit our innovations and are now increasing research and development, to move into high added value products. The evidence is to be seen from what is happening with British Aerospace. We invented and developed the 146 aircraft, but Taiwan wants to take it over and develop it.

The Pacific rim countries are looking to low-cost countries such as Indonesia and India to assemble the goods that they have invented. The Government seem determined that we should compete with countries that assemble goods rather than with those that invent them.

The Department of Trade and Industry report seems to have fallen victim to what I would call the "Spycatcher" syndrome. Hon. Members will remember that the Government spent millions of pounds of tax payers' money trying to stop the publication of that book around the world. This is the Government who impounded copies of *Pravda* at Heathrow airport, so that we could not read what Russians could read if they had cared to buy a copy. Exactly the same is happening with the DTI report. Our competitors know the problems of British industry, but the Government do not want the people of this country to know—so much for the Prime Minister's commitment to open government and the citizens charter.

We have heard nothing about research and development. The temporary period granted for capital allowances in the autumn statement has not been extended. I happily welcome what the Government have done for small businesses, except that the measures only ameliorate the problems that they face. For example, the relationship between banks and small businesses has not been examined. The inquiry commissioned by the Chamber has not resolved the problems that many small businesses have with their banks. I agree with the hon. Member for Bury St. Edmunds (Mr. Spring)—in times of plenty banks are happy to lend money, but at present their conduct towards many small businesses leaves much to be desired.

While I am broadly sympathetic to the problems faced by our insurance companies in competition with European insurance companies, we shall consider carefully the proposals for Lloyd's. Lloyd's is not a corporation but a collection of individuals and I do not understand why individuals should be given tax breaks and concessions unless it can be proved beyond doubt that they have alienated the money in question and are not simply receiving advantages that other taxpayers would not enjoy. I look forward to the day when Conservative Members with vested interests, as members of Lloyd's, declare their interest, not only in their speeches but by declining to go into the Lobby with the Government when we discuss that matter.

We must consider the relationship between the Government, the economy and the financing of businesses. We must also consider the availability of finance, following deregulation of the market. I do not believe that we shall ever return to a regulated market and the controls that were a feature of economies, but is is important that the Government recognise that more and more people will use financial services to provide for their short and long-term needs. That means that it is important for the Government to put in place an efficient regulatory system, which will promote confidence if we are to encourage people to make provision for themselves or simply to put their savings to good use. They must be confident that this country's financial services are in sound shape and are properly regulated. We wait with interest to see what the Government will produce next year.

The Chief Secretary to the Treasury only hinted at his plans for public spending, but he hinted that there will be hard cuts to come. The House should realise that public spending is not some sort of luxury, but in many cases means spending on essential infrastructure, on education and training, and on providing for health which is a social and economic need. Public spending means providing police, about which the Government say plenty but often do completely the opposite. Public spending cannot be cut with abandon without any consequence to the economy. I hope that, in the next few days, hon. Members will remind the Government time and again that cutting public spending is a false economy.

We must tackle the structural problems in our population. Those problems, together with immense demographic changes, should condition our economic thinking, but we have heard nothing from the Government about that. Although I welcome new technology as something to be embraced, it will mean that the number of job opportunities will decrease in the immediate future. Unemployment is a drag in economic terms as well as a catastrophe in social terms. We have heard nothing from the Government about what they propose to do as a result of those structural problems.

Tomorrow, we shall consider jobs and training. There is no point in converting employment training and youth training into short-term schemes. Many schemes already

endeavour to give young people the proper training and skills. To convert such schemes into six-month courses may get more people off the unemployment register and more people through those schemes, but those courses will not give those people the highly skilled, highly motivated life style that is essential for the development of our economy.

It seems that the Government's only strategy appears to be to get people off the unemployment register in order to make it more politically acceptable. What we need is a highly skilled, highly motivated work force. As my hon. Friends have said, nothing that the Chancellor said yesterday gives us any cause to believe that the Government recognise that problem. To say that we shall have competition between TECs for innovative projects debases the problem that we face. It is no wonder that training providers and trainees are becoming increasingly cynical about the Government's proposals.

The Government have been in power for 14 years. They were elected on a fraudulent and false prospectus, and they know it. People know that the Conservative party is the party of devaluation, high taxation and economic failure and that it is the architect of profound social unease. The Budget will haunt the Government for years to come.

9.46 pm

The Financial Secretary to the Treasury (Mr. Stephen Dorrell): Let us begin on the common ground that has been revealed by the debate. Every hon. Member would agree that the Chancellor's key objective in presenting his Budget was to ensure that the recovery is nurtured and that it prospers. It is widely recognised that the only way in which we can create jobs for those on the unemployment register and hold out the prospect of improved living standards and social services is by ensuring that the British economy performs well and that British business is successful.

On that front, as my hon. Friend the Member for Devizes (Mr. Ancram) said, the news is better than the Opposition would like. Today we published figures for retail sales that show that they are up by 2 per cent. on what they were this time last year. Recently, we published figures on industrial production in Britain that showed that, despite the rhetoric from the Opposition, it is nearly 1 per cent. higher than it was this time last year. I accept that that is not an enormous amount, but it compares favourably, as my hon. Friend the Member for Milton Keynes, South-West (Mr. Legg) said, with the 8½ per cent. drop in industrial production in the same period in Japan, the 6½ per cent. drop in Germany and the 3½ per cent. drop in France.

We have heard from the Opposition that the Government have no interest in industrial production, but the next time they use that argument I hope that they will analyse those figures that compare our industrial performance in the past 12 months with that of our industrial competitors.

When the Opposition are considering our economic prospects I hope that they will note that car sales have gone up 7 per cent. in the most recent quarter in comparison with the sales recorded in the previous three months. They should also bear in mind that, so far this year, new house sales have gone up 20 per cent. on the level achieved at the end of last year. That increase led the chief executive of Wimpey to say just last week,

"Demand is coming back and the affordability message is coming through. Last week was our best week for sales since 1990."

I hope that they might also reflect on the fact that the chief executive of Bryant Homes, a competitor of Wimpey Homes, was quoted—accurately, I think—as saying that there was no doubt that the recovery was under way, at least in his sector.

Every recovery starts with a series of anecdotes about people doing better than they had previously expected. My hon. Friend the Member for Brigg and Cleethorpes (Mr. Brown) quoted several important anecdotes from his own constituency experience of how investment was holding out the prospect of jobs and improving output in his part of the world. Kimberly-Clark is bringing 2,700 jobs to my hon. Friend's constituency. We heard not a word of welcome for that from the Opposition today. We heard not a mention from the Labour party about how Norsk Hydro is investing in a new nitric acid plant in my hon. Friend's constituency. Recovery starts when people make investment decisions because they believe that they have found the place where their business will be able to secure economic progress for itself and its employees. That is the fundamental truth, remarkable only for its absence today from Labour Members' speeches.

When my right hon. Friend the Chancellor presented his Budget to the House yesterday afternoon he had two objectives: first, to nurture the recovery now and, secondly, to ensure that that recovery is sustained into the medium and long term. My right hon. Friend acknowledged in terms that the only means by which we can deliver the second of those objectives is to ensure that the Government's borrowing requirement—the public sector borrowing requirement—is reduced. As my right hon. Friend the Member for Westmorland and Lonsdale (Mr. Jopling) and several other of my right hon. and hon. Friends rightly stressed, unless that deficit is reduced, it is certain—not a matter of conjecture—that the recovery will run into the buffers.

The commitment to ensure that that recovery is sustained in the short term is translated into a commitment to reduce Government borrowing in the medium term as that is the only way of ensuring that the recovery can be sustained and we can hold out the realistic prospect of long-term job opportunities. That is the answer to the question posed by my hon. Friend the Member for Gloucester (Mr. French) and one or two of my other right hon. and hon. Friends as to why effective action to address the deficit is being taken in later years, not the first year.

It seems to me—my right hon. Friend the Chancellor reached the same judgment—that the key in the first year is to ensure that no action is taken now that will damage confidence and inhibit the recovery process. My right hon. Friend did not announce a set of proposals for the first year that involved inaction. Taking a neutral fiscal stance, my right hon. Friend was concerned to ensure that substantial help is provided for business in the first year of his three-year programme to ensure that the recovery gets under way and is soundly based. That is why my right hon. Friend gave a commitment that no business, big or small, need face an increase in the real level of its rates bill this year.

My right hon. Friend announced proposals which, when taken with the autumn statement proposals on the same subject, involve an increase in export credit support of £2 billion on its previous level. My right hon. Friend

[Mr. Stephen Dorrell]

announced complex changes in the advance corporation tax provisions that will provide a £2 billion cash inflow into the balance sheets of British industry. That series of measures—within a neutral first year overall effect—is designed to strengthen the recovery and address the needs of British business in the short term.

My right hon. Friend the Chancellor set out a clear strategy to reduce Government borrowing in later years for the reason that I have given. In doing so, he is in sharp contrast to the Labour party. Since my right hon. Friend the Chancellor delivered his Budget speech, Labour spokesmen have been repeatedly asked, both in the House and in television and radio studios, what they would do about the deficit figures published in the Red Book yesterday. Not one Labour spokesman has offered any proposals which would address that fundamental need in our economic planning to ensure that the Government's borrowing requirement is brought under control.

I can think of no factor more certain to undermine recovery, to ensure that recovery does not take place, to make sure that jobs are not created and to see that living standards do not improve than for the Government to stand back—or to run away, as the Labour party appears determined to do—from the question of how action should be taken now to reduce in the medium term the Government's borrowing requirement. My right hon. Friend the Member for Westmorland and Lonsdale and my hon. Friend the Member for Bridlington (Mr. Townend) rightly said that we must address that issue, otherwise the prospect of recovery is purely a chimera.

Mr. Darling: The hon. Gentleman was talking about living standards. Will he now answer the question that was put earlier to the Chief Secretary? Will the Government fund in full the cost of the increased charges following VAT on domestic fuel supplies?

Mr. Dorrell: The Chief Secretary answered that question by quoting the clear words of the Chancellor on the subject in his Budget speech.

The Chancellor set out our plans. Opposition Members have sought to argue that in some sense they are at variance with what was said during the general election campaign, but Opposition Members are on a very bad point—*[Interruption.]* The proposals that my right hon. Friend announced yesterday are absolutely in accordance with the commitments and the direction of policy that we pursued in the election campaign last year and have pursued in office since 1979, and I will explain why.

The first point that my right hon. Friend made clear is that we shall address the question of the Government's borrowing requirement by restraining Government spending, and that answers the points made by some of my hon. Friends who stressed the importance of that side of the spending and revenue balance.

Mr. Darling: The Financial Secretary said that the Government had not given an undertaking on VAT. During the election campaign the Prime Minister said:

"We have no plans and no need to extend the scope of VAT."

He said that in Westminster on 27 March, during the campaign. How on earth can the Financial Secretary say that what the Government are now doing is not in stark contradiction with what they said then?

Mr. Dorrell: We did not have plans at that time—*[Interruption.]* What we are doing is entirely in accordance with what we said we would do because we are determined to address the need to control Government spending. On our tax policies, we said that if necessary, if we faced the need to raise revenue—and no Government can rule out that possibility for all time—we would do it by extending the scope of taxation, not by raising the rates of tax.

That is what we did yesterday afternoon, and we took that step for a reason, the reason identified by my hon. Friends the Members for Winchester (Mr. Malone) and for Dover (Mr. Shaw). We have set out since 1979 to create in this country an enterprise economy. As the Chief Secretary said, as the result of those measures, we have created over 3 million new jobs since 1984, with 1 million new self-employed people. That led the OECD to describe Britain as having by far the best job creation record among the larger EC countries.

Throughout the debate, Opposition Members have scoffed at the proposition that the way to solve the unemployment problem and to get Britain back to work is by recognising that business men, not politicians, create jobs. The story of the Budget is that we share in all parts of the House a desire to tackle the recession. What we disagree about profoundly between the two sides of the House is how that should be done.

Labour Members believe that the answer lies in the wisdom of politicians. We believe that the answer lies in encouraging business success. We believe that jobs are created by investment in the private sector by business activity and that business men, not politicians, create jobs.

If the Opposition find a success, what do they do? First, they envy it and then they tax it. If we find a success, we admire it and then we nurture it. That is why the wish of the right hon. Member for Berwick-upon-Tweed (Mr. Beith) will come true. He said that he wanted a re-run of the 1992 general election. So do I. The Budget will help to ensure that that happens.

If I have one regret about this afternoon's debate, it is that the hon. Member for Neath (Mr. Hain) confined his remarks to eight minutes.

It being Ten o'clock, the debate stood adjourned.

Debate to be resumed tomorrow.

Caribbean Bananas

Motion made, and Question proposed, That this House do now adjourn.—*[Sir John Cope.]*

10 pm

Mr. Bowen Wells (Hertford and Stortford): A prominent and senior member of the civil service, now working for the European Commission, told a meeting in London three years ago that the problem of establishing a single European market in bananas was one of the most intellectually demanding and difficult problems that he had confronted in his professional career. Therefore, the House will understand why we must pay tribute to my right hon. Friend the Minister of Agriculture, Fisheries and Food who, when he was President of the Agriculture Council in December, over many days and nights negotiated an agreement to establish a Europewide market for bananas. His perseverance and determination have resulted in an agreement which, while not perfect—indeed, it can be improved—is one with which I believe all the partners supplying bananas to the European Community can live.

That real marathon by my right hon. Friend did not take place only in December last year; it has been a four-year programme, in which many Ministers have taken part, including my noble Friend Lady Trumpington, my hon. Friends the Members for Calder Valley (Sir D. Thompson) and for Medway (Dame P. Fenner) and, of course, my hon. Friend the Member for Skipton and Ripon (Mr. Curry), who is the current Minister of State. I would add to that list many people in the industry and outside it, as well as the West India Committee, which assisted by educating and then cajoling in an attempt to produce the agreement.

My right hon. Friend the Minister said that the agreement is important for economic, social, political and moral reasons. That is true. He recognised that it was an economic necessity to find a solution to the problem. I have to declare an interest, because I have the honour to serve as a consultant to the banana company Geest. I pay tribute to that company because it has enabled me to take a close interest in the welfare and well-being of the banana farmers in the West Indies, with whom I have been associated since I first went to the West Indies in 1961. It was then that I first saw the banana ships of Geest coming every week to collect bananas from those four small islands of Grenada, St. Vincent, St. Lucia and Dominica.

The system that Mr. John Van Geest instituted and stuck by doggedly throughout hurricanes, strikes and all sort of problems over 40 years was what he said to the banana farmers—"If you will grow bananas, I will put my ships in regularly every week to collect whatever exportable bananas you have. I will market and ship those bananas in partnership with the many hundreds and thousands of banana farmers in the islands."

One thing not often understood is that the banana industry of the West Indies is a small farmer industry. The farms are on precipitous hillsides, with inhospitable soil conditions and difficult climatic conditions such as droughts and floods. There are 47,000 farmers, and the industry involves 189,000 people. Many of the farms are under 10 acres. They are family farms which have built up a first-class industry for their country. It is a wonderful success. They have turned it from a minor industry into the major industry to replace sugar, which previously dominated the Windward Islands.

The reason why sugar had to be replaced as the major product of the islands was the European Community and this country decided to subsidise beet sugar farmers by giving them supported prices. That meant that the West Indies could no longer produce sugar profitably and viably. Consciously, we said that we would reserve the British market for bananas produced in the Windward Islands. At that time, they were small producers, but the industry developed because of the intervention and doggedness of Geest and the skill of the farmers.

It is often said that Windward Island bananas are not of the same quality as those produced in central America, but the quality is of the best. We all know that Marks and Spencer, for example, would not market anything that was not top quality. Their main suppliers of bananas are the Windward Islands. Despite the inhospitable conditions, the farmers produce some of the sweetest and best bananas marketed throughout the world. It should not be said that we are being asked to consume low-quality bananas.

Let us get it into perspective also that the world market is 9 million tonnes in total. The market is divided 85 per cent. to Latin America, 2 per cent. to the Windward Islands, 5 per cent. to African, Caribbean and Pacific countries, and 8 per cent. to world production from Martinique and Guadeloupe, the Canary Islands and Madeira. All that the Windward Islands ask is that they may retain the 2 per cent. share of the world market that they currently enjoy.

Why, therefore, should the Germans complain, and the Latin Americans state that they will be deprived of 50 per cent. of their production, if 2 per cent. of the market is reserved for the Windward Islands? Can the request of the Windward Islands be described as unreasonable? It is unreasonable that the central Americans should seek to supply the whole European market, as they thought they would be able to do. That is why the area in central America planted with bananas increased by over 30 per cent. between 1988 and 1992. They increased their market share in Europe from 57 per cent. to 63 per cent.

No wonder prices dropped 30 per cent. in the past year. No wonder the United Fruit Company, a major world producer of bananas, has gone into loss to the extent of $170 million. That is not because of the European marketing arrangements but due to market over-supply.

The central American producers thought that they could take the whole European market and eastern Europe. It is their own doing, and although it will be painful to contract the area under bananas, the difficulty is due to serious over-production in Latin America, and has nothing to do with the Windward Islands or the new European regime.

The new agreement will allocate 66·5 per cent. to traditional dollar supplies, 30 per cent. to ACP and European Community supplies, and 3·5 per cent. to newcomers. On the basis of the market share previously enjoyed, that seems entirely right. The tariff will be increased to 100 ecu on imports throughout the Community other than from ACP suppliers, which will mean that German supplies must bear that tariff.

That need not necessarily result in higher prices, despite the hysteria in Germany. Although Belgium and Holland paid 100 ecu per tonne on imports over the past three or four years, prices in Belgian and Dutch supermarkets are

[Mr. Bowen Wells]

no more than those in Germany. I have refrained from saying where the extra margin went, but that is the situation.

Above the quota limit of 66·5 per cent. of the market of 2 million tonnes, 850 ecu per tonne must be paid for further imports to protect the Windward Islands and the Community's own production from predatory pricing, and the fact that production in central America, under ideal conditions, is at much less cost per tonne than can be achieved under present arrangements in the Caribbean, Madeira and the Canaries.

The Windward Islands do not entirely applaud that agreement, because they will have to accept many conditions that will lead to significant changes and restructuring within their banana industry. They will undoubtedly face increased competition, which, in spite of the protective tariff, will lead to lower prices. The whole of their present production is capped, and as the market grows, the Windward Islands will have a diminishing share of the total European market. Also, the whole arrangement will come to an end in 10 years' time.

That means that the Caribbean banana industry must change. It will have to alter its production methods, introduce extra infrastructure in the form of ports, apply much more quality control, and increase best-quality production so that it can secure higher prices and maintain income. It is most important that the industry can continue to enjoy increased assistance to meet restructuring.

I shall be grateful if my hon. Friend the Minister will answer a series of questions. I am particularly grateful to him for returning from Brussels, at great inconvenience to himself, to reply to this debate.

Can my hon. Friend reassure the House that the 17 December agreement that was confirmed at the Agriculture Council in February is compatible with our GATT commitment, that it cannot be successfully challenged at the European Court of Justice, and that the regime will start on 1 July?

Secondly, may I have an assurance that a reference price, thought by the Select Committee on Agriculture to be about 680 ecu, or £464, per tonne, will be established, and that below this figure compensatory payments will be made to ACP producers? Thirdly, I should like an assurance that a substantial aid package, in addition to Lomé aid, will be available to assist the restructuring of the banana industry and improve infrastructure, for the purpose of increasing productivity and improving quality.

Fourthly, can my hon. Friend assure me that he will continue to press for increased quota for countries that increase their productivity and quality to enable ACP countries to benefit proportionately from any increase in the size of the market? Undoubtedly the Minister will say that that is not part of the current agreement. Nonetheless, I think that it is unfair and does not encourage Caribbean producers to increase their productivity and raise their quality, as I am sure the European Communities would like. I should like my hon. Friend to continue to bring this matter to the attention of his colleagues in Europe.

Fifthly, will my hon. Friend ensure that adequate enforcement machinery is established to prevent smuggling or to keep unlicensed or unquoted bananas from entering the system? Sixthly, will he see that the administrative machinery set up to implement the single banana market in Europe has adequate means taking account of ACP interests as the programme develops?

The agreement that my right hon. and hon. Friends have been able to negotiate in Europe is an excellent one. Ministers deserve the gratitude and admiration of the House for their perseverance and their commitment to finding a solution to this intractable and difficult problem.

10.16 pm

The Minister of State, Ministry of Agriculture, Fisheries and Food (Mr. David Curry): I am most grateful to my hon. Friend for his very kind words about my right hon. Friend the Minister of Agriculture, Fisheries and Food. My right hon. Friend is a man of such innate modesty and self-effacement that he would have been deeply embarrassed if such praise had been uttered to his face. However, I shall convey my hon. Friend's praise to him, and I am sure that he will overcome any embarrassment.

The negotiations were indeed extraordinarily difficult. First, the political agreement had to be put in place, and that was possible only in December, in the context of a rather complex package, as part of a whole series of measures relating to agriculture. Then the legal text had to be brought forward, and that caused an entirely separate spat and a marathon session to ensure that the political agreements that had been reached in December were followed through in January.

This was despite the fact that the Belgians and the Dutch changed their votes in the meantime, and we have to be grateful to the Danes, who had the courage to assume their chairmanship responsibilities by changing their vote in order to see the agreement home and dry, even though they had been consistently hostile to it. Thus, while I accept praise on behalf of my right hon. Friend, I have to say that it is only fair that we should acknowledge the fact that the Danes' presidency played a very noble part in achieving the agreement.

I shall try, at the beginning, to answer my hon. Friend's questions. Some of his points are dealt with in the body of my text, and I shall deal with them as I come to them.

On the ACP traditional quantities, the agreement total is 857,700 tonnes. This is based on the highest recorded exports from each individual ACP country before 1991, in line with Lomé commitments. ACP imports in 1991 were about 600,000 tonnes, so quite a margin has been built in to take account of investments in the pipeline, which will produce further fruit in coming years.

On the safeguard provision, with a reference price of 680 ecu per tonne, the Council's text does not include a specific Dunkel-type clause. This matter will have to be looked at again in the light of the settlement in the Uruguay round. The Council and its legal services are certainly of the opinion that the deal is compatible with GATT, and that therefore no waiver is required. I cannot guarantee that it will not be possible to challenge it successfully in the courts, but the opinion that we have received is certainly that it will not, the Council believing that it is proof against court challenge. I can confirm that it will start to operate on 1 July.

Mr. Roy Beggs (Antrim, East): Are not the areas that produce only 2 per cent. of the banana market very vulnerable to the threat posed by larger producing areas? Is the Minister satisfied that the agreement affords sufficient protection to those areas?

Mr. Curry: I fully recognise that the Caribbean producers face much greater difficulties than the Latin American so-called dollar producers, because of the climate. The risk of hurricanes may sound comic, but it is a serious problem for small farmers in that part of the world.

We sought two aims in the negotiations. First, we wanted to ensure that the entitlements of such countries were comfortably ahead of their records of sendings, so that a margin could be built in. Secondly, we wanted to ensure that the quota enjoyed by the dollar fruit reflected the realities of the European market, rather than the frankly speculative sendings of last year, when the aim was to build up positions in the market place in anticipation of the introduction of a quota system.

I think that we have secured seafeguards, although I echo what my hon. Friend the Member for Hertford and Stortford (Mr. Wells) said about the Windward Islands. There is a programme of quality control, and Jamaica and the Windward Islands are the two principal suppliers to which it has related; considerable progress has been made, but it must be accelerated.

In our discussions, we have made it clear that the deal does not mean that from now on everything will be frightfully comfortable, thank you very much; the process of quality control must continue, in simple matters such as storage—especially cluster storage—and shipping. Such action will, of course, make the bananas much more readily available and acceptable in the market place.

As for aid for ACP banana producers, the Commission has issued a separate proposal. That was not addressed by the Council in February, but the negotiations will continue. Up to 130 million ecu remain to be committed from existing funds for national indicative programmes in the Caribbean, as provided for in the Lomé convention. Financial resources are available.

The Council text makes no provision for an increase in ACP quantitities in line with production, but I think that that is because traditional quantities are ahead of sendings. For instance, St. Lucia's sendings in 1991 amounted to just under 103,000 tonnes, while the traditional quantity allocated is 127,000. St. Vincent's sendings are 63,000 tonnes, while the traditional quantity is almost 20,000 tonnes more than that. In 1991, Dominica had 55,000 tonnes of sendings, as against 71,000 tonnes of traditional quanitity. That represents the amount that can be sent under the agreement within the special provisions for ACP countries. Like other senders, they can send in quantities above their allocation, paying the higher rate of duty.

In 1991, Grenada had 8,000 tonnes of sendings, compared with a 25,000-tonne traditional sending quota. Jamaica—which, along with St. Lucia, is in the big league—had 70,000 tonnes of sendings as against 105,000 tonnes of traditional quantity. Those figures were set so that the investments in the pipeline would be thrust out, and could be realised in what was sent to the European Community.

I believe that the deal that we achieved was not merely the best on offer; it was well beyond reasonable expectations. Of course, it incurred considerable flak. The reason why it was so difficult to achieve was the existence of genuinely conflicting criteria. We have a categorical obligation to the ACP countries. The fourth Lomé convention of 1991 specifically states:

"in respect of its banana exports to the community markets, no ACP state shall be placed, as regards access to traditional markets and its advantages on those markets, in a less favourable situation than in the past or at present".

Nothing could be more categorical than that. It was spelt out in the Lomé convention. It is an obligation on the whole Community, not only the United Kingdom. In addition, there were obligations to GATT, which is why, although the Commission had originally proposed a quota formula, the United Kingdom effectively brokered a compromise based on tariffication, and tariffication is the mechanism compatible with GATT. As this was happening, there was not a squeak from the Americans, if I can put it that way. We believe that the agreement is "Gattable" because it pursues the favoured mechanism of GATT.

In addition, there were obligations imposed by the single market itself. It is true that, if one does not have the ability to intervene at the frontier—as one would traditionally have had—it is more difficult to monitor and control. None of us intended to try to prevent the completion of the free market. There were various obligations which, if not in conflict, were difficult to reconcile, and they were all perfectly legitimate.

We believe that the ACP countries have had a reasonable and fair arrangement, but it must be said that built into the provisions is the ability to review the 2 million tonnes allocation. We are not telling the dollar producers, "That's it for all time". They have the opportunity to review their sendings in the light of the markets. In any case, they have the ability to send over the quota, but there is also an ability to review the basic quota itself. We have built in a sensible flexibility.

No one is in the business of trying to tell people what sort of bananas they should eat or to create a banana cartel. We want to ensure that obligations are observed in the context of a regime which looks to the consumer. At the end of the day, the key person is the consumer willing to buy bananas. Bananas are a growth market. Those of us who watched Wimbledon will have noticed how much free publicity bananas get—they are apparently the great dynamic fruit. Instead of the traditional occasional tincture being offered to the Council meeting during the agricultural and fisheries price marathons, perhaps a basket of bananas should be passed around to give Agriculture Ministers high levels of energy in the wee small hours of the night.

The agreement was achieved with some difficulty, and it would not have been reached without the United Kingdom's actions. It was fortuitous that we had the presidency and that, when we had to settle the whole complex package in December, we were able to ensure that bananas formed part of the package. Had we not had it in the package, the ability to deliver that in isolation would have been virtually impossible, given that the countries on the so-called liberal wing of the argument would have comfortably formed a blocking minority. The ability to keep a lot of balls in the air at the same time achieved a political breakthrough. In January, it was a hard slog to ensure that it was translated into the legal text and followed through.

The reason we were so insistent was that we are aware of precisely the facts mentioned by my hon. Friend. The islands are extraordinarily dependent on the banana crop. It is a vulnerable crop in any case, but it is very difficult to suggest an alternative—there is no obvious alternative. If

[Mr. Curry]

there were, we should have thought of it, because the competition is severe from the dollar producers. They have better climatic conditions and, perhaps, more competitive structures. Therefore, we had an obligation to discharge, and we were determined to do so.

The detailed rules provide for the allocation of 2 million tonnes of quota and have still to be negotiated, but a proportion of that—30 per cent.—will be allocated on the basis of the past trade in traditional ACP and European Community fruit. That is intended to give an important incentive for the continuing marketing of European Community and ACP fruit, so that it continues to find a place in the whole European market.

People have criticised the so-called partnership arrangements, but we believed that the mechanism would give a little extra security to the ACP countries to see their bananas finding a market across the European Community. As my hon. Friend said, their bananas are sweeter and better suited to many people's tastes. I do not wish to engage in a consumer test, but I have always thought that bananas are greatly improved by being fried in butter and flambéed in a large quantity of rum. Rum is also a Caribbean product, and therefore naturally compatible with that extraordinary fruit.

We are proud of the negotiation. Presidencies are pretty grim affairs, but when we come to look back, the agreement will not be the least of our achievements. Although there was an EC obligation, we felt that the United Kingdom had a particular role, and we have discharged it.

Question put and agreed to.

Adjourned accordingly at half-past Ten o'clock.

House of Commons

Thursday 18 March 1993

The House met at half-past Two o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

PRIVATE BUSINESS

BRITISH RAILWAYS BILL
Lords amendments agreed to.

BRITISH WATERWAYS BILL *[Lords] (By Order)*

CROSSRAIL BILL *(By Order)*

EAST COAST MAIN LINE (SAFETY) BILL *(By Order)*

GREATER MANCHESTER (LIGHT RAPID TRANSIT SYSTEM) BILL *[Lords] (By Order)*

WOODGRANGE PARK CEMETERY BILL *[Lords] (By Order)*

RIVER HUMBER (UPPER BURCOM COOLING WORKS) BILL *[Lords] (By Order)*
Orders for Second Reading read.
To be read a Second time on Thursday 25 March.

BRITISH RAILWAYS (NO. 4) BILL *(By Order)*
Order read for resuming adjourned debate on Question [8 February], That the Bill be now read a Second time.
Debate to be resumed on Thursday 25 March.

Oral Answers to Questions

NORTHERN IRELAND

Liquidations (Departmental Debts)

1. **Mr. Beggs:** To ask the Secretary of State for Northern Ireland how many companies in Northern Ireland have gone into liquidation or bankruptcy while a demand was outstanding for payment of debt owed to a Department of Government, in each of the last three years.

The Minister of State, Northern Ireland Office (Mr. Robert Atkins): During the year ending 31 March 1993 the number of High Court generated insolvencies, and companies starting creditors' voluntary winding up, will number approximately 655. This compares with 463 in 1991-92 and 457 in 1990-91. It is estimated that debts owed to Government Departments would be found in at least 90 per cent. of these insolvencies.

Mr. Beggs: I thank the Minister for the information that he has delivered to the House. He highlights how serious the problem is. Will he confirm that it is estimated to cost £9,000 per annum in benefits and lost revenue to keep someone unemployed? Will he give me an assurance today that there will be better departmental consultation to ensure that no arm of government acts on its own to force a liquidation, bearing in mind that 50 per cent. of wind-ups in 1992 in Northern Ireland and 20 per cent. of bankruptcies in that year were as a result of intervention on VAT? I hope that he can give that assurance.

Mr. Atkins: The hon. Gentleman raises a technical point. I should like to give some consideration to it. Clearly, it is not always possible to delay an insolvency or the crash of a company for the time that the hon. Gentleman suggests that it takes to look into it. However, it is not the wish of the Government to put more people out of work than can be avoided in cases such as those of which the hon. Gentleman gives evidence today. If he would drop me a line or perhaps talk to me later about how we can progress, or if there is a particular instance or company about which he is worried, I should be more than happy to take it up.

Dr. Hendron: Will the Secretary of State and the Minister with responsibility for economic development pledge their support for the new survival plan that has been worked out between the Industrial Development Board and Stoy Hayward for the Clarence Clothing company in west Belfast? That company is in an area which is probably one of the blackest unemployment spots in these islands.

Mr. Atkins: I am familiar with the case. The hon. Gentleman will find me particularly sympathetic, although as yet I have not made a final decision.

Republic (Constitutional Changes)

2. **Mr. Fabricant:** To ask the Secretary of State for Northern Ireland what assessment he has made of the effects of the proposed constitutional changes in the Republic of Ireland and of the consequent effect on the whole of Ireland.

The Secretary of State for Northern Ireland (Sir Patrick Mayhew): The Irish Government have expressed their willingness to initiate and incorporate constitutional change in the context of an overall political settlement. I welcome this. I believe that it provides an encouraging context for fresh political talks.

Mr. Fabricant: In that connection, does my right hon. and learned Friend agree with me that the comments by Dick Spring on 5 March at the Dublin Mansion House were particularly helpful? Does he further agree that the comments by the United States foreign relations committee recently about a possible investigation into human rights in Northern Ireland were particularly unhelpful?

Sir Patrick Mayhew: I was much encouraged by the content and tone of the Tanaiste's speech. It was a most substantial speech which plainly had been carefully weighed.

As for the second part of my hon. Friend's question, I had perhaps better wait to see what may be proposed, but I might properly say that human rights are, indeed, abused in Northern Ireland. They are abused on purpose and with authority. They are thus abused by terrorists pursuing their evil and fruitless campaigns at the behest of their leaders. I sometimes think that if a national of a foreign country were to become their victim—which I would wish on nobody—and were murdered, for example, like woman police constable Colette McMurray at Newry in March last year, or merely deprived of his legs at the hips, like constable Paul Slaine, who was sitting in the car beside her, we would hear rather more about the matter from overseas commentators and rather less unspecific calumny of the brave men and women in the police and Army, who strive to prevent that by every means in their power within the law.

Mr. A. Cecil Walker: When will the British Government challenge the Irish Government's claim over Northern Ireland in an international court, on the basis of article 29 item 3 of the Irish constitution?

Sir Patrick Mayhew: The more promising way to overcome what is without doubt a serious difficulty is to heed what the Tanaiste, Mr. Spring, said recently—that the Irish Government are prepared to put articles 2 and 3 to the Irish people—with a referendum in mind—as part of an overall settlement or accommodation reached during discussions.

Rev. Ian Paisley: Is the Secretary of State of the same mind as his predecessor—that articles 2 and 3 are illegal? Is it not a fact that nowhere from the south of Ireland, including Mr. Spring's recent statement, is there any declaration that that is looked upon as an illegal claim and that anyone is prepared to do away with it?

Sir Patrick Mayhew: I have just given my understanding of Mr. Spring's speech in that context and I welcome it very much. Naturally, a claim—which has been described by the Supreme Court of the Irish Republic as a constitutional imperative—to bring the six counties that form part of the United Kingdom, known as Northern Ireland, within the jurisdiction of the Republic, is extremely unhelpful. As matters have been developing in a hopeful way, at this stage of our discussions I do not think that the exchange of epithets is very constructive. I prefer to proceed in the way that I suggested.

Mr. McNamara: Can the Secretary of State explain the statements in his speech to the area council of the Conservative party in Northern Ireland last weekend? Given the integrationist tenor of the statements, does he repudiate the neutral stance that the Government have been taking over affairs in Northern Ireland?

Sir Patrick Mayhew: I really do not know what the hon. Gentleman has in mind. I said that the United Kingdom is already—

Mr. McNamara: I have the speech here.

Sir Patrick Mayhew: I have it here, too, and I am glad that the hon. Gentleman has studied it. If his party committed those who support it in Northern Ireland—there must be a few—to organise as the Conservative party has done, he would have an opportunity to test his policies for a united Ireland on the electorate, but those supporters are not allowed to do so. In my speech, I said that Northern Ireland is already an integral part of the United Kingdom and that I thought that the time had come to move the debate on, away from ill-defined notions such as integration and devolution, and towards considering how Northern Ireland can best be governed, while it remains part of the United Kingdom pursuant to the wish of the majority.

Mr. Peter Bottomley: Most of us would agree with that statement. Could my right hon. and learned Friend pass a message to the Senate foreign relations committee and its sub-committees that the constitutional position is well spelt out in the Anglo-Irish Agreement and that they would be welcome to come here, to Belfast or to Dublin to speak to constitutionally elected politicians and to meet groups such as New Consensus, which are trying to get rid of the killing and to let people live together?

Sir Patrick Mayhew: I agree with my hon. Friend. The Anglo-Irish Agreement makes a substantial advance towards a mutual expression of the current status of Northern Ireland. My hon. Friend will have noted, however, that both Governments have said that they would support a new and more broadly based agreement or structure, provided that it secured wide acceptance. As we have made clear, we would wish part of such an agreement to be a shared and unambiguous expression and understanding of Northern Ireland's current status.

Housing Benefit

3. **Mr. Clifford Forsythe:** To ask the Secretary of State for Northern Ireland how many Housing Executive tenants are receiving housing benefit.

Mr. Atkins: On 5 March 1993, 110,367 Housing Executive tenants were receiving housing benefit.

Mr. Forsythe: Under what legislation is confidential benefit information shared between the Department of Health and Social Security and the Housing Executive, leading on the one hand to many housing benefit claimants losing benefit, and on the other allowing hundreds of giro drops to continue in Northern Ireland?

Mr. Atkins: As the hon. Gentleman will be aware, my noble Friend the Under-Secretary of State has particular responsibility for this matter. I know that he has been in conversation and correspondence with the hon. Gentleman. I will ensure that the hon. Gentleman's concerns are related to my noble Friend. I suspect that the detail for which the hon. Gentleman is looking requires a detailed letter in response, and that I will try to provide.

Adrian Carroll

4. **Mr. Trimble:** To ask the Secretary of State for Northern Ireland what steps have been taken to review the original police inquiry into the murder of Adrian Carroll in Armagh in 1983 following the judgment of the Court of Appeal in July 1992.

Sir Patrick Mayhew: I have received a range of representations about the case of Mr. Latimer, mostly seeking a further reference——

Mr. Trimble: This is the answer to a different question.

Madam Speaker: Is the right hon. and learned Gentleman replying to question 4?

Sir Patrick Mayhew: That is exactly what I am doing —at least I am attempting to, Madam Speaker.

I have received a range of representations about the case of Mr. Latimer—which bears upon the murder of Adrian Carroll, referred to in question 4—mostly seeking a further reference to the Court of Appeal. I have found that none contains material to justify making a reference; nor has any been found to justify commissioning any review of the original police inquiry into the murder of Mr. Carroll.

Mr. Trimble: Thank you. I fear that questions 4 and 9 may have been too closely linked by the Secretary of State because my question relates to the original police inquiry into the murder of Adrian Carroll in 1983. Does the Secretary of State intend to follow the precedent set in England with regard to the May inquiry and appoint, when the time is appropriate, a judicial inquiry into the conduct of that original investigation so that the whole truth can come out? Does he also agree, in view of the disappointing decision of the Northern Ireland Court of Appeal last summer, that it would not be fair to ask a Northern Ireland judge to head such an inquiry?

Sir Patrick Mayhew: I completely repudiate the implication in the hon. Gentleman's last remark. I never make comments on judicial decisions: I think that that is a good principle to be followed by anybody in the House. Nothing has been represented to me that justifies an inquiry into the police investigation.

Mr. Peter Robinson: Will the Secretary of State take it from me that the overwhelming majority of the people of Northern Ireland find it an outrage and a scandal that Neil Latimer is still in prison? Those who have bothered to acquaint themselves with the facts and details of this case recognise that the Crown prosecution witness who gave forensic evidence in the case corrupted the whole of the case for all four of the men who were convicted and not just three of them. Latimer is left as a figleaf behind which the establishment may hide the awful fact that there are policemen who are not perfect and judges who can make mistakes.

Sir Patrick Mayhew: It is not for me to express a view as to what the majority—overwhelming—or otherwise—of the people in Northern Ireland may consider in this context. I have, in response to many letters I have received about the judgment of the Court of Appeal in July last year, read very carefully again the judgment delivered by the Lord Chief Justice. It is perfectly clear to me that this is a matter which has been gone into with the very greatest care—as the sheer volume of the judgment shows. If I thought that the criteria, which have been long established for making a further reference to the Court of Appeal, had been satisfied in this case, I would have no hesitation in making such a reference. I am perfectly certain, for the reasons I have set out in letters to hon. Members, that those criteria are not satisfied.

Mr. Canavan: Is the Secretary of State aware of the concern on both sides of the House and throughout the country about the possible miscarriage of justice in this case because of the unreliable evidence of witness A and the disgraceful behaviour of the RUC in the whole affair? Has he had the opportunity to study the evidence produced by Mr. Andrew Morton, who conducted an investigation on behalf of the BBC's "Newsnight" programme, and who came to the conclusion that there was no way in which Neil Latimer could have been the author of the statement described in court as his confession? Will the right hon. and learned Gentleman therefore refer the case of Neil Latimer back to the Court of Appeal for further consideration?

Sir Patrick Mayhew: The short answer is no. I am aware of the programme to which the hon. Gentleman refers. If it will not take too long, I should like to cite a few lines from the judgment delivered by the Lord Chief Justice—the House will find it of interest:

> "We are satisfied that the ESDA findings in relation to the interview notes of Latimer do not create a doubt as to the correctness of his convictions, because on his own evidence at the trial as to what happened in the interviews and as to what he said in the interviews, it is clear that on the night of 2-3 December 1983 he confessed to murdering Mr. Carroll. We are further satisfied that those confessions were true and were the confessions of a guilty man and not of an innocent man who, by improper police conduct, was pressed into confessing to a murder which he had not committeed.
>
> No one reading the full transcript of the evidence of Latimer at the trial, and reading that transcript in an impartial way and with commonsense can doubt that he was a guilty man".

If any further evidence were put to me that would constitute material of a substantial kind that had not previously been raised before the courts and which gave rise to a possibility that this was an unsafe conviction, I would refer the conviction again to the Court of Appeal —but none has been.

Mr. McNamara: Is the Secretary of State aware that after most terrorist-related offences in Northern Ireland have gone through the Court of Appeal, there is no appeal thereafter and communities generally accept that justice has been done? In this particular case, however, there is a general sense of unease throughout the whole community about the legitimacy of this man remaining in prison. That is why I am concerned: in most cases no one challenges the convictions.

Sir Patrick Mayhew: I do not doubt that that is correct. I have had about 70 letters from hon. Gentlemen——

Ms Short: And hon. Ladies.

Sir Patrick Mayhew: Quite so. We have also received about 550 other letters, most of them in a standard form. I quite understand why there has been concern, because in this case four people were originally convicted, of whom three had their convictions overturned by the Court of Appeal. The fourth did not, even though improprieties concerning the police notes in connection with the fourth case were present, just as they had been with the other three.

The purpose and point of the Lord Chief Justice's judgment, however, explaining why Latimer's conviction was not considered unsafe is as follows. Leaving aside the question of the notes prepared by the police, other evidence, including evidence emanating from Latimer himself and confirmed at the trial, made it quite clear, in the opinion of the Court of Appeal, that this was a safe conviction.

Voluntary and Selective Schools

5. **Mr. Anthony Coombs:** To ask the Secretary of State for Northern Ireland what proportion of children in Northern Ireland are educated in voluntary or selective schools.

The Parliamentary Under-Secretary of State for Northern Ireland (Mr. Jeremy Hanley): Of the total school population—that is primary and secondary—54 per cent. attend voluntary schools and 39 per cent. of secondary pupils attend selective schools, about 75 per cent. of which are voluntary.

Mr. Coombs: Does my hon. Friend agree that it is extremely significant that a high proportion of children in Northern Ireland attend schools after having been selected either by ability or aptitude? That is accompanied by the fact that in terms of GCSE results, A-level results and staying on rates, results in Northern Ireland are significantly better than those in the rest of the United Kingdom. Does not that have implications for the way in which we organise our education system in the rest of the United Kingdom?

Mr. Hanley: My hon. Friend is right about the excellence of schools in Northern Ireland. Some statistics might bear that out. The House will be interested to know that 32 per cent. of Northern Ireland school leavers achieve at least one A-level compared with 26 per cent. in England; 75 per cent. leaving grammar school achieve at least one A-level; 45 per cent. of all school leavers achieve five or more GCSE grades A to C compared with 40 per cent. in England; over 55 per cent. continue in further or higher education compared with 34 per cent. in England. However, in Northern Ireland more pupils leave school with no GCSE qualifications than in England. I believe that to be a corollary. it is 13 per cent. in Northern Ireland compared to 7 per cent. in England, but the position has greatly improved from 27 per cent. 10 years ago. We must concentrate just as much on that end of the spectrum as on the excellence that is achieved in Northern Ireland education.

Mr. John D. Taylor: Following the recent decision to give 100 per cent. funding for new Roman Catholic voluntary schools, will the Minister assure the people of Northern Ireland that there will be no discrimination and that similar 100 per cent. grants will be available to the Protestant churches, such as the Church of Ireland and the Presbyterian Church, if they decide to build their own schools?

Mr. Hanley: The right hon. Gentleman is right that Catholic schools have recently been able to apply for 100 per cent. grants, the same as most other schools. That removes discrimination and gives equality of opportunity to the majority of children in Northern Ireland. With that comes a change in the constitution of the schools' boards. As long as schools comply with those constitutional changes they will receive the same grant.

Sir Giles Shaw: Will my hon. Friend take a little further the answer that he gave to the right hon. Member for Strangford (Mr. Taylor)? What proportional grant is given to the relatively few schools that are seeking to be integrated into the education system on a Roman Catholic and a Protestant basis? Is my hon. Friend encouraging the development of such schools?

Mr. Hanley: Yes, indeed, I am helping to encourage the numbers of pupils who attend integrated schools in Northern Ireland. The schools receive the same level of grant. At the moment, they educate about 1 per cent. of all children in Northern Ireland. I believe that they give an excellent education and I hope that their future will be encouraged.

Mr. Stott: The Minister will surely be aware of the deep unease that is felt about curriculum assessment and testing by the teaching profession throughout all the schools in the sector which he has mentioned. Is the hon. Gentleman aware that the largest teachers' union in Northern Ireland recently held a ballot in which 95 per cent. of teachers voted in favour of boycotting testing and assessment? When the Minister spoke in the appropriation orders debate a couple of weeks ago he said that he was a listening Minister. Will he listen to the voices of the teachers, as expressed in the ballot on whether testing should take place?

Mr. Hanley: I am in regular contact with the teaching unions. I am extremely pleased that many teachers are trying to use the opportunities that are provided by a pilot year of assessment. They will, therefore, be able to practise the new assessment techniques and provide feedback to the Department for Education so that we can get assessment absolutely right. There will be no benefit to children or teachers in boycotting the assessment procedures. I am glad that the National Union of Teachers, for instance, is being constructive in this regard.

Security

6. **Mr. Molyneaux:** To ask the Secretary of State for Northern Ireland if he will make a statement on the security situation in Northern Ireland.

The Minister of State, Northern Ireland Office (Mr. Michael Mates): Since I answered a similar question on 18 February, six people have been killed as a result of the security situation in Northern Ireland, including three civilians, two Royal Ulster Constabulary Officers and one soldier.

The Government, through the work of the police and armed forces, and with the support of the public, will

defeat terrorism from whichever side of the community it comes. There is no lack of will or determination on the Government's part or on the part of the security forces. An example of the level of police success is that so far this year 63 people have been charged with serious terrorist crimes, including 14 with murder or attempted murder.

Mr. Molyneaux: In expressing deep sympathy with the families of those who have been murdered, including the young soldier who was shot yesterday by an American bullet from an American rifle, probably fired from the territory of the Irish Republic, may I ask Her Majesty's Government to seek the wholehearted co-operation of the American and Irish Governments in totally suppressing those who carry out such murderous activities?

Mr. Mates: I understand and share the sentiments that the right hon. Gentleman has expressed. We do have the wholehearted co-operation of the Government of the Irish Republic in our attempts to defeat the terrorists. That has been one of the concrete results of the Anglo-Irish Agreement. Co-operation is much better than it has ever been, as has been shown by the joint successes of the Garda and the Royal Ulster Constabulary. We shall continue to try to get the message across in the United States of the importance of neither directly nor indirectly supporting the root cause of the terrorism, but inevitably some arms and money will slip through the net.

Mr. Cyril D. Townsend: Nobody knows better than my hon. Friend the dedication of the British Army to eradicating terrorism in Northern Ireland, but, in view of the considerable overstretch that the British Army is facing, what proposals is his Department putting forward to reduce the burden on the British Army in the years ahead?

Mr. Mates: The overstretch of the British Army is a matter for my colleagues at the Ministry of Defence. We shall ask for and hope to get a sufficient level of Army personnel to support the police as and when the police need that support. If we can reduce terrorism and obtain some political development, we can achieve what we all hope to achieve: more primacy of the police, more areas in which the police can operate without the support of the Army, and thus a reduction in the Army presence in Northern Ireland.

Mr. Mallon: The Minister will be aware that the six deaths to which he referred took place in my constituency and I express my anger and resentment about them, not least the killing of the young soldier yesterday when everyone else was celebrating the memory of St. Patrick. However, that anger and resentment should not be allowed to cloud the fact that certain statements made recently by senior members of Sinn Fein may show a change of policy and tactics. If that is the case, would it not be wise to encourage those people away from violence? Our real strength is not in our determination but in our ability to capitalise on the potential for peace rather than dismissing it out of hand. Will the Minister and the Secretary of State keep an open mind and use every opportunity to explore that potential for peace?

Mr. Mates: I agree that anger should direct us in nothing that we do. If members of Sinn Fein or the IRA see the pointlessness of what they do, and if they show by their actions that they are prepared to repudiate violence, they will see a response from the British Government. But the initiative lies with them and with the many in the community who know about their activities and could persuade them of the futility of the killing. We all want to see the violence end and it is up to us to try to achieve it.

Lady Olga Maitland: In view of the appalling number of killings which have taken place, does my hon. Friend agree that it was vital that we renewed the Prevention of Terrorism (Temporary Provisions) Act 1989 and despicable that the Opposition obstructed it?

Mr. Mates: The Prevention of Terrorism (Temporary Provisions) Act is a most important tool which the Government need and which the House was asked to support. I am happy that the House did so.

Further Education

7. **Ms Short:** To ask the Secretary of State for Northern Ireland what representations he has received from the further education review group regarding current funding for further education in Northern Ireland; and if he will make a statement.

Mr. Hanley: The report of the review group on further education made a total of 48 recommendations about future arrangements for the planning and funding of further education in Northern Ireland, a number of which called for additional resources to be made available. In my response to the report, I indicated that I could maintain spending at its current level, which in recent years has received increased funding, but that there were many competing claims for additional expenditure. However, I gave an assurance at the time that obtaining even more resources for further education would remain one of my top priorities.

Ms Short: Is it not the truth that the report recommended a strengthening of further education provision in Northern Ireland, but also recommended some mergers and closures? The Minister has accepted the mergers and the closures but found no new money. He is using the report as an excuse for cuts rather than for a strengthening of the service.

Mr. Hanley: I am sorry to disagree with the hon. Lady in one respect. The mergers and closures are not to seek cuts in the number of students who go to these colleges or in the number of teachers, who provide an excellent and ever-growing service in Northern Ireland. The purpose is to allow even more teachers to be hired to teach even more students, to benefit the situation in Northern Ireland with the money that is available. It is therefore not in any way a financial cut.

Mr. Sykes: Has my hon. Friend any intention of centralising the administration of further education in Northern Ireland, as has been done in England?

Mr. Hanley: My hon. Friend is perhaps referring to one of the recommendations of the Stewart committee. At this moment a review of the administration of education in Northern Ireland is out for consultation. Whether the further education colleges are brought together under one funding body with one regional control is part of the whole consultation exercise. Therefore, I can tell my hon. Friend that we are looking at that at this very moment.

Mr. William Ross: As this country faces a deficit of £35 billion this year and £50 billion next year is it not amazing that we are still spending some £10 million educating students from the Irish Republic without any reciprocal arrangement on that side of the frontier? Is that not a scandalous situation, and will the Minister try to do something about it regardless of the European Community?

Mr. Hanley: I am proud that the United Kingdom adheres to its responsibilities within the European Community.

Pupil-teacher Ratios

8. **Mr. Harry Greenway:** To ask the Secretary of State for Northern Ireland what is the current pupil-teacher ratio in *(a)* primary and *(b)* secondary schools; what the figures were in 1979; and if he will make a statement.

Mr. Hanley: The latest available pupil-to-teacher ratio, at January 1992, was 22·6 in primary schools and 15·3 in secondary schools. The figures in 1979, for which my hon. Friend also asked, were 23·8 and 15·6 respectively.

Mr. Greenway: I welcome that improvement in the pupil-teacher ratio since 1979. Will my hon. Friend confirm that the pupil-teacher ratio in Northern Ireland is better than that in England? Will he also say what he thinks that the pupil-teacher ratio should be, and against what kind of criteria it should be decided? Who decides what the best pupil-teacher ratio is?

Mr. Hanley: My hon. Friend is extremely knowledgeable in these matters and I believe that he takes a regular interest in pupil-teacher ratios, but I am afraid that I shall have to put him straight on one aspect. In secondary schools in Northern Ireland the PTR is lower than in England, 15·3 compared with 15·8, but in primary schools the PTR is 22·6, which is above the 22·2 for England. So we cannot look at the figures and say that Northern Ireland is better all round. The second part of my hon. Friend's question related to the optimum PTR. The pupil-teacher ratio under local management of schools is increasingly a matter for each individual school; the school must decide what its staffing levels should be within its own delegated budget and it must, therefore, decide the priorities for teachers. It is not down to the Government to dictate the PTR, and it is certainly not for us to say what an optimum PTR might be.

Rev. Martin Smyth: Does the Minister accept that the lack of universal nursery education is penalising many young people in Northern Ireland, particularly those from deprived backgrounds where they do not get the stimulus required to equip them for primary and secondary education? Does he agree that if we had better nursery provision many of the difficulties that arise later would be removed?

Mr. Hanley: I am a great believer in the benefits of nursery education, but I believe that Governments should adhere first to their statutory responsibilities while trying to find additional revenue for their non-statutory responsibilities. I agree that nursery education can benefit children for the future.

Mr. Barnes: What is the pupil-teacher ratio in integrated education, which is the best form of education in Northern Ireland? A good pupil-teacher ratio in those schools would encourage the further development of integrated education. Has the Minister seen the recent issue of *Fortnight* which contains articles with extracts from essays written by students at Lagan college? One 15-year-old student pointed out that there are borders in the mind, borders in prisons, borders in education and even borders in entertainment. The removal of those borders would improve the situation in Northern Ireland, and integrated education will help to achieve that.

Mr. Hanley: I am grateful to the hon. Gentleman for his support for integrated education. The figures that I gave relate either to primary schools or secondary schools and are not sub-divided into those for integrated schools, but I will certainly provide that information to the hon. Gentleman.

Neil Latimer

9. **Mr. Hunter:** To ask the Secretary of State for Northern Ireland what representations he has received about the imprisonment of Neil Latimer of the UDR Four, since July 1992.

Sir Patrick Mayhew: My hon. Friend will recall, because I mentioned it a few moments ago, that I have received a range of representations about the case of Mr. Latimer, mostly seeking a further reference to the Court of Appeal. I have found that none contained material to justify making a reference.

Mr. Hunter: I ask my right hon. and learned Friend to take to heart that on this particular subject many people fear that he is making a dreadful mistake and that any conviction based on the testimony of witness A is unsustainable. They are therefore deeply disquieted by the continued imprisonment of Mr. Latimer. I beg my right hon. and learned Friend to reconsider.

Sir Patrick Mayhew: I know the strength of my hon. Friend's feelings. I hope that he will pay careful regard to the letter I sent him yesterday containing citations from the Lord Chief Justice's judgment, which I have already mentioned in the House this afternoon. I repeat that the basis for that judgment was by no means limited to the evidence of witness A; it was founded also on the evidence given in the trial by Mr. Latimer himself. I shall not repeat what I said earlier, but I must assure my hon. Friend that I have given great attention to the matter and I do not find any grounds on which I can properly refer the matter once again to the Court of Appeal.

Mr. Maginnis: While three of the UDR Four have been freed on the basis that police notes used in evidence were tampered with, is it not a total injustice that Neil Latimer remains in prison solely on the alleged identification by witness A, a person who has been medically diagnosed as having a psychopathic personality, subject to delusions and misinterpretations?

Sir Patrick Mayhew: As I have already tried to make clear this afternoon, it is not the case that the judgment of the Court of Appeal said that Mr. Latimer's conviction depended solely on the evidence of witness A. I do not wish to repeat what I said this afternoon, but I am happy to write to the hon. Gentleman about it. I know that he has already signed the early-day motion on this matter.

Rev. Ian Paisley: Has the Secretary of State no concern for the case that we are discussing? Is he aware that 13 people were arrested, six of them were charged, one charge was not proceeded with, five came to court and the judge threw out the charge saying that the police had put undue pressure on the prisoner to make a confession? But is it not a fact that all the prisoners made confessions? Is it not a fact that four were condemned, that the cases went to appeal and that they were still condemned, yet when the Secretary of State's predecessor passed the cases back for review, three were discharged and one was kept in? Now the Secretary of State is saying that that one is kept in on his own confession when in fact they all made confessions.

Mr. Mayhew: The facts of the case are a matter of public record and may be discovered within the extensive judgment delivered by the Lord Chief Justice in the Court of Appeal. I have to exercise the discretion that Parliament has given me by reference to consistent principles. I have already today described those principles. It is essential that I continue to apply them and that I do not yield to campaigns, however sincere or however loudly delivered, because it is not by reference to decibels that justice is done in this country.

PRIME MINISTER

Engagements

Q1. **Mr. Anthony Coombs:** To ask the Prime Minister if he will list his official engagements for Thursday 18 March.

The Prime Minister (Mr. John Major): This morning, I presided at a meeting of the Cabinet and had meetings with ministerial colleagues and others. In addition to my duties in the House, I shall be having further meetings later today.

Mr. Coombs: Does my right hon. Friend recall the agreement and the declaration on the environment reached in Rio last year, which achieved the support of all parties in the House and elsewhere? Does he not think it somewhat two-faced of those who support a cleaner environment in principle to reject any measures to achieve it in practice?

The Prime Minister: I cannot imagine who my hon. Friend may have in mind, but he is right. I seem to remember that after Rio we were attacked by more than one Opposition party for not going far enough on environmental matters. We made our commitment and we have now take action towards meeting it.

Mr. John Smith: Will the Prime Minister confirm that, as a result of his betrayal of his election promise not to increase taxes, a typical family will have to pay £8·50 per week in extra tax from next April and £12·50 per week in extra tax the following year?

The Prime Minister: The right hon. and learned Gentleman is the wrong person to remind people about ditching election promises. As I reminded him on Tuesday, he said recently:

"We would be a very foolish party if we went into an election, say '95 or '96, with the same policies as '92."

[HON. MEMBERS: "Answer the question."] On his specific question, unlike the Labour party, we do not like raising taxes and we do it only when necessary. I said last year that we had no plans to raise taxes—nor did we—but we have an overriding commitment to return the deficit to balance and to take the action necessary to do that. In the Budget my right hon. Friend the Chancellor acted to meet that overriding commitment and in the interests of everyone in the country he was surely right to do so.

Mr. Smith: The country will have noted carefully that the Prime Minister did not deny that there will be an extra £8·50 per week of tax for a typical family next year and £12·50 per week the year after. Will the Prime Minister tell us whether people who qualify for income support, including millions of pensioners, will receive increases in benefit to cover in full the tax increases on their fuel bills?

The Prime Minister: I shall deal directly with the point, but the right hon. and learned Gentleman may care to reflect also upon this: does he or does he not agree with one of his Front-Bench spokesmen in another House— *[Interruption.]*

Madam Speaker: Order. Hon. Members must contain themselves. These interruptions only waste time.

The Prime Minister: Perhaps the right hon. and learned Gentleman will reflect on whether he agrees with his noble Friend in another House who called for all zero-rated items to be subject to the full rate of value added tax. Does the right hon. and learned Gentleman agree with his noble Friend, or does he not?

As for the right hon. and learned Gentleman's question about the fuel increase, he should have read carefully what my right hon. Friend the Chancellor of the Exchequer said in his Budget speech. My right hon. Friend made it absolutely clear that there will be extra help for less well off pensioners and other people on low incomes. They will get that help from next April, before the higher fuel bills come in. That help will be additional to the future increase in pensions and other benefits which will take place automatically. Cold weather payments will also be adjusted to reflect increases in fuel costs. The right hon. and learned Gentleman has also neglected to welcome the fact that fuel prices have dropped since privatisation and that further reductions were announced this very morning.

Mr. Smith: The country will have noticed that the Prime Minister can never give a straight answer to a straight question. The country will also find it shameful that he cannot give a clear commitment to meet in full the increase in taxes for the most vulnerable members of our society. He has no conscience at all about short changing the poor as well as betraying his election commitments?

The Prime Minister: What the country may have noticed today, of all days, is that on this occasion the right hon. and learned Gentleman made no mention of and gave no welcome to the fall in unemployment. Neither has he mentioned the substantial real incomes increase in pensions; neither has he mentioned the uprating next April, or the fact that we have not taken back the money put in the base line for the community charge which pensioners will no longer have to pay. None of these and other matters have apparently occurred to the right hon. and learned Gentleman.

North-west Kent

Q2. **Mr. Dunn:** To ask the Prime Minister what plans he has to visit north-west Kent.

The Prime Minister: I am making plans for a series of visits and hope to include Kent among them.

Mr. Dunn: Is the Prime Minister aware that the people of north-west Kent have always been strong supporters of home ownership and, as such, welcome the changes in stamp duty which will encourage the housing market? They also welcome the new, exciting, radical right-to-buy campaign announced today.

The Prime Minister: I am grateful to my hon. Friend. I think he will find that that welcome will extend across not just north-west Kent but the whole country. In a recent survey, 89 per cent. of people under 30 said that they wished to own their own homes. We shall again give more of them the opportunity to do so. Raising the stamp duty threshold will halve the number of houses on which stamp duty has to be paid. That, with low interest rates and the lowest mortgage rates for nearly 30 years, will dramatically increase the possibility for millions to become home owners.

Engagements

Q3. **Mr. Gordon Prentice:** To ask the Prime Minister if he will list his official engagements for Thursday 18 March.

The Prime Minister : I refer the hon. Member to the answer I gave some moments ago.

Mr. Prentice: Does the Prime Minister of manufacturing recall that this time last week he did not know the names of the two major competitors of Rolls-Royce and that his ignorance shocked my constituents? Will he join me in condemning the 24 per cent. and 35 per cent. pay increases for the chief executive and chairman of Rolls-Royce at a time when the company is sacking 5,000 skilled workers, including 170 in my constituency?

The Prime Minister: I have spoken before of my admiration for Pratt and Witney and General Electric. As for the wage increases to which the hon. Gentleman referred, if he were here more often he would know how often I have set out my views on that subject.

Q4. **Mr. Sykes:** To ask the Prime Minister if he will list his official engagements for Thursday 18 March.

The Prime Minister: I refer my hon. Friend to the answer I gave some moments ago.

Mr. Sykes: I know that, unlike the Jeremiahs in the Labour party, the Prime Minister will welcome the news on the unemployment figures that has been announced today. Will he also welcome the freezing of the uniform business rate that was announced on Tuesday, which will further help job prospects?

The Prime Minister: I am certainly happy to do that. The Budget was a Budget for business, as my right hon. Friend the Chancellor said. The freeze on business rates will help about 800,000 businesses. Nor was that the Budget's only boost for business. The chorus of welcome for the Budget from business speaks for itself.

Mr. Ashdown: How does the Prime Minister justify to the nation a Budget which, over the next three years, will require the poorest tenth of people to pay proportionately twice what the richest tenth will have to pay to bail the country out of his Government's financial failure?

The Prime Minister: The right hon. Gentleman has clearly failed to notice the substantial increase in the proportion of the burden that we are asking people on higher incomes to bear. He has neglected that. I hope that he will join his hon. Friend sitting beside him who earlier this week said:

"I am in favour of taxes on things that pollute."

Q5. **Mr. Ancram:** To ask the Prime Minister if he will list his official engagements for Thursday 18 March.

The Prime Minister: I refer my hon. Friend to the answer I gave some moments ago.

Mr. Ancram: Is my right hon. Friend aware that many Conservative Members take grave exception to the heavy-handed behaviour of Chinese Government towards the Governor of the Hong Kong? Will he take up with the Chinese Government their threat to set up an alternative government for Hong Kong, and will he remind them that the whole international community expects agreements to be honoured?

The Prime Minister: My hon. Friend is entirely right. The British Government stand four square behind the Governor and Government of Hong Kong. The Governor has acted sensitively, resolutely and correctly, and we shall continue to make that clear to the Chinese Government. In doing so, we shall underline three points: the Governor has acted entirely within the terms of the documents that we have agreed with China and we expect the Chinese Government to do likewise; the Governor's proposals for greater democracy are widely supported in Hong Kong, in the United Kingdom and in the international community, and I believe that they have wide support across this House; we and the Governor have gone the extra mile in our efforts to consult China. We remain ready for talks without pre-conditions, but no one should doubt that the Governor has our total support.

Q6. **Mr. Turner:** To ask the Prime Minister if he will list his official engagements for Thursday 18 March.

The Prime Minister: I refer the hon. Member to the answer I gave some moments ago.

Mr. Turner: Does the Prime Minister accept that Budget day will be remembered for many years as Black Tuesday? It was the day of taxes on heating, taxes on beer, taxes on petrol and taxes on cars. Will the Prime Minister tell the House and the Country how many more taxes we shall have to endure before, mercifully, we get to the next general election?

The Prime Minister: It will certainly be a tax on Labour's ability to win that election when it comes, for my right hon. Friend the Chancellor has put in place the right structure to make sure that we get back the growth, the jobs and the prosperity that we seek. If the hon. Gentleman had been a little more gracious he might, unlike anyone else on the Opposition side, have welcomed not only the drop in unemployment but also the new £100 million manufacturing centre for car components at Wednesbury near Wolverhampton.

Mr. Bowden: Will my right hon. Friend convey the congratulations of all Conservative Members to his right hon. Friend the Secretary of State for Social Security on his speedy clarification of the help that will be given to those on income support and low-pay pensioners? Will he also please look very closely at the position of the nearly 1 million pensioners who do not claim the income support to which they are entitled, as well as those whose income is very slightly above income support level? If my right hon. Friend could find some way of helping those people to pay the extra VAT on fuel, that would be a major step forward.

The Prime Minister: I know that my hon. Friend will agree with our right hon. Friend the Secretary of State that it is right to concentrate extra help especially on the poorest households. He will also know that other benefits will automatically increase with prices through the normal uprating mechanism, and my hon. Friend at least—if not the Opposition—will join us in welcoming the fact that fuel prices have fallen in recent years.

Q7. **Mr. Pike:** To ask the Prime Minister if he will list his official engagements for Thursday 18 March.

The Prime Minister: I refer the hon. Member to the answer I gave some moments ago.

Mr. Pike: In view of the tax changes announced on Tuesday in relation to mortgage tax relief, will the Prime Minister state whether the Government intend, during the lifetime of this Parliament, to phase out tax relief on mortgages?

The Prime Minister: No. We made it clear earlier that we would retain the system, and my right hon. Friend the Chancellor set out our immediate proposals.

Q8. **Mrs. Ann Winterton:** To ask the Prime Minister if he will list his official engagements for Thursday 18 March.

The Prime Minister: I refer my hon. Friend to the answer I gave some moments ago.

Mrs. Winterton: My right hon. Friend will be encouraged by the welcome given by the Manufacturing and Construction Industries Alliance, to which he recently sent a message of support, to the boost to British exporters from the £1·3 billion of extra export credit announced in the Budget, but will he acknowledge the growing concern about the erosion of our manufacturing base? Will he seek to have published the report on these matters prepared by the Department of Trade and Industry which has recently been the subject of much press speculation?

The Prime Minister: We have not only, of course, extended ECGD but my right hon. Friend the Chancellor has cut premiums over the past few months by as much as 27 per cent. in order to help exporters. We have over recent weeks announced a wide range of policies specifically geared to improve the prospects for manufacturing, both the efficiency of existing manufacturing and the widening of the manufacturing base. I made it clear earlier this week that the paper to which my hon. Friend refers was private advice to Ministers and will not be published.

Business of the House

3.31 pm

Mrs. Margaret Beckett (Derby, South): Will the Leader of the House state the business for next week?

The Lord President of the Council and Leader of the House of Commons (Mr. Tony Newton): Yes, Madam. The business for next week will be as follows:

MONDAY 22 MARCH—Conclusion of the debate on the Budget statement.

TUESDAY 23 MARCH—Second Reading of the Agriculture Bill *[Lords.]*

Motion relating to the Funds for Trade Union Ballots (Revocation) Regulations.

At Ten o'clock, the question will be put on all outstanding excess Votes, supplementary estimates and defence Votes A.

WEDNESDAY 24 MARCH—European Communities (Amendment) Bill: progress in Committee, 17th day.

THURSDAY 25 MARCH—European Communities (Amendment) Bill: progress in Committee, 18th day.

FRIDAY 26 MARCH—Private Members' Bills.

MONDAY 29 MARCH—European Communities (Amendment) Bill: progress in Committee, 19th day.

The House will also wish to know that European Standing Committees will meet on Wednesday 24 March at 10.30 am to consider European Community documents as follows: Standing Committee A—Document No. 4307/93, relating to sheep and goat farming; Standing Committee B—Document No. 4436/93, relating to establishing a cohesion fund.

[Wednesday 24 March:

European Standing Committee A:

Relevant European Community document—4307/93, sheepmeat: ewe premium.

Relevant reports of the European Legislation Committee—HC 79-xviii (1992-93), HC 79-xxiii (1992-93).

European Standing Committee B:

Relevant European Community document—4436/93, cohesion fund.

Relevant report of the European Legislation Committee—HC 79-xxii (1992-93).]

Mrs. Beckett: When does the Leader of the House think that he will be able to announce how the Government propose to handle, let alone schedule, debates on the defence estimates and on the Government's detailed public expenditure programme? I remind him that neither the defence estimates debate nor the scrutiny of the Government's public expenditure programme in full have taken place for two consecutive years. If he cannot give us a date, in particular for the public expenditure debate, will he give a commitment that there will be such a debate and, preferably, a debate on the defence estimates, well before the summer recess?

I draw the right hon. Gentleman's attention to early-day motion 1631.

[That this House views with considerable concern the rumours emanating from senior government sources that the review of the existing European parliamentary constituencies necessitated by the creation of six additional seats will be conducted by the Home Office with help from outside consultants; notes that such a decision will be a major departure from parliamentary convention that all boundary reviews are conducted by the independent and impartial boundary commissions for England, Wales, Scotland and Northern Ireland; and calls on the Government not to prejudice the high international regard of the British parliamentary system and lay itself open to accusations of gerrymandering parliamentary boundaries for narrow political advantages.]

I hope that he will take heed of it and find time for a debate on the matter. It calls for an early boundary review for European seats, in view of the fact that there will be six new European constituencies. Is the right hon. Gentleman aware that, as expressed in that early-day motion, there is great concern in the House at the increasing signs that, instead of putting the programme to the Boundary Commission, which has said that it is quite able to handle it before the deadline, the Home Office proposes to make its own decisions about what the boundaries should be, possibly with the advice of a few, no doubt carefully chosen, individuals? That would not be acceptable to the House, and it is important that we are reassured as soon as possible.

Mr. Newton: Taking the right hon. Lady's latter point first, I understand that there is no truth in the rumours—to which I believe the early-day motion refers—that the review of European parliamentary constituencies will be conducted by the Home Office. The Government are simply formulating proposals for the best way of accommodating the six extra seats. When we have done so, we shall consult the Opposition parties in the usual way.

The right hon. Lady also asked about debates on the defence estimates—in fairness to her, I acknowledge that she has referred to that subject once before in recent weeks—and on the public expenditure programme. I cannot immediately give her the commitments for which she asked. Of course, we had a full debate on public expenditure in the wake of the autumn statement, although I accept that the right hon. Lady was making a somewhat different point. I should like to find time for a debate on the defence estimates, but I cannot undertake to do so before Easter.

Dame Peggy Fenner (Medway): May I ask my right hon. Friend whether we can have an early debate on the recommendations of the Jopling Committee? I understand that the process of negotiation is now being held up by intransigence on the part of the Opposition. I find that extraordinary, given that many women outside the House look towards some reform of the hours worked here. I am astonished that the right hon. Member for Derby, South (Mrs. Beckett) is not helping in the matter.

Mr. Newton: I cannot promise a debate before Easter, but discussions have been taking place through the usual channels, and are continuing. I have no doubt that the right hon. Member for Derby, South will seek to respond as soon as possible. I, at any rate, accept that such matters need to be considered with care, but I hope that we shall be able to make progress. I certainly recognise the strength of my hon. Friend's views, and the fact that she probably speaks not only for lady Members but for many Opposition Members.

Mr. Archy Kirkwood (Roxburgh and Berwickshire): Will the Leader of the House advise us when he expects the Government to be able to make a statement about the White Paper resulting from the President of the Board of Trade's consideration of the pit closures? There is now

some suggestion that there will be an unconscionable delay, which will have the knock-on effect of delaying the Government's conclusions to the consultation process set in train on redrawing the assisted areas map. Those are important matters for regions throughout the United Kingdom, and the sooner we get on with them the better.

Mr. Newton: I note what the hon. Gentleman says about the assisted areas map, but he will understand that that in itself is a difficult and complex matter on which representations have come from all parts of the country. Our aim remains to publish the coal review White Paper as soon as we can. As the hon. Gentleman will know, intensive contract negotiations are taking place, and as the President of the Board of Trade told the House yesterday, it is important that the base contracts should be in place so that the House can have a comprehensive view of the position.

Mr. Patrick Cormack (Staffordshire, South): Will my right hon. Friend arrange for the Foreign Secretary to make a statement next week on the situation in Bosnia —on the increasing number of atrocities there, on the evidence that they are committed by Serbians from Serbia, and on the fact that United Nations soldiers, including British soldiers, are having to stand by while women and children are killed in front of them?

Mr. Newton: I shall certainly bring that request to the attention of my right hon. Friend the Foreign Secretary.

Mr. Derek Enright (Hemsworth): Will the Leader of the House please consider carefully the workings of European Standing Committees A and B? It is often a very long time before the recommendations of the Select Committee on European Legislation come to those Committees, so that the scrutiny that they undertake is not as effective in influencing the outcome as it might be.

Mr. Newton: The hon. Gentleman has put his point constructively, and I undertake to consider what he said. I have also received representations from a number of other hon. Members who are members of one or other of the Standing Committees about matters such as the balance of work between the two, and I shall consider that as well.

Mr. Nicholas Winterton (Macclesfield): My right hon. Friend will have heard my hon. Friend the Member for Congleton (Mrs. Winterton) refer to the warm message of support sent by the Prime Minister for the launch of the Manufacturing and Construction Industries Alliance in the House only a fortnight ago. My right hon. Friend will also be aware of the Prime Minister's warm endorsement of the important role of manufacturing industry in this country in an interview that he gave to *The Independent*.

Bearing in mind the fact that this sector of our economy can play a major role in our economic recovery, will my right hon. Friend find time for a full day's debate on manufacturing industry in Government time, outside the debate on the Budget? Will he please not refer to the Supply day debate that was initiated recently by the Opposition?

Mr. Newton: My hon. Friend has sought to second-guess my answer. Given that the House has recently had a full day on manufacturing industry and that it is currently in the middle of a four-day debate on the Budget, which contains a wide range of very welcome measures to assist manufacturing and other industries, my hon. Friend may understand why, although I agree with him about the importance of manufacturing industry, I find it difficult to promise a separate debate.

Mr. Dennis Skinner (Bolsover): Would it be a good idea for the Leader of the House to organise a debate on the Government's fiddling of statistics? We could start with the fiddling of the dole queue figures today and the fact that the Government have fiddled those statistics 21 times before. The cost of living figures are fiddled, and now the Government are fiddling the figures for the price reductions in electricity, bearing in mind the fact that they imposed 10 per cent. increases in gas and electricity charges, above the rate of inflation, a few years ago.

We could then explain how the price of coal has gone down by 6 per cent. in the course of the past eight years as a result of the 155 per cent. increase in productivity. That is something straight, to which the Prime Minister never refers, because he would not recognise the truth if it was sprayed on his eyeballs.

Mr. Newton: I should prefer, although I am afraid that I cannot promise this either, to have a debate on the quality of forecasting by Opposition Front-Bench spokesmen. The hon. Member for Dunfermline, East (Mr. Brown) said yesterday that he would make one Budget forecast—that,

"after the Budget, unemployment will rise this month, next month and for months afterwards."—[*Official Report*, 17 March 1993; Vol. 221, c. 289.]

Mr. Toby Jessel (Twickenham): May we have a statement next week on the decision to cut in half the number of British Army bands, whose high standard of excellence is the envy of the world and which, as a part of British tradition, have brought to this country visitors from abroad, whose spending generates income, employment and a tax yield to the Government?

Mr. Newton: My hon. Friend is obviously referring to the announcement earlier this week by my right hon. Friend the Minister of State for the Armed Forces. I emphasise that new arrangements will be provided for music in support of the Army, based on bigger bands providing a high standard of music.

Mr. Harry Cohen (Leyton): Will the Leader of the House consider a debate on the nuclear non-proliferation treaty? Such a debate is urgent, because North Korea proposes to withdraw from the treaty, which sets a dangerous precedent and has increased tension in the region. Some of us are not happy with the Government's record on the treaty, either. A debate would be relevant.

Mr. Newton: I can do no more than note the hon. Gentleman's request; I cannot promise an early debate on the matter.

Mr. Richard Tracey (Surbiton): Can my right hon. Friend hold out the prospect of Report and Third Reading for the National Lottery etc. Bill before Easter? Such news would be much welcomed by many good causes outside the House, as I am sure my right hon. Friend agrees.

Mr. Newton: I am not sure whether my hon. Friend is a member of the Committee. Perhaps I should know. If he is, he can give me an up-to-date report on progress.

[Mr. Newton]

Obviously we shall seek to advance the Bill as soon as possible, but I cannot give an undertaking that we shall do so before Easter.

Mrs. Bridget Prentice (Lewisham, East): I am sure that the Leader of the House is aware that yesterday the Fire Brigades Union met the Home Secretary to discuss its pay claim. Is the right hon. Gentleman prepared to ask his right hon. and learned Friend to make a statement in the House about why he is prepared to ditch the national pay formula which has kept industrial peace in the Fire Brigades Union and in the cities and towns of Britain for the past 15 years?

Mr. Newton: I regularly speak to my right hon. and learned Friend the Home Secretary and, indeed, have done so on various matters this morning and yesterday. I understand that he met representatives of the Fire Brigades Union to explain the background to the current public sector pay policy and made it clear, as would be widely accepted, that its members cannot expect special treatment. But he also made it clear that no decision had been taken to abolish the 1977 pay agreement.

Mr. Nigel Forman (Carshalton and Wallington): Is my right hon. Friend aware that several Conservative as well as Opposition Members would appreciate an early debate on the nuclear non-proliferation treaty? It is arguably one of the most important international treaties, and we must ensure the maximum possible compliance with it.

Mr. Newton: I cannot say much more than I told the hon. Member for Leyton (Mr. Cohen), but I shall note the request even more now that it has come from both sides of the House.

Mr. John Denham (Southampton, Itchen): Will the Leader of the House take an early opportunity to ask the Secretary of State for Employment whether she would be prepared to make a statement to the House on employment practices in the ports industry? Is the right hon. Gentleman aware that, when the dock labour scheme was abolished, Ministers pledged that abolition would not lead to the return of casual labour to British ports? Is he aware that Southampton container terminal proposes to introduce casual labour on a large scale, with all the job insecurity and dangerous working practices that that involves? Does he agree that the matter should be examined in the House, in view of the pledges that were previously made?

Mr. Newton: If I may answer the direct question that I was initially asked, the hon. Gentleman will probably have observed that, as he was completing his question, I did indeed have a word with my right hon. Friend the Secretary of State for Employment.

Mr. Harry Greenway (Ealing, North): Will my right hon. Friend arrange a debate next week on the important effect on the education of children in Britain of the decision of some teachers to boycott standard assessment tests this year? Should not the House examine the important principle that all teaching and learning should be evaluated to judge what progress has been made in children's learning in order to improve their education, where it can be improved?

Mr. Newton: Many hon. Members on both sides of the House, and certainly on this side, will share my hon. Friend's views. I can only reiterate that our view is that we need the national curriculum and testing to help pupils and raise standards. We would all deplore any action that would disrupt those important tests.

Mr. David Winnick (Walsall, North): Before the Budget debate begins on Monday, will it be possible for the Secretary of State for Social Security to make a detailed statement about the Government's plans for assisting, if they are going to assist, people on low incomes, and especially pensioners, once VAT is applied to heating bills? In any such statement, will it not be necessary for the Secretary of State to explain how pensioners who are just above the level of income support can be assisted, because such people, and, of course, the poorest, suffer nightmares even now as a result of their inability to pay to heat their homes adequately? A statement from the Secretary of State is needed before the vote takes place on Monday.

Mr. Newton: I hear what the hon. Gentleman says, but I cannot and shall not attempt to add to the clear statements that my right hon. Friend the Prime Minister made in the Chamber less than an hour ago.

Mr. Jacques Arnold (Gravesham): Could we have a statement early next week on the high-speed rail link as it passes through Kent? There are many environmental apprehensions in Kent which must be dealt with. Likewise, economic opportunities could arise, so could we also have a statement—a glut of statements next week—on the east Thames corridor and the opportunities for regeneration in north-west Kent?

Mr. Newton: I cannot at this stage promise a statement on the latter aspect in the time scale that my hon. Friend seeks. However, I expect my right hon. Friend the Secretary of State for Transport to make a statement early next week on the channel tunnel link following what my right hon. Friend the Chancellor said in his Budget statement.

Mr. Harry Barnes (Derbyshire, North-East): The Leader of the House will be aware that, if someone uses their redundancy money to pay off their mortgage, in order to secure their future, they are liable to lose income support, or a section of it. He may not be aware that the only records kept centrally are on coal miners using redundancy. Records on five such in the Chesterfield area have just started. Should we not debate that matter to find out why there is this peculiarity?

Mr. Newton: I take it, in the best possible spirit, that the hon. Gentleman seeks to raise a matter that is of some importance to him rather than seeking a full debate on it.

Mr. Barnes: Either.

Mr. Newton: Well, I certainly cannot promise a full debate. From my experience of social security, I know that I would be rash to attempt a further reply off the cuff, but I shall draw the matter to the attention of my right hon. Friend the Secretary of State for Social Security.

Mr. Simon Burns (Chelmsford): I hope that my right hon. Friend will not take it as a criticism of his arrangement of the business next week but, bearing in mind the answer that he gave to the hon. Member for Bolsover (Mr. Skinner), will he reconsider it? Will he

consider the subject forecasting, as it would seem that a debate is urgently needed to set the record straight and improve accuracy? Some right hon. and hon. Members seem totally at sea on forecasting, and determined to talk down the prospects for this country, as shown in column 289 of yesterday's *Hansard*——

Madam Speaker: Order. What is the hon. Member's point?

Mr. Burns: The point is, Madam Speaker, that we need a debate next week on forecasting, given that the hon. Members for Dunfermline, East (Mr. Brown) and for Holborn and St. Pancras (Mr. Dobson) are totally at sea. For the past 24 hours, they have both claimed that unemployment would rise substantially today, when it fell.

Mr. Newton: I do not take my hon. Friend's remarks as a criticism in any sense. I am grateful to him for drawing attention once again to the almost instant inaccuracy of one of the main arguments of an Opposition Front-Bench spokesman yesterday—as I myself sought to do a few moments ago. I guess that the Budget debate may easily provide an opportunity for precisely the sort of debate that my hon. Friend wants.

Mr. David Alton (Liverpool, Mossley Hill): Would the Leader of the House arrange for a statement or response next week to early-day motion 1439, on the causes of violence in society?

[That this House notes with grave disquiet the growth in vicious and unprovoked attacks on the most vulnerable in society, particularly on women and children; believes these developments stem from a decline in standards of personal responsibility and respect for others, aggravated by the easy availability of violent pornography, including snuff videos, and particularly the promotion of violence on television, which opposes the belief that 'thou shalt not kill' and gives people the liberty to watch murder, mayhem and child-abuse presented as entertainment; and therefore calls on Her Majesty's Government to establish a Royal Commission to investigate the causes of violence in society.]

It calls for the establishment of a royal commission to look into the reasons why there has been such a proliferation of violence. Bearing in mind that the Chief Rabbi, Jonathan Sacks, and the Cardinal Archbishop of Westminster, Basil Hume, also called last week for such a commission, does he agree that the Prime Minister should give the matter urgent attention?

Mr. Newton: The hon. Gentleman, whose concern about such matters is well known and widely respected, will know that many of my hon. and right hon. Friends, including the Prime Minister, have expressed concern in recent weeks. I am sure that they will take note of what he has said. If I cannot promise a debate in the way that the hon. Gentleman seeks, it is in part because it is a relatively short time since we had an opportunity to debate crime and its causes.

Dr. Liam Fox (Woodspring): Will my right hon. Friend consider an early debate on the regulation of air transport? While many hon. Members on both sides of the House are pleased with the deal between British Airways and United States Air this week, which will be good for both the airlines and their passengers, we are concerned about the apparent threat by the European Commission, which has said that it wants to negotiate bilateral deals through the Commission and not through member Governments.

Mr. Newton: I cannot promise a debate, but I note my hon. Friend's concern and will bring the question to the attention of my right hon. Friends who deal with such matters.

Mr. John Gunnell (Morley and Leeds, South): Can the Leader of the House tell me the future of the King's Cross Railways (No. 2) Bill, which is passing through Parliament? Could he arrange for a statement from the Secretary of State for Transport and an opportunity to debate the issue so that those of us who are worried about links between the channel tunnel and the north of England can be assured that any changes in plans ensure that we keep through routes, which will give us a direct service to the tunnel?

Mr. Newton: Having recently adverted to deficiencies in other people's forecasts, I shall not respond in quite the way that the hon. Gentleman sought, with crystal-ball gazing on the earlier part of his question. I do not need to engage in further crystal-ball gazing to know that he will have an opportunity to ask those questions, subject to you, Madam Speaker, when the Secretary of State for Transport makes a statement early next week.

Mr. Ray Powell (Ogmore): Can the Leader of the House say when it will be possible for the Accommodation and Works Committee to know whether the Jubilee line extension will go ahead or not? The right hon. Gentleman will be aware that we have waited for five years for a decison, and that phase 2 of the new parliamentary building development would have been completed, and Members of the House accommodated in it, had it not been for the Jubilee line proposals. Is not it time that the Government made up their mind about whether the Jubilee line extension is going ahead, so that the Accommodation and Works Committee can plan accordingly?

Mr. Newton: Given the size of the project, I am not sure that I accept the hon. Gentleman's point about the speed with which it would have been possible to accommodate people in that major new building. I cannot add to what has been said on numerous occasions about the extension to the Jubilee line.

Mr. John McAllion (Dundee, East): On Tuesday, the Secretary of State for Employment washed her hands of the seven-week long Timex dispute and simply noted that the Advisory, Conciliation and Arbitration Service, ACAS, had not yet become involved. As ACAS has not become involved because the management of Timex will not agree to its involvement, can we have a statement from the Secretary of State for Employment next week that outlines what the Government intend to do about an employer who imposes cuts in wages and working conditions, sacks an entire work force for exercising their legal right and then refuses to accept arbitration?

Do the Government simply intend to look the other way while rogue employers wage war on the working conditions of British workers? If that is what they intend to do, they should be warned that, like the Timex workers in Dundee, workers across Britain will fight back. Far

[Mr. John McAllion]

from being a recipe for a society at ease with itself, it will be a recipe for a society riven by class and industrial conflict, and that will be the fault of the Government.

Mr. Newton: Without in any way endorsing what I will call the political thrust of the hon. Gentleman's rather tendentious question, I merely note that my right hon. Friend the Secretary of State for Employment has heard his observations direct.

Mr. Tony Banks (Newham, North-West): Is there any chance of a debate next week on the public funding of political parties, which would give us an opportunity to discuss the way in which our major parties are financed?

As the Leader of the House is aware, the Labour party publishes its accounts in full; the Conservative party does not. During the debate, we could find out the source of the £17 million-worth of donations that went to the Conservative party immediately before the general election. The Prime Minister will not allow the accounts to be published, and I put it to the Leader of the House that that is because the right hon. Gentleman is ashamed to know that much of that money came from British crooks and foreign fascists.

Mr. Newton: I think that I will respond in much the same way as I did to the question from the hon. Member for Dundee, East (Mr. McAllion) rather than seek to raise the temperature by responding in similar terms. I do not have any plans for an early debate on that subject.

Mr. Jeremy Corbyn (Islington, North): When will there be a debate on London in Government time so that Members for London constituencies can raise their legitimate concerns about the lack of an overall elected authority for London that can undertake planning? That debate could also consider the chaos in housing, the current cuts in the number of hospitals and the disastrous proposal to deregulate the London bus service. That proposal has led to strong action by bus workers throughout London to protect the idea of an integrated public transport system in this capital city, for which they have massive support from the people of London.

Mr. Newton: I note the various points that the hon. Gentleman has made. I am unable, however, to promise a debate in Government time in the immediate future on that matter. I am aware that hon. Members on both sides of the House have an interest in the various issues in and around London, so I will bear that subject in mind for when an opportunity may arise.

Orders of the Day

WAYS AND MEANS

Order read for resuming adjourned debate on Question [16 March].

AMENDMENT OF THE LAW

Motion made, and Question proposed,

That it is expedient to amend the law with respect to the National Debt and the public revenue and to make further provision in connection with finance; but this Resolution does not extend to the making of any amendment with respect to value added tax so as to provide—

(a) for zero-rating or exempting any supply, acquisition or importation;
(b) for refunding any amount of tax;
(c) for varying the rate of that tax otherwise than in relation to all supplies, acquisitions and importations; or
(d) for relief other than relief applying to goods of whatever description or services of whatever description.—*[Mr. Lamont.]*

Question again proposed.

Budget Resolutions and Economic Situation

[Relevant documents: European Community Document No. 4683/93, the Commission's Annual Economic Report for 1993, and the draft Decision adopting the Report.]

3.58 pm

The Secretary of State for Employment (Mrs. Gillian Shephard): I greatly welcome the Chancellor's statement. He produced a Budget for recovery and for jobs. It will bring help and hope for individuals and for industry. Above all, it restores confidence, which is the key to recovery.

I shall return to the Budget later——

Madam Speaker: Order. It was remiss of me, but I should have pointed out that many hon. Members wish to speak in the debate today, and I shall have to limit speeches between 6 and 8 pm to 10 minutes.

Mr. Dennis Skinner (Bolsover): Where are they all?

Mrs. Shephard: As the hon. Gentleman says, they are not immediately apparent; no doubt they will drift in later.

When I return to my right hon. Friend's Budget later, I shall provide more details, but I can say now that the new measures announced in the Budget will help unemployed people back into work.

This has been a good week for Britain. On Monday, we had improved manufacturing output figures; on Tuesday, we had a first class Budget for recovery; on Wednesday, we had improved retail sales figures; and only this morning I was able to announce that seasonally adjusted unemployment had fallen. These figures are welcome because they offer hope for what people want: real and lasting jobs.

I should like to set out the background to economic recovery. On Tuesday, my right hon. Friend announced his Budget, which is a Budget for recovery because the necessary economic framework for that recovery is already in place. In Britain, we have the lowest interest rates in the European Community. We have a competitive exchange rate. We have the lowest inflation for 25 years. We have the lowest corporation tax in the developed world. Our unit

wage costs in manufacturing are rising more slowly than those of Japan or Germany. Our labour costs are 61 per cent. of those in Germany, and we have record productivity. We have low burdens on industry, and fewer strikes than at any time in our history.

We also have the people. We have the most flexible work force in Europe—a work force so productive that Britain now exports cars to Japan. We have a better educated work force, a society in which more than 90 per cent. of 16-year-olds are in education or training. Our work force are willing to go it alone. Nearly 3 million people work for themselves, creating new businesses and new enterprises, which in turn will create new jobs for others. This is the right framework to enable Britain to compete.

We should not forget the good news. Exports of manufactured goods are at record levels, up by 11 per cent. outside the EC in the year to January. Consumer credit is up; consumer expenditure is up; investment is up; export volumes are up, and at record levels; business confidence is up; car sales are up; retail sales are up 0·2 per cent. in February to their highest volumes ever; and, as announced on Monday, manufacturing output was up by 0·8 per cent. in January.

Mr. Tony Banks (Newham, North-West): It is good to hear all this good news, because we all want this country to succeed, but I suspect that the Secretary of State is using sophistry. She is giving us a litany of things that are up without telling us what they are up from. If she would give us a base year, we might get a more accurate picture of whether investment is truly up. It may be up compared with last year, but it is most certainly not up compared with 1979.

Mrs. Shephard: I would have put money on something else being up—the hon. Gentleman in this debate. He might like to know that manufacturing investment has been up for three successive quarters. As the Chancellor said on Tuesday, all independent forecasters—the Confederation of British Industry, the Institute of Directors, the Organisation for Economic Co-operation and Development, and the European Commission—predict a resumption of growth this year. Indeed, the Commission expects growth in the United Kingdom to exceed that of any of our European partners, as Monday's output figures confirm.

Now to the best news of all. Today I announced that seasonally adjusted unemployment fell by 22,000. That is good news for unemployed people, and for us all. A fall in unemployment, especially so early in the recovery cycle, will of itself help to boost confidence.

As I have said before, however, and as I shall certainly say again, we must be careful not to place more weight on one month's figures than they will bear. In that, the hon. Member for Holborn and St. Pancras (Mr. Dobson) and I are, for once, at one. None the less, the latest figures provide some reason for optimism.

The number of unemployed people placed into new jobs by the Employment Service is up on last year. The number of people becoming newly unemployed and joining the register is down. I am talking about one month's figures, but they provide news that I welcome, as I am sure does the whole House.

That is the background against which my right hon. Friend the Chancellor of the Exchequer produced his Budget. It is a Budget for recovery and jobs. It will ensure a lasting recovery. It is a Budget for business. It will reduce tax and regulatory burdens on small firms, reform advance corporation tax, improve export credit insurance and permit entrepreneurs to reinvest their capital gains. Small wonder that it was widely welcomed by all the business organisations that my right hon. Friend the Chief Secretary to the Treasury quoted yesterday. All these reforms will create jobs as businesses expand.

Mr. Skinner: The Secretary of State could make a great difference to the unemployment figures if she and the rest of the Government did a couple of things during the next month. For example, the Government are in control of 100,000 jobs in the pits and in coal-related industries. There are 30,000 jobs in the pits and 70,000 in manufacturing and service industries.

If the Government decided to save the 31 pits over which there is a question mark, there is just half a chance that the unemployment figures would be announced during the next six months. If the Government saved jobs in local government and in hospitals during the course of the year, they would be on the verge of saving 300,000 jobs. It is no use blaming private entrepreneurs all the time. It is no good the right hon. Lady claiming credit for unemployment falling when the figures have been fiddled. The truth is that the Government never take the blame for all the misery they cause.

Mrs. Shephard: As the hon. Gentleman knows, we await the outcome of the pit closure review. I am sure that he is awaiting the outcome as anxiously as we all are.

The hon. Gentleman will know also that local authorities have had a real increase in funding of 3·1 per cent. That increase enables them to retain their work forces or to expand them, as Conservative-controlled Hampshire county council is doing, to the tune of 800 extra jobs with effect from April.

I also draw to the hon. Gentleman's attention the rather good example set by Sheffield city council, Sheffield being quite close to his constituency. It has made good management decisions to retain its work force in a cost-effective and efficient way. I can see that that does not commend itself to the hon. Gentleman, but that is no surprise.

The hon. Gentleman talks of what the Government can do. Jobs will be created directly by the construction of the Heathrow Express line, an investment of £300 million. The line is due to open in 1997. It will create 2,000 jobs during construction. Jobs will also be created by the construction of the channel tunnel rail link, which involves investment of £2·5 billion. As the House heard earlier, details of these projects will be announced by my right hon. and learned Friend the Secretary of State for Transport next week.

The reaction of Opposition Members, as ever, is predictable. They want extra resources here and extra expenditure there, but they always oppose every proposal for raising the necessary additional revenue. Fortunately, no one takes any notice of them. That is at least partly because they are all preaching different messages.

The hon. Member for Holborn and St. Pancras continues to want to impose a tax on jobs. The hon. Member for Dunfermline, East (Mr. Brown) claims to be the friend of the small business man. The right hon. and

[Mrs. Shephard]

learned Member for Monklands, East (Mr. Smith), the Leader of the Opposition, has not yet felt able, alas, to welcome the fall in unemployment announced today.

The Budget will help to create what unemployed people want—real and lasting jobs. It will encourage inward investment such as that by Toyota in Derbyshire, the biggest single Japanese investment in Europe, which will create 3,000 jobs, and by Kimberly-Clark in Humberside, the largest United States investment ever in the region, which will create well over 700 jobs.

Last week, we had an interesting little debate about Opposition Members' attitudes to inward investment. I was delighted to have the position clarified once and for all by the hon. Member for Livingston (Mr. Cook), who had the courage to follow the example of Mr. Gavin Laird, of the Amalgamated Engineering and Electrical Union, who condemned the TUC's description of inward investment as "negative and racist", and he was right to do so. I am delighted that the hon. Member for Livingston was finally smoked out, although not his hon. Friends, in condemning that particular description.

Mr. Eric Illsley (Barnsley, Central): Does the Secretary of State realise that, since October, when the President of the Board of Trade announced the programme of colliery closures, my constituency alone has lost 1,000 jobs? Over the next few months, we are likely to lose a further 6,000. How does that compare with a couple of hundred jobs at Toyota or Kimberly-Clark?

Mrs. Shephard: The hon. Gentleman is an expert in coal mining matters, and I know, because he is a sensible man, that he understands that, as in every other industry and with every other business, if the coal industry cannot sell its product, there has to be change. I also know that the hon. Gentleman is awaiting the outcome of the pit closure review, and that he will welcome the investment by the training and enterprise council and the Employment Service in his area, which are helping to create jobs, regenerate the economy and help those who are currently out of work.

The Budget will provide direct help for unemployed people. My job and that of my Department is to give that help, to renew people's confidence, and, above all, to give people the help they need to get back to work. That is my top priority.

It is sad that some Opposition Members like to give the impression that a person who has lost his job will be out of work for ever. They have tried over recent days to perpetuate the myth that there is only one job for every 27 unemployed people. That ignores two things. First, for every job notified to jobcentres, many others are not notified—jobs which are filled by other means such as advertisements or private agencies.

Secondly, that calculation is based on the number of vacancies that remain unfilled. It ignores the much larger number of vacancies that jobcentres have filled—filled with unemployed people. Last year, the Employment Service placed 1·5 million people into jobs.

I shall tell the House how, with our help, unemployed people are getting back into work. Every month, hundreds of thousands of jobs become vacant. Only this morning, I published the figures for February. In that month alone, 160,000 vacancies were notified to jobcentres—only a third of those actually becoming vacant.

People are taking up those vacancies. In February alone, again as I announced this morning, almost 400,000 people left unemployment—one in eight of the total. That happens every single month.

Most people leave unemployment very quickly—one quarter within a month, more than a half within three months, and two thirds within six months. That is the message that we should get across to people who have lost their jobs. It is a clear message that there are jobs out there—real jobs—and that TECs and jobcentres are there to help people to get back to work.

The range of help already available to unemployed people is considerable. The Employment Service has a staff of nearly 50,000 and a budget of over £1 billion. Day in, day out, the Employment Service helps people find new jobs. Last year, it found new jobs for 6,000 people each and every working day.

It is a pity that the hon. Member for Holborn and St. Pancras hates employers. He has made that clear; he never misses an opportunity to run them down. But I live in hope that one day I shall persuade him that there is a connection between employers and jobs.

Perhaps the hon. Gentleman would like to look at what employers are doing through training and enterprise councils and local enterprise companies. They now comprise 104 different sets of employers, business people, working in their own local areas to help unemployed people. The hon. Gentleman might disapprove of what TECs are doing, but the unemployed people they help approve, as do local Members of Parliament—on his own side as well as on this—and those trade unionists who sit on TEC boards.

I will give a few examples of what TECs are doing. Durham TEC is providing 100 engineering apprenticeships for young people. Northumberland TEC is sponsoring 160 students from firms in the region to undertake Open university management courses. Surrey TEC is working closely with the health authority to help 10 adults with Down's syndrome; all have been found work placements, and three are likely to be offered permanent jobs. I could give scores more examples. With the Employment Service and TECs, the framework is there, and so are the opportunities.

Our plans in the autumn statement already provided for 1·5 million opportunities—more than have ever been provided before. Those opportunities are targeted on those who need them most: the longer-term unemployed, the people most in need of help; people who have difficulty getting employers to give them an interview and who can now benefit from the job interview guarantee scheme, which has placed over 100,000 people in jobs; the disabled, who can get a three-week work trial with an employer; and job clubs, which improve by 50 per cent. people's chances of getting new jobs. Those programmes help unemployed people to get back to work, and they will help more people get jobs as the economy recovers.

In the new measures that we announced on Tuesday, we have responded to what unemployed people tell us about the help they want. They tell us that they want opportunities which are good for them and which represent a lasting investment in the economy and in their local community. The Budget will provide the framework

for recovery, for growth and for new jobs. To make sure that unemployed people get those new jobs, we have listened to what they tell us and have responded.

That is why we announced on Tuesday an additional 100,000 opportunities, costing £230 million. That should be welcomed in all parts of the House. Above all, it will be welcomed by the individuals who want those opportunities and have asked for them.

The new package will provide 30,000 opportunities through learning for work, to finance unemployed people to pursue full-time courses of education—perhaps to learn a language, which would be a useful additional skill in a nation of exporters, or to acquire skills in business administration, catering or engineering. All these are skills which will improve people's job prospects.

The new measures will provide 60,000 opportunities under community action to enable people to do part-time voluntary work while continuing active job search—work such as restoring heritage buildings and inner-city sites, and work with elderly people, the infirm, the young, or the mentally handicapped, and to improve the environment.

There will also be 10,000 extra places on the business start-up scheme to provide financial support, training and advice to enable unemployed people to start their own businesses: businesses such as Elliot's in Leicester, where a family business has been created by unemployed people; or Thomas Ferguson Print Finishing in Accrington, which now employs 25 people; businesses which employ 83 additional people for every 100 self-employed individuals.

The package also contains TEC challenge, a fund to which TECs will bid competitively to develop new, innovative ways to help unemployed people into work and to create new jobs; and it contains workshop pilots—four in different parts of the country—to test how effective it is in encouraging the recruitment of long-term unemployed people by paying a temporary subsidy to employers.

This package, building on those opportunities already available, will help unemployed people to take advantage of the recovery and of the many thousands of jobs that become available each and every day.

Mr. David Nicholson (Taunton): My right hon. Friend will be aware that nobody on this side of the House believes that it is possible to absorb the vast numbers of unemployed people simply by throwing money around, which is what the Opposition appear to think. If that were possible, it would have been done before, under Governments of either party. Is my right hon. Friend aware that some people have suggested that these measures are cautious and have limited scope? Could she say why the measures do not go further than pilots, when we have had so much experience of employment and training schemes over the past 10 years?

Mrs. Shephard: The measures should be seen in the context of the 1·5 million opportunities—a record number—that we have already provided and that will come on stream in April. Perhaps I could remind my hon. Friend of what I said when introducing the measures—that they will enable an investment in the people, in the economy and in local communities.

In addition, the workstart pilots are intended to test other approaches, so that we can see what might be of particular help to unemployed people and so that we can take the lessons and build on what we learn from those pilots. That is the essence of a pilot scheme.

Ms Angela Eagle (Wallasey): Is the Minister aware that Professor Snower, the originator of the idea, apparently believes that a subsidy of £150 a week is the only way to create new jobs? Why are the Government offering only £60?

Mrs. Shephard: I note that Professor Snower, whose work I greatly respect, has claimed ownership of the idea. The hon. Member for Birkenhead (Mr. Field), who is sitting next to the hon. Lady, might also claim that he had some interest in the idea, which has been discussed for quite some time by all those people interested in helping the long-term unemployed. I note Professor Snower's comment. We feel that the basis of the workstart pilot is correct, and that the subsidy given to employers is real and will be helpful, but we shall continue to see how the schemes develop, because, as I told my hon. Friend the Member for Taunton (Mr. Nicholson), they are in the nature of pilots, and we wish to learn from them.

Mr. Frank Field (Birkenhead): As the Minister has commented about people who have also submitted ideas to her on the workstart proposals, will one of the four pilot schemes be testing the idea that I put to her?

Mrs. Shephard: I have not quite finished the design of the individual pilots, and the hon. Gentleman will understand why. On Tuesday, I shall be meeting heads of TECs and the Employment Service to discuss a whole range of measures, including the design and location of the individual pilots, so perhaps the hon. Gentleman will be able to accept that the final design is not yet ready.

Mr. Field: If the TECs say that people should be able to keep the whole of their benefit for a year, provided that employers meet a certain wage level, will the Minister be prepared for all four pilot schemes to take that form if the TECs say that it would be the most marketable scheme?

Mrs. Shephard: No, I cannot reassure the hon. Gentleman in that way: we are basing the schemes on a flat rate payment, because that is simple to administer and enables us to achieve a standardised arrangement which we can test. However, as I have already said, these are pilots and we shall have to see how they go. I shall keep a watching brief, and no doubt the hon. Gentleman will do exactly the same.

What is most damaging to confidence is when Britain is talked down by Front-Bench members of the official Opposition. We are trying to bring hope and confidence. It was extremely sad last week to have to listen to the speeches of the hon. Members for Livingston and for Holborn and St. Pancras in the Supply day debate. Joined by several of their hon. Friends, they sought to deny the achievements of manufacturing industry. Sadly, speaker after speaker rose from the Opposition Front Bench to deny the facts.

They denied that exports are at record levels. There was not a word from them about the chemical industry, a net exporter; not a word about pharmaceuticals, also a net exporter, with exports growing 17 per cent. in 1992; not a word about the fact that car exports have doubled since 1986; not a word about the fact that Britain is a net exporter of television sets; not a word about the record export performance of British industry; not a word about the fact that, in the year to January, British exports outside the EC were up 11 per cent.

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There was not a word about those achievements. There was not a word of encouragement to the men and women in industry who produce our manufactured goods and our services. There was not a word about those who sell them in tough export markets. There was not a word about the success of British industry brought about by policies aimed at encouraging enterprise, providing incentives, sweeping away unnecessary regulation and reducing burdens on business—policies which were greatly furthered by my right hon. Friend's Budget. There was not a word about the trade union reforms which have made industrial relations in this country the best in Europe.

In last week's debate, we heard speeches deploring the decline of Britain from the hon. Members for Livingston and for Birmingham, Yardley (Ms Morris), and from the right hon. Member for Halton (Mr. Oakes). Today, unemployment fell in all those areas. That is good news.

It is a shame that the official Opposition spokesman on employment, the hon. Member for Holborn and St. Pancras, cannot contain his hatred of employers. Indeed, last week he added to them bankers and financiers, accusing them of being incompetent financial institutions, on the make and exhibiting short-sighted stupidity. That is quite something for an hon. Member who represents a constituency in the heart of the world's major financial capital.

Last year, we heard much about Opposition Front-Bench spokesmen scurrying round the City, downing prawn cocktails in ever-increasing quantities, in an attempt to show that they and their party believed in capitalism. How many more prawns will have to be sacrificed to put right the words of the hon. Member for Holborn and St. Pancras? Instead of encouraging enterprise and business, instead of helping employers, Labour would introduce job destruction policies.

Mr. Frank Dobson (Holborn and St. Pancras): Does the Secretary of State say that Barclays bank has been well managed since Nigel Lawson joined it? If so, why is it running at a loss?

Mrs. Shephard: That is a cheap comment, even from a prawn.

The Opposition would introduce a national minimum wage; how many jobs would that destroy? At a time of high unemployment, they would sign up to the social chapter which the Prime Minister rejected at Maastricht; how many jobs would that destroy? As an incentive to training, they would put a training levy on employment; how many jobs would that destroy? Their latest idea is to subsidise jobs by taxing the utilities. That is not a positive message to business. Every time success was made of an enterprise, it would be taxed. How many jobs would that destroy?

Those policies are in complete contrast to the policies of the Government. The Labour party has never learnt that Governments do not create jobs, despite the fact that business, employers and industry tell it so all the time. Only businesses can create jobs, through producing goods and services that people want, on time and at a competitive price.

In this House we have, sadly, had to get used to Opposition Members running Britain down. They were running Britain down in last week's Supply day debate. They ran Britain down in Tuesday's debate on the Budget. No doubt they are longing to run Britain down today.

In commending this Budget to the House, I agree with the Opposition that some things in Britain are down. Inflation is down; interest rates are down; unemployment is down; and the Labour party is down—and out. But confidence is up; output is up; retail sales are up. Above all, Britain is on the up.

4.30 pm

Mr. Frank Dobson (Holborn and St. Pancras): I welcome, without reservation, the reduction in the jobless total that has been announced today. Like all Opposition Members, I am delighted if there are fewer people officially out of work. It is undoubtedly the only bit of good news on unemployment in the last three years, and it is welcome news. We hope that it will continue in future months and years, but we fear that it is a freak. If I have read the right hon. Lady's press statement correctly, she fears that it is a freak, too, because she says that we should not attach too much importance to it.

There are many, not just among the Opposition, but around the country, who will also fear that, besides being a freak, the reduction may be another of the Department of Employment's statistical fiddles. I plead in justification of that remark the fact that the Department of Employment has already done 27 fiddles, all of which have reduced the unemployment total. It may be that there is no fiddle this time, but if this is the start of a trend it had better be an accelerating trend because, if the total is to fall by 22,000 a month, it will take 11 years before all those out of work are back in work.

The Department of Employment also published today its labour force survey, headed "Key Results for Autumn 1992". One of the items, highlighted even by the Department, reads:

"66,000 more people were unemployed on the ILO definition than the average monthly number of claimants of unemployment-related benefits in Great Britain during the period September to November 1992."

In other words, by that international definition, 66,000 more people were out of work than the Government were acknowledging.

That is not all, of course. As you, Madam Deputy Speaker, know and as I, the Secretary of State and, I am sure, her statisticians know, there are, using the old definition, 4 million people out of work. Nevertheless, we welcome the reduction and hope that it is the start of a trend.

Harold Wilson said that a week is a long time in politics. Certainly 48 hours appears to be a long time when it comes to Budget debates. Things move rather quickly. *The Guardian* carried a headline after Tuesday's Budget which read:

"Lamont's stock riding high with Tory MPs."

By today, however, Tory MPs, according to *The Guardian*, are in revolt about the imposition of VAT on fuel for pensioners. Sadly, it is nothing new these days for *The Guardian* to be outflanked in concern by Tory MPs. Not long ago, the spineless leader writers on *The Guardian* welcomed the Prime Minister's workfare proposition, only to see it, to their embarrassment, dropped by the Government—at least for the time being.

This week *The Guardian*, in its response to the Budget, mocked my right hon. and learned Friend the Leader of

the Opposition for objecting to the blatant Tory betrayal of election promises and the imposition of VAT on fuel, which will impoverish millions of badly off pensioners and families. Perhaps *The Guardian* will no longer run such moving articles about people dying from hypothermia.

Mr. Skinner: I do not think the paper's man is in the Press Gallery. He has probably gone to Cheltenham.

Mr. Dobson: That could well be. On the other hand, my hon. Friend is probably being unfair. I believe that the paper is represented.—*[Interruption.]* Surely *The Guardian* is not sold by newsagents. Newsagents sell the tabloids.

According to most commentators, the Tories won the general election of 1992 by managing to turn it into an election about tax. The commentators said:

"Labour lost because Labour said that tax would have to go up"—

that is, Labour told the truth—

"and the Tories won because the Tories said that tax would not have to go up."

In other words, the Tories told lies. It may seem harsh to accuse the Tory party of telling lies.

Mr. Nigel Evans (Ribble Valley) *rose*——

Mr. Dobson: I shall give way in due course, but I want to make some progress.

There are two possible explanations of what various leading lights in the Tory party said in the run-up to the general election. Either they were lying or they were ignorant and incompetent. All the time, Ministers had access to Treasury figures. They had all the official information at their disposal. The Prime Minister told the House that the Tories had costed their programme. Treasury officials had been used in the exercise. He said that they has also costed our programme. Well, the costing was rather strange. Having costed our programme, the officials said that it could be paid for only by tax increases. When the self-same officials costed the Tory programme, they said that it could be paid for without tax increases. There seems to be something wrong, either with the officials or with those who draw on their work.

Nevertheless, the Prime Minister told us that he had no plans and no need to extend the scope of VAT. He said:

"I have no plans to raise . . . the level of national insurance contributions."—[*Official Report*, 28 January 1992; Vol. 202, c. 808.]

For good measure, the Chancellor of the Exchequer said:

"We will not have to increase taxes. I cannot see any circumstances in which that will be necessary."

The Prime Minister said:

"We have no need and no plans to extend the scope of VAT."

If that was not lying—and, under the rules of the House, it cannot be lying—it must have been an admission of incompetence on a monumental scale. If leading Conservatives were called to any court to answer the charge that they had lied to the electorate, they could plead incompetence. In doing so, they could call upon a considerable body of evidence that they are, and always have been, incompetent. They could probably call character witnesses to demonstrate long-term incompetence in handling economic affairs. They could reasonably claim that everything they said before the election was consistent with their usual behaviour. They could, indeed, ask that other offences over 14 years be taken into account.

Mr. Nigel Evans: Does the hon. Gentleman accept that one of the major reasons for the Conservative party's victory in the general election of 9 April 1992 was that the electorate listened to what the Labour party had to offer and heard what it and its leader had to say, did not like what it heard and went to the polls to vote Conservative?

Mr. Dobson: In reply to that, I can only say, "It wasn't what you said at the time, sunshine."

For the past 14 years, the Tories have been running the British economy into the ground. When they came to power, there was a trade surplus in manufactured goods. Now, despite the benefits of North sea oil, we have had trade deficits averaging £16 billion for the last seven years in succession. Now, despite the benefits of North sea oil, under this collection of clowns we have a trade deficit even in the fuel trade. When they came to power, just over 1 million people were out of work. Now, for the fifth time in 14 years, there are 3 million people out of work officially and 4 million people out of work in reality. That is despite the 27 downward adjustments carried out by statisticians at the Department of Employment in response to pressure from Ministers.

When the Government came to power, 7,300,000 people were working in manufacturing industry, making things for people here and abroad to buy. Now, there are scarcely 4 million people working in manufacturing industry, and it is clear that soon there will be more people out of work than working in manufacturing industry. After 14 years in power, putting their economic theories into practice, the Tories have got us to the top of the European unemployment league. We have the most people out of work—we are the only country with more than 3 million unemployed—and we have the fastest rising rate of unemployment.

Despite all that, the Chief Secretary had the gall to tell the House yesterday that the Tory party is the party of economic competence. He also spent a considerable amount of time talking about the public sector borrowing requirement, so let us consider the sacred PSBR under this Government. I refer specifically to this year's borrowing requirement.

The Tories, the self-proclaimed paragons of economic competence, have made six successive estimates of the PSBR. I remind the House that the latest estimate is £35 billion. The first estimate was that we would not have a PSBR but a surplus of £3 billion. That estimate was made by Chancellor Lawson. The second estimate, by the then Chancellor Major, was, again, that there would be no PSBR although, to be fair, he did not say that there would be a surplus. He had obviously turned himself into the Polonius of 11 Downing street:

"Neither a borrower, nor a lender be".

He said that there would be a balance, and hon. Members might recall——

Mr. Barry Legg (Milton Keynes, South West) *rose*——

Mr. Dobson: No, wait until I have read out the quotation.

Mr. Legg *rose*——

Madam Deputy Speaker (Dame Janet Fookes): Order. The hon. Gentleman should know well enough by now that if the hon. Member who has the Floor does not give way, he must resume his seat.

Mr. Dobson: In his one and only Budget statement, the right hon. Member for Huntingdon (Mr. Major), who is now the Prime Minister, said:

"For decades, successive Governments had spent more than they were prepared to raise honestly from taxation and they made up the shortfall by borrowing."—[*Official Report*, 20 March 1993; Vol. 169, c. 1014.]

At that point, the PSBR for this year was estimated to be nil; under his premiership it has shifted to £35 billion. It has reached that point by way of a third estimate of £12 billion, a fourth estimate of £28 billion, a fifth estimate in the autumn statement of £37 billion, and the latest estimate of £35 billion. We have moved from a surplus of £3 billion to a PSBR of £35 billion under a Government who claim to be economically competent.

To cut back on the deficits which have accumulated, apparently by accident and against the Government's intentions, we are faced with massive tax increases and massive cuts in public services, not to invest in the future, not to put right the structural faults in the British economy and not to re-skill our people; the cuts will repay the debts piled up by a Government who, to use the Prime Minister's words, were not honest enough to raise the money by taxation earlier. That is what has happened under this incompetent Government.

Mr. Peter Ainsworth (Surrey, East): It is abundantly clear that the Opposition do not like the Budget, but it is less clear what measures they recommend to enhance the recovery which is already under way. The debate has already lasted for more than two days, but we have not heard a single positive suggestion from the Opposition about what they would do. Are we to hear one from the hon. Member for Holborn and St. Pancras (Mr. Dobson) this afternoon, or are we to continue to wait in vain?

Hon. Members: Who was that?

Mr. Dobson: If anybody had asked me at the door whether the hon. Gentleman was a Member, I should not have recognised him. He clearly adorns our debates extremely infrequently. He will have to learn that, like Conservative Members, we make speeches that we want to make and do not take orders from those across the Floor.

Conservative Members should listen to this. The worst charge of incompetence against the Government is that they have squandered the benefits of North sea oil. Over the past 14 years, the Government have been blessed with the one-off bonus of North sea oil which could have helped the balance of trade, which it did, and could have helped to fund investment but it has not been used for that. It gave a massive lift to Government revenues. One hundred and thirteen billion pounds has been raised from the North sea and every penny has been frittered away. The rest of Europe cannot believe what the Government have done with that one-off bonus. Every penny of revenue from North sea oil has gone either to pay for the costs of unemployment and in tax cuts for the rich in the 1988 Budget or to ease the pain of the poll tax.

Mr. Jacques Arnold (Gravesham): Will the hon. Gentleman give way?

Mr. Dobson: No, I shall not.

There is not a penny left for investment in plant and machinery or research and development, and there is not a penny left for investment in education and training.

Mr. Arnold *rose*——

Mr. Dobson: No, I shall not give way.

What I have outlined is incompetence on a grand scale. If the Tories are accused of lying, we can see why they would find it easy to counter the charge with a plea of incompetence, but we cannot allow them to get away with it. At the previous election, the Tories cruelly misled the British people and never stopped trying to do so. However, it is getting more difficult for them, and their excuses are getting more threadbare.

It is now almost exactly three years to the day since the present Prime Minister presented his Budget as Chancellor of the Exchequer. Since that Budget, unemployment has risen in every single month save this one, rather like the trade deficit most months and the PSBR, as far as I can see, every month. It is no good the Prime Minister telling *The Independent* that he blames his predecessor for what he inherited. During his Budget speech, when he was Chancellor, he said of his predecessor, Nigel Lawson:

"He has left the public finances stronger than at any time in living memory".—[*Official Report*, 20 March 1990; Vol. 169, c. 1010.]

That is what he said and he meant it. He went on to describe that as an enduring record. With this lot in office, it is likely to endure as a record for a very long time.

Since the Prime Minister became Chancellor, manufacturing jobs have been lost at a rate of 255,000 a year. Since he became Prime Minister, manufacturing jobs have gone at a rate of 312,000 a year. Since he became Prime Minister, the number of people in work has fallen by one million three hundred and sixty odd thousand. Since the Prime Minister's one and only Budget, unemployment has risen by 87 per cent., more than 1,200,000 people have been thrown out of work and 9,500,000 of his fellow citizens have experienced the pain and shock of being out of work.

What has the Prime Minister done to help? Scarcely anything at all. Let us consider the Government's spending on training. When the Prime Minister took over, it was £2·4 billion. It fell to £2·1 billion, it stayed at £2·1 billion, it is planned to stay at £2·1 billion next year and is set to fall after that. In other words, as unemployment has gone up by 87 per cent., measures to help the unemployed have fallen away. This year, spending is down £300 million on 1990-91.

When the Prime Minister became Chancellor, there were 430,000 trainees on employment training. This year, there are 210,000. Spending on ET is down from £1·2 billion to £883 million—and that includes employment action. Even the Secretary of State must realise that employment action and employment training are not working, because she is wrapping them up and amalgamating them into one outfit called training for work. One can reasonably say that only the names have been changed to protect the guilty. The coming year's budget for the new combined training for work arrangement will be less than the budget for this year. There will be 210,000 trainees and a budget of £874 million.

When employment training was originally announced by the right hon. Member for Sutton Coldfield (Sir. N. Fowler), who is now the chairman of the Tory party, he promised with a great fanfare of trumpets—it was a Tory promise, so we could tell what would happen to it—600,000 places on employment training and a budget of £1·5 billion. What we got was one third of the number of trainees that he had promised, and half the budget. In

other words, there is a massive difference between what was promised and what was delivered. The unemployed were betrayed by the breaking of that promise.

Another Tory promise was the youth training guarantee. Apparently every young person of 16 or 17 who was not in work or education would get a YT place. The numbers have fallen from 347,000 for 1990-91 to 233,000 for the months of this year for which the places have been counted. But the Unemployment Unit, which generally speaking is more reliable than the Department of Employment, estimates that there are 111,000 16 and 17-year-olds who are not in education, not in work and not in training. Another promise has not been kept, and our young people have been betrayed by the Government and by the Department of Employment.

We need to look at that history of broken promises when we examine what the Chancellor promised on Tuesday, and what the Secretary of State said at her press conference, at which she admitted that the additional money resulting from the Budget would be only £125 million at most—less than £1 per week for every person who is out of work. I should describe that as not a lot, but the Secretary of State refused to accept that it was "a piddling sum". It all depends on how one judges a piddling sum—certainly it would not make much of a splash. Set against the needs of the 3 million unemployed it is a piddling sum. Set against the £27 billion cost to the taxpayer of keeping all those people out of work, the 780 million working days lost because of mass unemployment, and the £50 billion worth of lost production of goods and services, it is a piddling sum. That seems to me a perfect description.

The Government claim—let us accept their claim for a moment—that 100,000 people will benefit from what was announced in the Budget. In view of the long history of Government announcements followed by failure to deliver, it is reasonable to assume that what will happen will be less favourable than what was announced. But even if we accept their estimate that 100,000 people will be helped, that means that out of every 30 people out of work, 29 will get not one shred of help from the budget announced by the Secretary of State.

I should like the right hon. Lady to clear up one point now. Is the £125 million really an increase? Is it additional money from the Treasury or money shifted from within her existing budget?

Mrs. Gillian Shephard: There is £230 million in extra money that my Department would not otherwise have had.

Mr. Dobson: The Secretary of State said in her press release on Tuesday that, after the estimated benefit savings, the net cost would be £125 million. She cannot claim that the benefits that people will receive are part of her spending—that is absurd. The figure is £125 million. She acknowledged that on Tuesday, and she cannot change her mind today.

There are other questions for the Secretary of State to answer. What about all those leaks about the brilliant new schemes that she would introduce? There were all sorts of stories being circulated. The 21-hour rule for education and the availability for work rule were both to be relaxed. Massive new programmes were to be introduced to match the scale of the unemployment problem. What went wrong? Why has the right hon. Lady not delivered?

The next question is, as one of the Secretary of State's hon. Friends asked her, why did the unemployed have to wait all that time for what she has now announced? Could not the schemes have been implemented as soon as they were worked out? Why have people had to wait until the Budget? The right hon. Lady has been telling people for months—since July and August last year—that the Department is working on those schemes. Why have people had to wait for the Budget? Was it because that was the only bit of good news that we would get in the Budget? We do not think that provisions for the worst off of the unemployed should be used simply as a propaganda exercise for a Tory Chancellor in trouble.

There are 1 million long-term unemployed people, and many of them would like to do further education courses, but many are prevented by the availability for work rule and the 21-hour rule. The Secretary of State has not changed those rules. All that she has said is that 30,000 of the 1 million long-term unemployed will be able to have places on her new scheme—one place for every 33 people suffering from long-term unemployment.

The Secretary of State has also held forth at great length about how wonderful the business start-up scheme is. Sometimes it is; it does some good work. The right hon. Lady intends to provide 10,000 extra places, but she did not mention that when she has done so there will still be 30,000 fewer places than there were on business start-up schemes in 1989, when fewer than 2 million people were out of work.

The Secretary of State talks about the TEC challenge. That is brilliant—£25 million. Even by the Secretary of State's definition that must be a piddling sum. All the TECs are supposed to compete for the £25 million, and we can safely bet that most of it will be eaten up by TEC and Department of Employment bureaucracies, as bids are submitted, assessed and argued about, and awards are finally made. Furthermore, we know that in the end awards will be made not on the basis of the merit of the application but according to where the Department thinks that it would be best for the Secretary of State to turn up for a photo opportunity—for the county council elections, say.

Then there is workstart. That may be a good idea. Perhaps some of the ideas suggested by my hon. Friend the Member for Birkenhead (Mr. Field) would be a good thing. But the best that we can say about workstart at the moment is that it has not started and that nobody is sure whether it will work. Of the four pilot schemes, two will be run by the TECs, which were originally to be trusted with everything, and two will be run by the Department of Employment, which apparently no longer trusts the TECs with everything.

As my hon. Friend the Member for Birkenhead has always realised, but as Ministers do not seem to realise, the great danger of workstart is job substitution. That is what happens when somebody moving into a job with a big subsidy is cheaper for a firm than keeping on somebody who already works there, so that person gets pushed out to make way for a new cheaper, subsidised worker. That problem must be tackled and the Secretary of State has not yet done so.

The proposal for community action—voluntary work, part time—is certainly not up to scratch compared with the old community programme. It is to be carried out part time and on the cheap.

[Mr. Dobson]

We recognise that the situation is so desperate that anything seems better than nothing, even when what the Government propose is next to nothing. Nothing is being done to help to create real jobs; the schemes are geared more to knocking people off the unemployment figures than to getting them back to work. That is a betrayal of the people who are out of work.

The jobless have been betrayed, their families have been betrayed, the country has been betrayed and Tory promises have been betrayed. In 1979, the Tories promised to get Britain back to work. Since then, they have failed to get the unemployment total down to the level that they inherited. At the general election, they promised that there would be no tax increases and no cuts in services—now they are to increase taxes and cut services, and they have virtually ignored all those who are out of work.

Labour Members recognise how painful, harmful and hurtful it is to be out of work and that is why we welcome even today's small decrease in the unemployment total. A person who is out of work loses a sense of purpose because, for many people, what they do is what they are. If one asks a child "What are you going to be when you grow up?", the answer is some sort of job. When people lose their jobs, they feel that they are nothing and have lost their place in society. *[Laughter.]* If the witless loons on the Tory Benches do not understand my point, I shall make it again. It may be that such a question is not asked in the middle-class homes of Conservative Members, but Labour Members are all familiar with the aunt, uncle or neighbour who asks a child, "What are you going to be when you grow up?" The answer given is some sort of job. Children want to be teachers, miners, engine drivers or nurses, because that is how people perceive themselves in our society—by how and where and when they work, and by the status that goes with that work. People who lose their jobs lose their status and that sense of belonging and contribution. They also lose money because when they lose their jobs, they lose their pay, and benefits do not make up for that.

The Government have also been harmful for many of our people. Before the present unemployment crisis began, those policies saddled tens of millions of people with personal debt with which they now find it difficult to cope. When this collection of people who claim to be economically competent took power in 1979, the total personal debt was £74 billion, or 52 per cent. of individuals' disposable income. The latest figures show that people in this country now owe £487 billion, or 109 per cent. of disposable income. It is against that level of debt that people are losing their jobs, so to lose a job now is more hurtful and harmful than it was in the past.

Unemployment is bad for health and even increases the rate of cancer. It increases the rate of suicide, and the likelihood of violent death. A middle-aged man who loses his job has double the chance of dying within the next 10 years. I apologise to anyone who may ask why I do not know the figure for women. Such a figure is not available. However, there is no doubt that unemployment increases illness and premature death, and the country has a Chancellor of the Exchequer who states that unemployment is a "price well worth paying".

Unemployment breaks up family relationships and leads to homelessness, to vandalism, to theft and to violence. It impoverishes whole neighbourhoods and it is the greatest enemy to our democracy. It impoverishes the country as a whole. The Secretary of State has admitted that it costs £9,000 to keep somebody out of work for a year—£27 billion for the country as a whole. In terms of lost production, 780 million working days a year are lost with the present level of unemployment. Unemployment is ruining the lives of 3 million people and their families. It is shackling the economy. Of all the Tory betrayals, the worst is throwing 3 million or 4 million people out of work and then doing nothing to help them.

The whole country is paying the price of mass unemployment, but that is not how the Government see it. To them, it remains a price well worth paying, as the Chancellor said. It is not; it is far too high a price. People want the chance of a job and when they get that job, they want to be paid enough to be able to bring up their families without depending on benefits or handouts from anybody. People do not want a Britain on benefits; they hope for a Britain at work. The Budget betrayed their hopes.

Madam Deputy Speaker: Before I call the next speaker, I remind hon. Members that, although the odd sedentary intervention may be acceptable, repeated sedentary interventions are not. I shall count them as if they were a speech.

5.4 pm

Sir Rhodes Boyson (Brent, North): All hon. Members know that unemployment is disastrous for the individual and for society. What surprised me about the speech of the hon. Member for Holborn and St. Pancras (Mr. Dobson) was that he did not propose one policy about how to solve the problem. We do not disagree with the last five or six pages of the hon. Gentleman's speech; we all know that. I grew up in Lancashire in the 1930s, in a town where unemployment was higher than it was in Jarrow. Unemployment destroys people. The hon. Member for Holborn and St. Pancras made no suggestions, apart from the growth rate, for doing anything.

There is also no doubt that the deficit, which concerns us all, is linked to unemployment. It costs £9,000 for each person who is unemployed. Getting people back into work is the main concern of everyone in the House. We want the policy that will achieve that in the long term by providing continuing arrangements. The hon. Member for Holborn and St. Pancras said nothing about that.

I welcome the fall today in the level of unemployment. The hon. Member for Holborn and St. Pancras was gracious enough to say that as well. We trust that this is a sign of better times to come in the employment ratio. We shall have to wait for two or three months, but at least the sign of better times to come is there. One swallow may not make a summer, but it is better than having a swan. *[Laughter.]* I made that up as I went along, and it was not very good. As is usual in my case, I did not know at the beginning where I would finish up, but at least I got to the end of the sentence.

I especially welcome the commitment to the channel tunnel train link coming into London. That will provide employment and will give better services in London and elsewhere. Similarly, I welcome the Heathrow fast link and the fact that, within 15 minutes, it will bring people into London. That will encourage tourism and travel, and will increase employment. I wonder why we are not taking more such decisions. It is almost like the 1930s, although

this work needs doing in any case. Perhaps we should make it a proviso that the people taken on should come off the unemployment registers. If we bring people in from outside, we shall do nothing to reduce unemployment.

I wish that there had been a bigger commitment for the crossrail line and for the extension of the Jubilee line, because we need far better public services in London. If we are to have such services the time to work on them is at a time of unemployment, when we are back to public works. We are all turning into semi-Keynesians who remember the 1930s and the Tennessee Valley Authority. There is nothing wrong with that. Most Conservative Members are very intelligent; if we see that a policy is not working, we change it. I offer such a policy to the Opposition.

In our debates on the Budget, several hon. Members have mentioned people who have been unemployed for two years. The critical time is six months. If people are on the register for more than six months, the day on which they do not get up at their usual time but instead stay in bed is the day from which it will then be difficult to get them properly back to work. We should concentrate on that six-months figure, although I know that there are difficulties.

My next point is not over-cheerful. To enable us to pull out of the recessions of 1929-31, of 1974-75 and of 1980-81, the real interest rate had to be negative or very low indeed. Interest rates in Britain are still too high. That causes us great difficulty in pulling out of the recession. I realise why they are kept at their present level, and the difficulty of reducing them. Let us examine the three previous recessions. Between 1929 and 1931, there were also times when public sector pay increases were negative. We must watch the interest rate if we are to pull out of the recession.

I want now to refer to London. I am a Lancastrian who has lived in London for 30-odd years—an adoptive Londoner. Many people in Britain are not aware how serious the position is in London compared with that in other areas, and I wish to draw the attention of the House to it. Certain parts of London may soon need assisted area status if they are to get through the present recession.

It is my reckoning—the figures are agreed by the London Boroughs Association—that the council tax takes about £200 million out of London and £175 million out of the rest of the south-east. London is treated as a milch cow which makes money for the rest of the country and which can remain for ever a milch cow.

Let us examine the unemployment figures. In my constituency in December 1991, unemployment was 9·7 per cent. In December 1992, it was 12·9 per cent. Unemployment among males aged 20 to 24 is 26·2 per cent., or more than one in four. Brent as a whole had a rate of unemployment of 16·8 per cent. at the end of last year.

If we compare those figures with the figures for the rest of the country, we realise the position that London is in. The comparable figures for unemployment are: Scotland 9·9 per cent., Wales 10·3 per cent., Northern Ireland 14·6 per cent., and the north 12·2 per cent. Yet we are switching money from London to the rest of the country.

Let us take one example. East Kilbride development corporation is advertising in London to persuade employers to move from London to East Kilbride. Unemployment in East Kilbride is 8·7 per cent., while in London it is 11·6 per cent. There is something ridiculous about using Government money to persuade people to transfer their businesses from London, where there is high unemployment, to East Kilbride, which has lower unemployment. I ask my right hon. Friend the Secretary of State for Employment to examine that policy.

Sometimes policies become historic policies which continue until someone puts up a red signal and says, "Hang on, do we know what we are doing and where we are at the present time?" I fear that the pick-up in London may not be as fast as in the rest of the country, because London's industries, especially the financial services industry, will never employ the number of people that they employed in the past. The prosperity of London and certainly of my constituency, which lies within 20 to 25 minutes travelling distance of the City, was built on such industries. For that reason, I should like the extension of the Jubilee line and the crossrail link to be built to bring help to London.

I should like to make a suggestion. I do not know whether it is possible, but one of the privileges of being a Back-Bencher is to suggest things and then blame other people if they do not do them. We must have some privileges from time to time. I wonder whether we could make docklands into a freeport area. To my mind, docklands is the best construction in London since the second world war. If it took off and we got it right, it could almost pull the rest of the country with it.

One must have a sense of confidence when things are built. That confidence can permeate society. We could make docklands the Hong Kong of Europe. I do not refer to the present events in Hong Kong, and I do not suggest that Mr. Patten should be its governor, but we could make docklands a special area. I am worried about the future of docklands. It will be a depressing area of London if we do not get it going faster than at present.

Mr. Tony Banks: I come from the east end, and I am not altogether sure that I would want docklands turned into Hong Kong. I certainly would not want Chris Patten coming back to run it. Could the right hon. Gentleman put some pressure on his colleagues? He and I agree on this point. There is a good case to be made for assisted area status in London. He makes that case, too. He should put pressure on his Front-Bench colleagues. I understand that there are some differences between the Secretary of State for Employment and the President of the Board of Trade. Is the right hon. Gentleman prepared to join all the rest of us in London in making our case to the Government so that we can achieve the assisted area status which he and I support?

Sir Rhodes Boyson: There is no doubt in my mind that the Secretary of State and the Paymaster General are listening carefully. What is the point of asking for a delegation if one is putting one's case on the Floor of the House, where these things should be said? I welcome the fact that the hon. Member for Newham, North-West (Mr. Banks) agrees with me on this point. I always pray for his salvation. We are both Londoners. I spent my first headship in the east end and lived there for a time.

Mr. David Nicholson: On assisted area status, does my right hon. Friend agree that one of the achievements of the recent economic difficulties has been effectively to abolish the north-south divide, and that therefore the massive regional subsidies, which sadly were necessary when the recession hit the north so badly, are no longer necessary?

[Mr. David Nicholson]

Will he also reflect on the knock-on effect on neighbouring areas of designating certain areas for assisted area status? Such areas may lose investment and jobs as a result.

Sir Rhodes Boyson: My hon. Friend makes shrewd remarks. The risk of all Government intervention is that it will improve one area and make the rest worse. However, at present other areas have assisted area status and London does not, and, to reply in an east end fashion, we want some of the gravy. Otherwise, we shall lose employment. I do not want my businesses to go to East Kilbride. I am sure that it is one of the nicest places in the world—the fact that I have a Scottish wife shows my belief in Scottish blood—but my businesses should not be tempted away to the north.

Mr. Geoffrey Clifton-Brown (Cirencester and Tewkesbury): I can illustrate the point about assisted area status graphically to my right hon. Friend. A firm in my constituency has recently made 350 people redundant, because it has been tempted by assisted area status money amounting to £1 million to move to Wigan. What is the point of putting that number of people out of work in one area merely to put people to work in another?

Sir Rhodes Boyson: My hon. Friend makes a similar case to mine. I am sure that my right hon. Friend the Secretary of State and others are listening carefully, and that, later tonight or tomorrow, they will have meetings about the matter. So we are having a good debate, as we always do in the Chamber.

I do not like big government—that is why I am a member of the Conservative party. When people use their own money, they are much more likely to get it right than a Government committee which goes home and sleeps content because there is no penalty clause if its decisions are wrong.

The percentage of gross national product which goes to the Government has increased from about 39 per cent. to 45 per cent., depending which calculations one uses. I wonder whether we should set a target of reducing Government spending by 1 per cent. every two years to bring it back to its previous level. I am a great believer in targets which can be achieved. It is no good saying that we could do it in a year. But before Government spending runs away with itself, we should set a target of bringing it back in future years to 40 per cent. or 39 per cent.

My next point is a personal one. I do not like the exchange rate mechanism. It was a glorious day when we left the ERM on 16 September. I know that it is the desire of the Government to keep me happy. Obviously, I vote with them more when I am happy. One of the happiest days of my life will be when I hear a commitment that we shall never re-enter the ERM. I am quite prepared to buy a drink for every member of the Cabinet to achieve that. As that might be considered bribery, perhaps I had better take it back. As a Lancastrian from near the Yorkshire border, I would not want to be tempted too far. If that pledge is given in the reply, a great cheer will go up in the English land and unemployment will undoubtedly go down by 1·5 per cent. tomorrow.

Many people have expressed opinions on the application of value added tax to fuel. The Government have to raise money, as they are in a difficult position. I accept that there is VAT on fuel in other countries, and those people who receive social relief of one sort or another will be covered when that is upgraded. Those of us who can pay our bills easily will not be bitter about the increase, but I am concerned about the people in between. I shall describe them in Webbian terms, so that even the Labour party cannot object: they were known as the frugal poor in the 19th century. I am concerned about the people who want to pay their bills—the 1 million people who do not claim, and who were mentioned at Prime Minister's Question Time today.

One cannot meet everyone's needs, but the retirement pension should be upgraded to deal with the increase, as pensioners are at home for most of the time and need the warmth. Many pensioners will pay the full council tax and all their bills, but they have to do so out of a narrow income. I am concerned about the peope who have about £4,000 or £5,000 in the bank, and who hold the old working class belief that one should be able to afford to pay for one's own funeral and to have a decent funeral.

The pension should be upgraded next April and in the statements sent out in October. Many pensioners are in the Conservative heartlands and therefore on political grounds—because I like the Conservative party, including myself, to win elections—and for equity, an increase in the pension should be considered. Upon that matter, I shall retire for today.

5.21 pm

Mr. Jim Cunningham (Coventry, South-East): First, I must pull up the Secretary of State for Employment on several matters. In answer to an intervention by my hon. Friend the Member for Holborn and St. Pancras (Mr. Dobson), who asked about additional moneys for her Department, she mentioned £200 million. She did not completely answer the question, however, because no one from the Government Front Bench has told us where that £200 million will come from. It sounds to me rather like borrowing from Peter to pay Paul; if that is the Government's intention, they will find themselves in trouble with the Budget straight away when they start to deal with some of the underlying problems in this country. The Secretary of State should clarify that when she replies.

Any dip in unemployment must be welcome but—I hope that the Secretary of State will take note of this "but" —whether the figures increase or decrease depends to a large extent on the success of the Budget and on the decision about the closure of 31 pits. As some of my hon. Friends have said, 30,000 miners' jobs are at stake as well as about 70,000 jobs in industries servicing coal mining, which means that 100,000 jobs are at risk and we must therefore offer a word of caution.

I would never be reluctant to welcome any assistance to the business community, whether to large or small businesses, if it helped to create jobs. Opposition Members have a cautious welcome for measures to help businesses because we want something to happen to unemployment.

Questions should be asked about some of the slogans coming from the Government Benches. Conservative Members keep firing back the question, "What would you do?" This is not a general election; it is the policies and programme that the Government fought the election on that are at issue. Part of their programme was that there would be no increases in taxes or extension of value added tax—so two of those promises have already been broken.

The question of talking Britain down must be dealt with. We are not talking Britain down, but questioning the Government and calling them to account. That is the right of Parliament. We are questioning the Government's handling of their stewardship of the British economy. That is the issue that must be nailed in this debate.

The Budget must be judged against a background of 14 years of ups and downs and "stop-go" policies which were supposed to be coming to an end in 1979 when Lady Thatcher became Prime Minister. In 1979, the Tory party started this country down the road and it has never recovered. Where have those 14 years got Britain? We have just under 3 million unemployed, and as the basis for the figures has changed we do not know the real figure.

Since 1979, the Government have found every excuse under the sun when they have run into trouble. During the 1979 election campaign there was no world recession, but after the Conservatives had won the election they suddenly discovered one. World recession is once again their reason for breaking their promises to the electorate. We know that there is a recession. No one would deny that, but we disagree with the way in which the Government are handling it and about the measures necessary to get us out of it. That is how the Budget will be judged.

The money lenders, who finance the Government, are asking whether it is about time that the Government started to pay some money back before they are given any new borrowings. That is why the Budget will produce about £17·5 billion in taxes during the next two years to start to pay the debt off.

I have listed some of the issues that must be dealt with and for which the Government must be held to account. Despite the late conversion of the Prime Minister to the cause of manufacturing industry, between 1979 and the present we switched investment from manufacturing to the service industries, which were good for a quick return on investment; if one invests in a company such as Rolls-Royce it sometimes takes many years to get a return on the investment. As a result, we lost considerable numbers of jobs in manufacturing industry as we moved into service industries.

Mr. Oliver Heald (Hertfordshire, North): Last Friday, Labour Members tabled a motion suggesting a cut of £7·5 billion in defence spending. How would that affect Rolls-Royce workers and workers in my constituency who rely on the defence industry? Is that investment in British industry?

Mr. Cunningham: Opposition Members were suggesting that some of the money for defence could be used for diversification into new technological industries. I am sure that if the hon. Gentleman talks to his colleagues and to the President of the Board of Trade and the Minister for Industry he will find that trade unions have made many representations to the Government on the subject of diversification now that the Russian threat seems to be in abeyance, so I shall not fall for that one.

To return to some of the major issues for manufacturing industry, the west midlands, which was the powerhouse of the British economy, has between 11 and 12 per cent. unemployment and some of the old industries have vanished during the past 14 years, especially the "metal-bashing" industries—as we would describe them on the shop floor—such as those which produce motor cars or steel. The Government have been reluctant to do anything to assist Rolls-Royce and Leyland DAF.

Although the Budget contains some measures to assist development and help with development costs, it contains nothing major to assist our manufacturers to develop either new projects or projects that they already are working on. Anybody who knows anything about manufacturing industry knows that a good percentage of costs, outside of wages, are incurred by development projects.

Coventry, the west midlands and the rest of the country are suffering from the "accumulative factor"—the problems that come with high unemployment. I have already said that the unemployment rate in the west midlands is about 11 per cent. Coventry has been saddled with high unemployment—in a city to which, 30 years ago, people came from all parts of the country and the world for employment and it was able to absorb them. Today the population has dropped from 350,000 to 300,000, which reveals the flow of people from the city because of lost job opportunities.

Coventry has lost 50 per cent. of its manufacturing industry. Household names in the motor industry, such as Standard Triumph, Rolls-Royce and GTP, are running down their operations and have made systematic redundancies. The Government have done nothing to help them.

Our assisted area status is under threat. We shall not know its fate until the outcome of the President of the Board of Trade's review of the mining industry is known. Again, the Government are taking money from Peter to pay Paul. That is an issue of great concern to the local people.

The Budget does nothing to address the plight of the homeless and old age pensioners, who need approximately £200 a week to live on. The right hon. Member for Brent, North (Sir R. Boyson) mentioned the 1 million frugal poor, to use the Webbian expression. Those people and old age pensioners in their twilight years deserve a certain level of income to survive and should not be subjected to means tests by the Department of Social Security. There are problems with disablement benefit for those pensioners who are disabled. These people need assistance with their fuel bills.

One-parent families and those in employment whose income does not entitle them to receive extra assistance are the people who will be affected by the extension of VAT, and they will struggle.

It is interesting to note that the Budget signals the extension of the imposition of VAT. There is no doubt about that. In the next few years, pay-as-you-earn will be phased out and VAT phased in by the Government. We have had another signal—although the Prime Minister denied it today—that assistance with mortgages is to be phased out. People should have no illusions about that.

As a result of the Budget, the urban aid programme will be cut, which will lead to the loss of 30,000 jobs throughout the country and 200 jobs in Coventry. That programme trains people and it helps community relations by helping the ethnic minorities either to start their own businesses or to apply for jobs. Such help will be hit badly in inner cities as a result of the Budget. The safer cities initiative will also be abandoned. That suggests to me that areas such as my constituency—with high unemployment among young and middle-aged people and many

[Mr. Cunningham]

one-parent families—will be abandoned. They will have fewer employment prospects and the opportunity to improve their quality of life will diminish. One-parent families in inner city areas will suffer most because they will be deprived more.

I have considered the economy and how it will affect our manufacturing base. We know that the Government will be remembered for the Budget. It has nailed the lie that they are the party of low taxation and low unemployment. In reality, they represent the extension of taxation, high taxation, new taxation and high unemployment. They are the party who claim to support industry but, when it comes to demonstrating it in the Budget, they give it very little support, as witnessed recently by the great industries of Coventry and the west midlands which are being run down because they have been denied Government assistance.

5.35 pm

Sir Michael Grylls (Surrey, North-West): The speech by the hon. Member for Coventry, South-East (Mr. Cunningham)—bearing in mind his constituency—understandably, and rightly, centred to some extent on manufacturing industry. There would be no difference between hon. Members on both sides of the House that that is a vital part of our economy. The criticism and implications, however, about a massive retraction in manufacturing industry almost suggest that people are living in an isolated state, locked up in a box and cut off from the rest of the world.

If one is honest about our own country, we have seen our manufacturing base get narrower over the past 100 years. That started to happen almost immediately after the industrial revolution, and it was quite natural, because other nations wanted to build things for themselves. We could not for ever be the workshop of the world.

That process of retraction has occurred in other countries. In the United States, service industries account for nearly 70 per cent. of the economy, in Germany and France they account for more than 50 per cent. and 40 per cent. respectively. In Britain, those industries account for 60 per cent. of our economy. That trend has affected the older workshops of industrialised countries, because other countries want to make their own things.

Such changes present us with massive challenges. This debate rightly has focused to a large extent on jobs. The big worry shared across the House—it should not be a party issue, but, as my right hon. Friend the Member for Brent, East (Sir R. Boyson) said in his excellent speech, it should be bipartisan—is, how do we create the jobs? How do we help the private sector to create jobs? The challenge is that there are very few things we make in this country—or, for that matter, in any of the G7 countries—that cannot be just as well made in India, China and Vietnam, where the average wage is about $50 a month.

The challenge is how we compete with such economies, unless we are prepared to live in a box and see ourselves living in a lovely country while doing no trade. That would not be practical. How do we maintain employment? The transformation in manufacturing industry—this applies to the other G7 leading industrial countries—has meant that each country has focused on what it does best.

I am sure that the hon. Member for Coventry, South-East will agree that our car industry has expanded recently. It was run down in the 1970s, and it is now having a renaissance. We are now building 300,000 more vehicles a year than we were five years ago, but the companies are employing 100,000 fewer people. In the United States, Motorola has doubled its business but halved its work force. There is nothing essentially British about this problem. It is worrying, but the challenge—which is better than worrying about it—is how we deal with it. We can only deal with the challenge by being the best in a smaller number of industries than we had 130 years ago. We are the best in pharmaceuticals; we are a leading country in chemicals and in aerospace. We now have massive motor car production that we did not have a few years ago. The balance of trade in television sets is now in our favour—we are exporting a great many of them. We are good at all sorts of other high-technology industries.

I can remember when, in the mid-1970s, British Steel, then a nationalised company, came before a Committee of the House to announce that it was losing £500 million a year. It was a disaster. Then it was privatised and turned around. Until the economy started turning down two years ago, British Steel was making nearly £500 million a year profit and paying about £200 million a year into the Exchequer in corporation tax—to pay for important things such as social services.

We have a great many success stories but—we must face the truth and deal with it—on a much narrower front than ever before. Now we must build on that.

This is not actually a debate about manufacturing industry; it is a debate about the Budget, so I shall return to that. I have been struck by the fact that some people rejoice in picking out negative elements. They are the sort of people who refer to traffic lights as stop lights. I refer to them as go lights. Perhaps hon. Members think that I have flipped my lid by using that expression, but it is certainly more positive. Let us concentrate, therefore, on what has been positive in this Budget.

First, the Chancellor has rightly and determinedly set about dealing with the deficit. That cannot be done without considerable pain. Certainly, some people will not like the additional payments that they will have to make over the next few years to help to get the Budget into balance again—but there is no gain without pain. Let us face that fact and try to be positive about it.

My right hon. Friend the Chancellor has been more unfairly criticised than any Chancellor I can remember. I would only remind him that we never put up statues to critics. Walking around London, we observe that the statues are put up to the doers and the achievers. I believe that our Chancellor has achieved a great deal. He has set in train tough policies to resolve the temporary problem of the deficit.

It is childish to debate whether someone said that we had no plans to increase indirect taxation or VAT. That is so idiotic as to bring politics into disrepute. Governments are in place to deal with challenges, not to worry about trivial debating points which have no bearing on anything.

Mr. Jim Cunningham: There is nothing childish about it. The British people are being taxed to the tune of £17 billion to claw back the money that must be borrowed. Why were the British people not told that before the election? Does the hon. Gentleman agree that the Government obviously knew it then?

Sir Michael Grylls: The hon. Gentleman is clearly more perspicacious than any Government, and can see around every corner. After Governments are elected, events happen. What are they to do then—sit on their hands and claim that they did not say in the election that they might have to put up VAT? Should they disclaim responsibility for the problem?

Mrs. Anne Campbell (Cambridge): During the election campaign, the Chancellor said on "Channel 4 News':

"We will not have to increase taxes. I cannot see any circumstances in which that will be necessary."

Does the hon. Gentleman agree that that was a very firm statement?

Sir Michael Grylls: I do not want to be discourteous to the hon. Lady, who has made a fair point according to her lights, but she is being a little nit-picking. No one—certainly no one in the Labour party, and no economic pundit—knew how long the recession would last. What was the alternative? Would she have liked the Chancellor to tell the House that, because he had said two years ago that he had no plans to increase VAT, he would not do anything now—that he would let the deficit rise, the currency fall and inflation start again? I believe that the Chancellor did the honourable and right thing for the country: that is what he is there for——

Mr. Illsley: He should resign.

Sir Michael Grylls: That is ridiculous. He is there to serve the country and to do what is best for it. He is there to solve problems, not to throw up his hands and ignore them.

Mr. Clifton-Brown: Does my hon. Friend recognise that even the Clinton Administration, so revered by Opposition Members, have had to revise their taxation and spending plans in the light of the current and worsening economic situation in which they find themselves?

Sir Michael Grylls: That is certainly true, but I fear that you, Madam Deputy Speaker, would quickly admonish me if I started discussing the Clinton Administration.

The strategic point that our party has always made is that we believe in indirect taxation, not direct personal taxation. That is what the Chancellor has done. Although he has had to put up some indirect taxes, for reasons that I have tried to outline, he has also managed to reduce direct personal taxation for 1 million people who really need help, and I honour him for so doing.

Mr. Heald: Does my hon. Friend agree that one circumstance that has changed since the election is the Government's commitment at the Rio conference to spend considerable amounts on improving the environment? That was not known at the time of the election, but it has to be paid for. Is it correct that, today, the hon. Members for Islington, South and Finsbury (Mr. Smith) and for Peckham (Ms Harman) both refused to say that they would remove the extended VAT? Those remarks were made in the course of media interviews.

Sir Michael Grylls: I hear what my hon. Friend says, and it is a good point—but I am being tempted now in all directions. Forced to choose between the United States and Rio, I would prefer to go to Rio, on balance.

An outstanding feature of the Budget that has not had nearly enough attention was what it did for small independent businesses. This really was a five-star Budget for owner-managed businesses, which are the lifeblood of our country, as 90 per cent. of our firms come under that heading. The Chancellor's substantial changes will be extremely helpful.

There have also been changes in the Government-backed loan guarantee scheme. When it was introduced in the 1980s, it was not a perfect scheme, but the Chancellor's changes will make it much more effective. He has raised the limit to £250,000 to bring in more medium-sized firms, and he has reduced the premium to 0·5 per cent. The old scheme offered only expensive money, and in addition there was a 2·5 per cent. premium, which will be reduced to 0·5 per cent. Obviously it will be much less expensive for firms to borrow.

It is important that we give support through such schemes to smaller or medium-sized firms. It should be understood that, as the economy begins to grow, those firms will need extra money to buy stock, to expand, to innovate and to service their customers. If the banks cannot provide the necessary moneys, smaller or medium-sized firms will not be able to respond to growth within the economy.

It is encouraging that there are positive comments about the Budget. The chief executive of Midland bank, Mr. Pearce, has said that the extra support available through the loan guarantee scheme will further help banks to support economic recovery and create jobs in industry. Midland bank has provided about £150 million to about 7,000 firms since the scheme started. There has been a similarly positive response from Mr. Wanless, the chief executive of NatWest bank. It is encouraging that the banks are reacting positively to the extension and improvement of the scheme. It is one of the most important features of the Budget.

Similarly important is the removal of capital gains tax for entrepreneurs who want to leave one business and go into another. They are locked into their businesses with 40 per cent. CGT. That meant that, if they sold up, they had only 60 per cent. of the proceeds to put into a new business.

Many people in Britain, as in America and other developed countries, enjoy building a business but do not enjoy so much the running of it. They like to create a business and build it up, and then let someone else take on the running of it. They then move on and start another business. We must not have a tax system that deters such people from taking that course. After all, they are the creators of wealth and jobs. It is extremely important that my right hon. Friend the Chancellor has removed CGT for those people.

When more money is available to enable us further to reduce taxes, I hope that, within the lifetime of this Parliament, we shall see the abolition of CGT. Like most capital taxes, it distorts business decisions. In a proper free market enterprise economy there should be no place for such a tax. Let us say thank you for the progress that has been made.

I know that my right hon. Friend the Secretary of State for Employment will appreciate from her experience as a Minister and as a Back Bencher that, all too often, value added tax enforcement officers adopt an overbearing attitude. That has been a real cause for complaint for millions of self-employed people and for those running small businesses. They have been chased around for trivial sums. They have made small, genuine mistakes; they have not tried to cheat the Exchequer. Those who cheat must be

[Sir Michael Grylls]

chased, but I am talking about those who make genuine and perhaps simple mistakes while trying to run their businesses. In other words, they have to do everything.

There is no doubt that the VAT enforcement procedures in the United Kingdom are much tougher than elsewhere. I hope that the review that my right hon. Friend the Chancellor has undertaken will bring us in line with other countries. We do not necessarily want to be as loose as some, but in France, for example, business people are not chased around for trivial sums. I hope that the changes that will be made after the review has been completed will be helpful.

Another deregulatory measure is the proposal to abolish the statutory audit for small firms. There never was a real argument for it. I know, of course, that some bureaucrats approved of it. Some officials in the Inland Revenue and the Treasury liked it. It has been convenient for them, but that is not the way in which the Government should run things. We must consider what is best for the customer, which in this context means the small firm.

My right hon. Friend the Paymaster General, who is on the Government Front Bench, was a distinguished Minister with responsibilities for small businesses. He did a wonderful job in that office. I think that he will recognise that the abolition of the statutory audit can do nothing but good. An accountant will often charge about £1,000 for the audit, and that money will be much better spent in obtaining consultancy advice on how a firm can be run more efficiently so that more wealth can be created.

Important also is the freezing of the uniform business rate. There is no doubt that the UBR has borne heavily on smaller firms during the downturn in the economy. We know that the reform was important, and I believe that it was right. It had to happen. However, when demand dropped, the going became extremely tough, because everything happened at the same time. The freeze will generally be welcomed. I believe that it will help about 800,000 small firms. That is a big feather in the Chancellor's cap.

This is a five-star Budget for smaller firms. It will give great relief and encouragement. The loan guarantee scheme will prepare the way for firms to prosper and grow as the economy grows, and I view it with great optimism. I hope that others will throw away their negative approach and take account of the positive features of the Budget, which will help the country enormously.

Several hon. Members *rose*——

Madam Deputy Speaker: I remind the House that between 6 pm and 8 pm there will be a limit of 10 minutes on speeches.

5.56 pm

Mr. Matthew Taylor (Truro): Less than 24 hours after the Chancellor of the Exchequer's Budget statement I had a phone call from Cornwall. I was told that the old, the poor and the sick were calling at a drop-in centre in floods of tears as a result of what they had heard about the rise in fuel bills following the imposition of value added tax. I was told that they did not know how they would meet the extra charges. Those people are among the most vulnerable in our society. They are the people who have been most betrayed by the Budget, which breaks promise after promise that the Conservative party made when it fought the general election only a year ago.

The hon. Member for Surrey, North-West (Sir M. Grylls) spoke about a five-star Budget for business. I shall present another response to the Government's economic record from someone who ran a small business that had been in the family for many years. It employed many people in my constituency. I received the letter in the second post today and I opened the envelope shortly before I entered the Chamber to participate in the debate. I shall not reveal the name of the person who wrote the letter. However, she said that she wanted her concerns highlighted. Part of the letter reads:

"It has taken the receiver appointed . . . just four weeks to finish us. I have to accept the fact that the Company has gone, a lifetime's work and what have they gained? The stock half sold off, the rest going to auction . . . We had never laid off a single employee, one was retiring due to age, but I prided myself on the fact that I worked hard to keep everyone going . . . We are looking for a small shop to rent or lease."

That is for the son, who had 25 years of employment in the company. I understand from the letter that he is at risk of losing his home. That is in addition to the fact that he has lost his profession and the family firm. The letter continues:

"But of course to stock it"—

that is, the shop—

"would cost an awful lot of money and I have literally lost all mine. I realise now that I was silly to put so much into the business but I had so much confidence in the coming year being better and the future being brighter for all . . . I shall take a back seat now, it's all been too much for me. I am puting my house up for sale".

That is the reality of the background to the Budget. That is the reality for businesses as well as for individuals who have been hit by tax increases. The letter makes it clear that part of the problem is that only 11 months ago, during the general election campaign, the Conservative party talked of recovery that was in place, not one that was to come. It fooled many people, especially those in business, and, as a result, they took decisions that have led to situations of the sort that are described in the letter that I have quoted.

That is the background against which we debate the Budget—not the City's reaction, not what the pundits say, but the hard reality for ordinary men, women and families who are being asked to pay for the Government's mistakes. This is a Government who do not blush to say one thing, when they want to win an election, and do quite another when they are back in government.

It is extraordinary that, today, as in the past couple of days, Conservative Members have repeatedly justified the Chancellor's position by claiming that he did not say what we all know he said during the general election campaign. Had they apologised, the British people might have understood, but they cannot understand a Government who pretend that they did not say what the British well remember being told at the time of the general election.

There are two great tests of the Budget—how well it faces up to the needs of the British economy and the British people, and how it matches up to the easy promises of the Conservative manifesto. Despite the pledges that Conservative Members have made year after year about reducing taxation, the reality of the Budget is increased taxation—not just the extension of VAT to fuel and power, hitting worst the old, cold and poor, but the increase in national insurance, which is nothing less than

an increase in the effective rate of income tax, and hits those on low incomes most and those on high incomes least.

How does the Budget stand up to the first test? The proposals have done nothing to encourage consumer confidence. They are likely to make many people worse off and to discourage precisely the spending that is needed to get us out of the recession. Many of the plans are not to be implemented for a year, but that will make precious little difference to families who are struggling now. They will simply realise that they are likely to be struggling even more next year.

Mr. Nigel Evans: As the hon. Gentleman started his speech before 6 o'clock he will have a few more minutes in which to speak than most of us in the Chamber. Will he do something for the House today that the Labour party has signally failed to do, and that is to tell the House something about the policies that his party would have introduced had it been in power?

Mr. Taylor: I shall be saying something about our policies and it will be the same as we said at the general election. We can say with some pride that we told the truth at the general election, whereas the hon. Gentleman and his colleagues did not. I shall be contrasting those positions.

Great swathes of the Conservative party manifesto in 1992 were about the priority of low taxation. It proclaimed:

"A lightly taxed economy generates more economic growth".

It also said:

"High taxes kill the goose that lays the golden eggs."

That goose was pretty well laid out before the high taxes were introduced. Goodness knows what the Conservatives who fought on that manifesto think is the position now that taxes have been increased in the Budget.

That was in 1992. In 1993, the view seems to have changed. Apparently, economic recovery is achieved through higher taxes. The Chancellor claims that a Budget that increases tax is a Budget for recovery.

In some parts of the country the position is even worse. Already, in Cornwall, consumers pay electricity bills 8 per cent. above the national average and rising at a faster rate than the national average. That situation will be worsened by plans for regional discrimination in electricity charges, with consumers living further from generating stations paying more. As if that were not enough, there will now be the added blow of VAT, making the price differential even greater.

Every time that I write to Ministers about regional pricing policy for electricity and gas, they refuse to meet me and local business representatives, saying that it is not their responsibility because the electricity and gas industries have been privatised. But who privatised the industries? It was none other than the Conservative Government and Conservative Members. Who approved the regulations that led to the price increases? It was none other than the Conservative Government and Conservative Members. The Conservatives were happy to promise that privatisation would be in the consumers' interest, but they wash their hands of the matter when it turns out to mean higher bills.

The Government cannot wash their hands of the VAT plans. They will not be allowed to, certainly not by people in my area, the poorest county in the country, who are backing the Liberal Democrats' Fair Deal campaign which is campaigning for fair water and electricity prices for Cornwall, let alone cuts in the national average.

It is not as if VAT on fuel and power would do much to help the environment—the great justification that we heard from the Chancellor. He is putting VAT not on pollution, but on all energy. It does not matter whether it is from a coal-fired power station or from one of the wind farms in Cornwall. Nor is the tax imposed on the fuel that an individual consumes; otherwise there would not be the VAT imposition on the standing charge. There is no way that that can be sending a message to cut back on the use of polluting energy sources.

The west country has also seen huge increases in water charges, way above the national average, so that 3 per cent. of the national population has to pay for one third of the country's coastal clean-up programme. That is nothing other than a tax. It happens to be a selective tax, imposed on some of the poorest people in the country, to clear up a national asset. Without privatisation, that would more clearly have been a tax. It is another way in which the Government's policies are imposing a greater burden on those whom I represent.

Throughout the general election campaign, I and fellow Liberal Democrats were attacked by Conservatives for our plans to increase petrol prices. Conservative leaflets and Conservative canvassers frightened voters by saying that Liberal Democrats planned huge rises in petrol prices. They did not mention that we planned to phase the increases or that we proposed compensation for people in rural areas and extra investment in public transport. Those were our policies on which we were proud to fight. We told the truth about what they would cost and we explained our reasons and how we would help people with the burdens.

Meanwhile, Conservatives campaigned against the increases that they are now introducing in their Budget only 11 months later, and they offer no help to rural areas and no investment in public transport in rural areas. It is all take and no give with this Conservative Budget. Most significantly, at no point in the last election did any Conservatives mention that they would increase petrol prices by more than we proposed in our manifesto.

We also campaigned honestly on mortgage interest tax relief. We said that it needed reform in order to give more help to first-time buyers and people who are renting in the private sector, and less to those who already have a lot and are simply looking to move up the market, buying ever-larger houses with help from the taxpayer in the process.

Again, Liberal Democrat plans for reform were attacked by the Conservatives at the election. But now, rather than reform the system, they just cut mortgage interest tax relief from 25 to 20 per cent. So much for encouraging growth in the housing market. So much for the Conservative party arguing that Liberal Democrats would hit mortgage payers, when the truth was that only 11 months later it was the Conservative party which would introduce a cut in mortgage interest tax relief.

One year after the Conservative election victory, we are confronted with the betrayal of their promises on taxes on income, on increases in VAT, on petrol prices and on mortgage interest tax relief. What hypocrisy. What deceit of voters who must be left wondering who they can trust. I am sure that in the county elections in May and in the

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Newbury by-election it will be clear that the last party that voters are prepared to trust ever again is the Conservative party.

6.10 pm

Mr. David Lidington (Aylesbury): I am grateful to you, Madam Deputy Speaker, for allowing me to make a short contribution, particularly on a day when we have learnt that unemployment in my constituency of Aylesbury has fallen by nearly 3·5 per cent. That is very welcome news because, although in my constituency the rate of unemployment is below the regional and the national average, it is higher than the rate to which local people have been accustomed in recent years. If I agree with nothing else in the speech of the hon. Member for Holborn and St. Pancras (Mr. Dobson), I agree with his analysis of what to be unemployed means for the individuals and families directly affected.

I welcome the measures in the Budget because I believe that they provide the right framework for the creation of permanent jobs and sustained economic growth. I particulary welcome the employment package that my right hon. Friend the Secretary of State dwelt on in her speech today. Representing a constituency which relies on small and medium-sized employers, I give as warm a welcome as did my hon. Friend the Member for Surrey, North-West (Sir M. Grylls) to the measures on the value added tax threshold, capital transfer tax relief, the way in which Customs and Excise deal with VAT defaults and the other measures aimed at supporting and assisting small business to get on with generating wealth and creating new jobs.

I believe, though, that to bring unemployment down to what any hon. Member would regard as anything like an acceptable level will not be an easy task which can be quickly accomplished. That is partly for reasons which my hon. Friend the Member for Surrey, North-West spelt out. We are seeing a shift in the international patterns of industry and trade. Within this country and the rest of the industrialised world, technological advance will mean a demand for different sorts of skills. Large companies, in particular, are approaching their business in a different way, contracting out many of the functions that they once carried out in-house.

None of these long-term and, I believe, irresistible changes in the international economy can be ignored. I was therefore very glad to see that my right hon. Friend's employment package gave considerable weight to the idea of training and retraining people who have become unemployed. Only if we have a skilled, flexible and adaptable work force shall we be able to help people into more permanent employment.

I found the vision of the hon. Member for Holborn and St. Pancras so out of date when he talked in that rather moving, grandfatherly fashion about the ambition of a young boy to become an engine driver, or a doctor. In my case it was a zoo keeper initially, and some people might say that I was on the verge of achieving my ambition.

The truth is surely that in an economy, both global and national, which will be subject to rapid and frequent change we have to say honestly to people that they must expect to have to change not just jobs but career paths at different times in their lives, and that for some people the pattern of the future may be not to have one job from 9 am to 5 pm five days a week, but to have perhaps a portfolio of two or three part-time jobs. We must therefore adjust our social policies and our policies regarding tax and benefits accordingly.

I support the words of some of my right hon. and hon. Friends earlier in the debate, in particular the remarks of my right hon. Friend the Member for Guildford (Mr. Howell) earlier this week, when he said that we would have to keep the unemployment figures announced this week under review to see whether they should be extended to greater numbers of the unemployed in the future. As I have said, I do not believe that this problem of unemployment is capable of quick or easy solution, and I believe that that is the realistic view of most of the British public, too.

Referring briefly to a constituency interest, I warmly endorse the remarks made by my right hon. Friend the Member for Brent, North (Sir R. Boyson) about the crossrail project. I, too, feel that I can give two cheers at the Government's announcement, but I wish that a firmer commitment had been given. I believe that Aylesbury's recovery from the recession is under way, although it is fragile, but every analysis carried out by local authorities in the area or by the local business community points to the urgent need for improved transport communications as a condition for getting that recovery fully under way and enabling my constituency to compete with other industrial towns in the south-east, such as Wycombe, Banbury and Reading.

Crossrail will not benefit my constituents alone; it is an important connection between the channel tunnel link running into Stratford and the rest of the railway network. Now that the Government have decided that private sector money should be involved, I hope that they are prepared to be more ambitious even than under present plans. Let us look at extending the new electrified high speed line beyond Aylesbury to Milton Keynes, and perhaps to Birmingham and further north. That would be a project of which the country and the Government could be proud and which would not only provide many jobs for people who now lack them but contribute in the medium term to the greater prosperity of the country.

My right hon. Friend the Chancellor had a difficult balancing act to carry out this year. The initial reaction to the Budget that I have been picking up from businesses in my community is that he has struck the right balance and taken the necessary action to correct Government over-borrowing while at the same time, through micro-economic measures, ensuring that the incipient economic recovery is not just allowed to continue but is sustained and encouraged.

For those reasons, I shall be glad to give the Budget my support in the Lobby.

6.17 pm

Mr. Jim Dowd (Lewisham, West): The two sounds that were heard most clearly on Tuesday when the Chancellor was making his statement were the sound of hon. Members dozing off in all parts of the House and the sound of chickens the size of jumbo jets coming home to roost.

When I heard the Chancellor, or somebody sounding very much like him, on the "Today" programme yesterday morning saying again—and I am assuming that he was reading—that the Conservative party is the party of sound

finance and balanced books, I could barely credit my ears. Towards the end of the interview, when asked whether he was doing the best he could for the British people by being Chancellor of the Exchequer, he said that that was his duty: to serve his country. Then we came here yesterday and heard the Chief Secretary speak at one stage about the duty of responsible government. Obviously, the Government disinformation machine theme for the day was duty. When I reflected upon that, I thought of something that Bernard Shaw once said: when a stupid man is doing something of which he is ashamed, he proclaims it to be his duty.

We have had for the past 15 years an unabashed, unalloyed spate of irresponsible government. We have had an economic miracle, we are told. I will not go over the ground covered by my hon. Friend the Member for Holborn and St. Pancras (Mr. Dobson) concerning North sea oil, because it would pain Conservative Members too much, and the truth has a limited effect upon them; they cannot quite see it.

The waste of over £100 billion in North sea oil revenues pales into insignificance beside their real failure. They really are economic idiots of quite supreme proportions. That is evident from what they have done with the proceeds of privatisation. I am not arguing about the rights and wrongs of privatisation, but I must stress to the imbeciles on the Government Benches that every organisation, large or small, public or private, will inspect its capital portfolio to ensure that it is working to the benefit of the organisation.

Mr. Lidington: On a point of order, Mr. Deputy Speaker. Is the word the hon. Gentleman used in his last sentence parliamentary?

Mr. Deputy Speaker (Mr. Geoffrey Lofthouse): It is not out of order, but I would advise the hon. Gentleman that it would be wise not to use such words in the Chamber.

Mr. Dowd: I certainly accept your guidance, Mr. Deputy Speaker. I reassure you that it is a word much used in south London, particularly when talking about the Government, but none the less I apologise.

The Government's most elementary mistake was to use the proceeds of capital sales to fund revenue. Everyone knows that that is the path to bankruptcy. The figures now emerging on Government borrowing show what is happening. Today's papers show that the Chancellor has not even covered his current spending commitments with the tax raising that he announced yesterday. It is the first time in British history that our affairs have been so chronically mismanaged.

A local authority would be prevented from attempting such a strategy, and a commercial organisation would be prosecuted for attempting to trade while insolvent. That is the strength of the Government's addiction, like junkies, to selling off public assets and using the money to fund revenue.

Last month's PSBR was the second worst monthly figure in history. It was managed only by the proceeds of privatisation. Again the Government were selling off capital to fund revenue—the economics of idiocy. Now that they have to face the consequences, they are looking for any possible opportunity to sell off their remaining BT shareholding, and even the national picture collection is under threat.

What happened to the marvellous vision of the Lawson years when we had PSDR—public sector debt repayment? We had got into a virtuous cycle in which the Government could do no wrong because, as they understand it, they had transformed economic law. However, the way in which they understood was not how the rest of the world understood it. They were deciding how much of the public debt they were going to repay each year, and they thought that they had structured the finances and affairs of the nation so well that it would go on indefinitely.

I remember some of the financial journalists, who are the alleged experts on these matters, writing articles saying that the Government's choice for the 1990s was how they would dispense all that largesse and what they would do with the phenomenal surplus that had been achieved. But it was all an illusion. The Conservative party did not know the difference between a vision and a mirage, but pursued it nonetheless.

Let us look at the Government's recent experience. We are now told repeatedly about lower interest rates and the competitive exchange rate. Although the pound goes up and down week by week, the exchange rate is declining. If lower interest rates and a competitive exchange rate are such marvellous attributes of the British economy, why did the Chancellor and Prime Minister spend billions of pounds of public money and a great deal of time and effort attempting to prevent them from happening? They did not have a clue what economic policy they were following then, and the same is true now.

What is the Prime Minister's response? He says that we are talking Britain down. That ludicrous notion is an example of the Government blaming the messenger because they do not like the message. The Prime Minister must understand that an inane grin and a puerile cliché cut no ice with people who have been hurt by the impact of the recession. Although he and his toadying colleagues on the Back Benches may readily parrot such claptrap, it cuts no ice and although they may have a capacity for self-defence that knows no bounds, it is not shared by the British public, who know exactly who to blame.

The central theme missing from the Budget is unemployment. I speak on a day when, for the first time, unemployment in my constituency has risen to more than 7,000—and ours is by no means the most deprived part of south London, or of London in general. Some 17·5 per cent. of all the economically active adults in my constituency are unemployed.

I received a letter from a woman in Catford saying:

> "This letter is about a problem shared by thousands of parents. Our eldest daughter is coming to the end of her three-year degree course in geography. Despite numerous applications, she has no hope yet of any kind of employment."

My constituent wrote that her daughter applies for jobs but she has no experience, and because she has no experience she cannot get a job, so she cannot break the vicious circle. The only thing that has been recommended to her is a postgraduate course entirely at her parents' expense, but that is totally beyond them, as they have three younger daughters to provide for. The situation is depressing and upsetting the family.

I wrote back to my constituent, and I wrote to the Secretary of State for Employment, enclosing a copy of the letter and saying:

[Mr. Dowd]

"I would be most interested in your response, and any suggestions you may have to assist Mrs. Scutt's daughter to make the best use of the expensive education which she has acquired."

I received an answer from Viscount Ullswater. I do not know who the superannuated peers are who do correspondence for Secretaries of State, but I suppose that it keeps them off the streets. However, if I had wanted to write to Viscount Ullswater, I would have written to him and not to the Secretary of State. The reply stated:

"Viscount Ullswater has asked me to thank you for the letter to Mrs. Shephard enclosing correspondence. As the matters raised fall within the responsibility of the Employment Service, which is an agency, I have passed on your letter to the Chief Executive."

The Secretary of State had no idea how to respond, and could not care less. The response to my letter represented a total abdication of political responsibility, for which the Government have shown such scant regard recently.

Unemployment is not simply cutting people off, as my hon. Friend the Member for Holborn and St. Pancras said. It not only undermines people's ideas of their self-worth; it is also the most important part of the engine of wealth distribution in Britain.

I shall draw my remarks to a conclusion. Although I am sure that Conservative Members would like me to go on all evening, I shall resist the temptation——

Mr. Deputy Speaker: Order. Mr. Peter Ainsworth.

6.27 pm

Mr. Peter Ainsworth (Surrey, East): This is an encouraging day for jobs. It is a good Budget for jobs and it is good for the economy as a whole. I fear that it is a bad day for the Opposition, who have yet to produce one positive idea about what they would have done if confronted with the problem that faced my right hon. Friend the Chancellor of the Exchequer as he was preparing his Budget.

The key problem was clear and substantial—how to recognise the twin imperatives which in economic terms confront Britain's economy at the end of this most difficult recession. Those imperatives are the need to foster recovery and economic growth and the need to address the budget deficit, which in the medium to longer term represents a major threat to economic stability and to confidence in Britain at home and in the international markets.

I am convinced that my right hon. Friend has reached the right solution. He has, in effect, given precedence to growth. The onus of the tax increases announced by my right hon. Friend will fall substantially in 1994-95 and beyond, at a time when all leading economists, including those in the European Commission, are expecting a more vigorous growth trend to be established. The impact of the tax increases will then be more easily absorbed.

Some, including my predecessor in Surrey, East, my noble Friend Lord Howe, have argued that more immediate action to reduce the deficit was required, both in terms of increasing taxation and reducing public expenditure. I shared that view, which was put forward earlier in the debate by my hon. Friend the Member for Esher (Mr. Taylor). Having had time to study my right hon. Friend's Budget, however, I have reconsidered the point.

The prime objective for this Government, as for any Government, must be economic growth. Economic growth underpins the ability to pay for our public services, such as schools and hospitals; it enables businesses to invest and prosper; it stimulates new jobs and underpins the ability of my right hon. Friend the Secretary of State for Employment to introduce the package of measures which form part of the Budget.

It is not taxation which does those things. Taxation merely redistributes money which other people earn. It may be argued, however, that the ability to tax is dependent on economic growth, so my right hon. Friend the Chancellor is right to adopt a neutral fiscal stance for the coming year and to build on the series of measures in his autumn statement aimed at fostering the economic recovery which is taking place even now, as recent evidence from industry and the retail sector illustrates.

Although there is mounting evidence of a more prosperous economic climate, to which my right hon. Friend the Secretary of State for Employment referred in her speech, imposing a significantly heavier tax burden in the coming year could have stifled recovery and been profoundly counter-productive. My hon. Friend the Chancellor has performed a finely poised balancing act and has built in additional flexibility and room for manoeuvre if circumstances turn out, as they have a habit of doing, to be different from those expected.

On that point, provided that a firm grip is kept on public sector spending, my right hon. Friend and his advisers in the Treasury may be under-estimating the extent of the recovery in the medium term, and may be erring on the side of caution in respect of the public sector borrowing requirement deficit in future years. Let us hope so, for at 5·5 per cent. of gross domestic product in 1995-96 the forecast PSBR burden is still daunting. Indeed, looking over the next four years, the total PSBR is forecast to be £86 billion higher than the total projected last year for the same period. Therefore, let no one underestimate the difficulties that we face.

As I have said, however, I believe that that forecast may be unduly pessimistic. First, it is conceivable that growth will exceed expectations. For example, the growth forecast for 1992, made by my right hon. Friend as late as his autumn statement, has already proved to be 0·5 per cent. too gloomy. Secondly, we have every reason to be confident that my right hon. Friend the Chief Secretary, in his review of public spending, will not baulk at taking the difficult decisions which circumstances demand. That will be vital to underpin the restoration of a sound and balanced economy.

On a specific point, I give an especial welcome to my right hon. Friend the Chancellor's proposals to reform advance corporation tax. I detected the fluttering of eyelids as my right hon. Friend moved into that part of his speech on Tuesday; none the less, his proposals represent a significant and welcome reform. The present system, which has caused British-based firms with substantial overseas earnings frequently to end up with an ACT bill on their dividends greater than their entire United Kingdom corporation tax liability, has caused justified resentment for some years. More importantly, it has had the effect of exporting important areas of activity, such as research and development, and with them jobs.

I know of a number of international companies with head offices in Britain which were seriously, albeit reluctantly, considering relocating elsewhere, especially

within the European Community, because of problems with ACT. The measures announced by my right hon. Friend will enable them to stay. That will be as much a relief to them as it will be to all who care about retaining employment in this country and in particular about bolstering London as one of the world's great financial centres.

The eventual 5 per cent. reduction in the rate of ACT payable on dividends is also welcome. It represents a redistribution of moneys from gross investment funds into corporate management, which will provide a significant cash flow advantage to business of around £1 billion next year. I hope that business managers whose companies will benefit will resist all temptations, as well as pressures, simply to use the extra moneys to top up their dividend payments. United Kingdom dividend yields are already substantially in excess of those in other developed countries, notably Germany and Japan.

The provisions on ACT, and the extra boost to help export markets, which are welcome and important, will benefit principally large firms. I am glad that my right hon. Friend continues to recognise the vital importance of small firms in generating economic activity and jobs. Small firms have been among the hardest hit during the recession, although there are many more in business than there were only a few years ago, but it will be small firms which will be in the front line of economic recovery. As my hon. Friend the Member for Surrey, North-West (Sir M. Grylls) has said, this is a five-star Budget for small businesses.

My right hon. Friend's finely judged and thoughtful Budget will help foster recovery in the year ahead and beyond. In the medium term, his tax proposals will blend with economic recovery to deliver a sure underpinning to prosperity. I welcome the Budget.

6.36 pm

Mr. John Garrett (Norwich, South): I want to spend a few minutes on budgetary reform, an important but arcane subject which does not interest many hon. Members. Anyone who goes on about it tends to be thought a crank, so I shall be brief on the subject.

I am pleased that this is the last of the March, traditional, taxation-only Budgets and that in future taxation and public spending measures will be presented together in December. The integrated Budget is a reform which I and others have advocated for many years—not that it will be all that it is cracked up to be. The estimates for Government spending will still be presented in March, so we shall not be able to link the spending of individual Departments with the taxation proposals required to fund that spending.

In addition, while taxation is presented through a Finance Bill, which will be examined for weeks in Committee, changes in social security and other benefits will be introduced through statutory instruments, which are hardly discussed at all and are unalterable. Minor taxation is discussed at length, but the huge sums involved in social security expenditure and the massive changes in entitlement to benefit are often debated for only an hour and a half or less, and nothing can be done about them.

We also have the problem of a flood of financial and statistical data—one cannot call it information—from Departments and agencies. All that is presented on bases that cannot be compared. There is no indication of the supposed result of spending. So, as I have said before in the House, we are continually told what we are spending, but we are not told what we are buying. In other words, the Government tell us what the inputs are, in terms of funding and programmes, but not what the outputs are, so we can never establish the effectiveness of Government spending. That is a great weakness of our system.

Spending programmes are not related in any way to targeting improvements in health, environmental protection, crime and all the rest. That is not surprising, because the Government do not expect improvements. All the same, we are entitled to better information. Spending is not considered adequately, even on the Floor of the House. Very few Select Committees examine it; to do so they would need much larger staffs. Much reform is needed in the examination of Government accounts and the results of spending programmes. Although the subject interests very few people, it is of great importance.

We have heard that this was a Budget for jobs. In the Norwich travel-to-work area, there are 14,700 unemployed. In the area covered by Norwich city council, there are 8,500 unemployed. In my constituency, the unemployment total is up from 3,300 in 1990 to 5,600. That is a record for what was a prosperous area a few years ago. As my hon. Friend the Member for Holborn and St. Pancras (Mr. Dobson) said, this "Budget for jobs" provides only £125 million in new money that can be used to put people back to work. It amounts to less than £1 a week for each person who is out of work. Only one in 10 of the long-term unemployed and only one in 30 of all unemployed will be helped by the Budget proposals on business start-ups, learning for work and the community action programme.

That has to be set against the huge cut in vocational training places since the Chancellor of the Exchequer took office. The fact is that there are 80,000 fewer vocational training places than when the Chancellor came to office. There has been a 14 per cent. cut in Government spending on training from 1990-91 to the present financial year, while unemployment has risen by 87 per cent.

In 1989-90, employment training had 430,000 trainee starts. Last year that number was down to 210,000. It has been more than halved. Spending on employment training and employment action—a scheme which is apparently designed to augment employment training—has fallen from £1·2 billion in 1990-91 to £883 million. The new training for work scheme, which is supposed to roll these two programmes together, involves an even lower level of spending. It has gone down by £87 million on last year's £883 million.

A recession, as we have all learnt since the 1930s and before, is the time to invest in training. We suffer from a massive lack of skills compared with our competitors, a point which is easily verifiable. This is a huge missed opportunity. Look at the difficulty that a mature entrant to, say, a college has in obtaining funding—which is almost invariably discretionary and which, in my case, is from the shire county—for vocational skills training. It is almost impossible to obtain funding for both maintenance and tuition.

We have heard about recovery from the recession. We know that there is a time lag between recovery from a recession—which I assume is shown by an increase in output for three quarters in succession—and a fall in unemployment. I am a member of the Treasury Select Committee. For the last two years at least, the Chancellor of the Exchequer has come before that Committee and

[Mr. John Garrett]

said in public that there were green shoots of recovery, that recovery was round the corner and that the conditions for recovery were in place. But there is little evidence of it. Next year, according to the Red Book, growth in gross domestic product is forecast to be 1·25 per cent., which is so low that a further increase in unemployment is inevitable. Unemployment is forecast to increase by 200,000.

Investment in either the private or the public sector will barely increase. The forecast for the public sector borrowing requirement, two years on, is £30 billion, even after a £10 billion increase in taxation. In 1992, the trade deficit was £12 billion, and the forecast is that it will be £18·5 billion in 1994. That adds up to a description of an economy that is in a desperate situation. We know from the leaked but now stifled Department of Trade and Industry report on Britain's trading position that we have a long-standing crisis in investment in skills and in research. Even when recovery comes, unemployment will still be over 3 million, even on the cooked figures that we have been given.

The infrastructure is collapsing. We only have to look around London, eastern England and the south-east to see that. Housing is in a desperate state. I represent a city which was the best housed city in the country. The Chancellor did nothing to ease the housing problem. Norwich has over £30 million locked up in receipts from the sale of council houses which it could put to use tomorrow to build more council houses.

House building is a classic way in which to begin to get out of a recession. It puts people back to work. The skills are available. There is a very low import content. It works quickly; it gets people earning quickly instead of drawing the dole.

The Chancellor of the Exchequer appears to be a late convert to the views of Keynes, for he announced some large public works projects, but two out of three of those projects depend on unnamed private participants. Furthermore, all those projects are in the south-east of England, so the impact on the rest of the country will be very slight.

As for the social impact, the Budget hits the poorest hardest, particularly those just above benefit level. Even if the Government compensate those on benefit, those just above that level will have no prospect of an increase in their income to cover the announced tax and VAT increases. The £6·5 billion tax increase in 1994-95 and the £10·5 billion tax increase in 1995-96 represent the biggest tax increase ever dropped on this country by a party whose constant pledge and whose one claim has been to reduce taxation. The Budget does not meet the needs of the time. It is the product of a fundamentally dishonest Government.

6.45 pm

Mr. David Nicholson (Taunton): This is my first speech on economic policy since I was elected in 1987, so the House will understand if I refer occasionally to some of the tendencies that have led to the present situation. The Budget and our debates upon it show the very great problems and costs—I emphasise costs—which flow from economic stagnation and recession.

I welcome the signs that this country may at long last be moving out of recession—before and ahead of European countries which are deep in recession, as I reminded the shadow Chancellor of the Exchequer, the hon. Member for Dunfermline, East (Mr. Brown) yesterday.

I welcome the fall in unemployment announced today. I welcome the measures announced by my right hon. Friend the Prime Minister today relating to value added tax. I also welcome the measures announced today by my right hon. Friend the Secretary of State for Employment and her explanation to me earlier in the debate of their piloting and explorative scope. They are in addition to the very large measures which have already been taken to increase training.

I note that no Liberal Democrat Member is in the Chamber at present, but the hon. Member for North Cornwall (Mr. Tyler), who is normally a vigorous critic, is reported in *The Western Morning News*, which is always accurate, as describing those employment measures as being "quite clever."

Much use has been made of the Chancellor's remark some time ago about unemployment being a price worth paying. I believe that, on reflection, my right hon. Friend probably regrets having made that remark. I do not believe that it has helped him in coping with the recent slings and arrows of political fortune. However, I believe that the view of the vast number of Conservative supporters and activists in the constituencies and of the vast majority of my hon. Friends—indeed, the common-sense view—is that high unemployment is morally offensive, socially damaging—although it can never excuse crime—and, most relevant for our Budget debates, financially very expensive indeed.

Having said that, I welcome the skill that my right hon. Friend the Chancellor of the Exchequer has shown in his various Budgets since he became Chancellor and also his autumn statement last year. I welcome the measures which, albeit cautiously, will assist British industry and commerce to move towards recovery—in particular the measures relating to export credits and the uniform business rate. I welcome also the measures—these are particularly relevant to my right hon. Friend the Paymaster General—relating to VAT penalties, and the small firms package which my hon. Friend the Member for Surrey, North-West (Sir M. Grylls) described as a five-star package. I welcome, too, the expansion—again cautious—of the 20 per cent. income tax band.

There are two lessons to be learnt from the recent management of the economy, both of which need to be considered not just by Ministers but by Treasury mandarins, economic advisers and forecasters and the whole financial establishment.

First, there was the rapid credit boom of 1987 to 1989, which I criticised in the House and in my constituency and which I believe is now seen as having been a source of grave economic weakness. In view of the consequences of that boom and, indeed, of what my right hon. Friend the Chancellor is doing in relation to mortgage interest relief, I do not think that there is a danger of a return to the sort of property market which distorts investment. The distorting of economic development by diverting investment resources into property has been a feature and a weakness of this country since the early 1970s.

The second weakness was the continuation—in my view, long beyond the need to cure the previous credit

boom—of the policy of high interest and exchange rates. As I pointed out to the hon. Member for Dagenham (Mr. Gould) during a very interesting speech that he was delivering last Friday, that was not simply a reflection of the exchange rate mechanism—we can argue about the principle of the ERM—but resulted from the level at which we went in to the system and the level that we sustained. British industry has been damaged by high exchange rate policies on at least four occasions this century. It is relevant to point out that those policies were pursued in the past not just as a method of political and economic management but also almost as a religious and moral crusade. That happened under Governments of both parties. It happened in the period 1979-82, under a Conservative Chancellor, as it had happened under Lord Callaghan, a Labour Chancellor in the 1960s. The classic period, of course, was that of the man who was to become our greatest Prime Minister but who, as Chancellor, was very variable indeed. I refer, of course, to Winston Churchill, who was supported by Philip Snowden between 1925 and 1931.

As my right hon. Friend the Member for Westmorland and Lonsdale (Mr. Jopling) pointed out in a powerful speech yesterday, the prospects with regard to Government borrowing are worrying. That ought to underline, above all, the need in present circumstances to maximise growth and to avoid, remove or change policies damaging to industry, enterprise and jobs. This is so whether the policies concern exchange rates or interest rates, to which I have already referred, and which, happily, have now been removed, or whether they concern regulation, be it from Brussels, Whitehall or local government. Such policies have undoubtedly weakened small businesses and cost jobs. These are matters to which we must apply ourselves.

The Department of Trade and Industry must also take a more active role in enabling industry and enterprise to take advantage of the export and import substitution opportunities created by last September's devaluation of sterling. Situations have been pointed out to me, in my own constituency and elsewhere, in which business depends on imports of semi-manufactured goods because this country does not have the production facilities or the quality to provide certain important materials. That is a weakness in our economy, and it is vitally important that it be tackled. We are running a massive and worrying trade deficit in the middle of a recession, and it is vital that our industry and commerce be enabled to address those weaknesses.

It is the view of some of my hon. Friends and of *The Sun* newspaper that the borrowing to which I referred earlier could be reduced by repeated cuts in the budgets of Ministers, as though expenditure on ministerial cars, red boxes and paper clips accounted for the main part of the problem. As a member of the Public Accounts Committee, I can confirm that there are opportunities to remove waste and inefficiency and that there is fraud in the social security field. However, the notion that we could resolve our borrowing and spending problems by being beastly to new age travellers—although that is very desirable—is extremely naive. There is a limit to the amount of fat that can be removed from public spending. One soon gets to the red meat and bone of valuable spending programmes, which are not only used by readers of *The Sun* but are also used and valued by their children and their grannies.

With regard to those expectations, we have to be cautious. I will give an example. In recent months, combating crime has become a very serious issue, not only in the inner cities but also in parts of rural and semi-rural England, such as my constituency and the rest of Somerset. That problem will not be solved on the cheap. We need more police in the inner cities and in rural areas.

My final point concerns the most controversial issue in the Budget—the proposal to extend VAT. This can be justified as a special environmental measure, although we may debate the details. I welcome what the Prime Minister said at Question Time today. We must also bear down on the charges of the electricity and gas industries, whose current profit levels indicate that that ought to be possible. However, I warn my right hon. Friends not to regard the hoped-for acceptance by the House of this special VAT extension to fuel and power as a bridgehead for extension into other zero-rated areas. I do not perceive acceptance of the idea of multi-rate VAT in Government circles. I might consider the idea of a 5 per cent. VAT rate, but I warn that a further extension would be resisted by me and by other hon. Members.

6.55 pm

Mrs. Anne Campbell (Cambridge) The last time inflation was at its current level was in 1967. We had a Labour Government, the economy was growing at a rate of 2·2 per cent., we had a manufacturing trade surplus, and the number of people unemployed was less than 350,000.

Mr. Dobson: Those were the days.

Mrs. Campbell: Indeed, those were the days.

This is a Budget of missed opportunities—a missed opportunity to put Britain back on the road to prosperity and growth; a missed opportunity to put British people back to work; and a missed opportunity to correct some of the unfairness of the last 14 years and give back to those on lower incomes what previous Chancellors took away. In fact, the Chancellor has made life worse for those on low incomes and pensions, and the unfairness will continue and worsen.

I welcome the dip in the unemployment figures. I sincerely hope that it is a long-term trend and not a short-term spurt of hope. However, my constituency has record unemployment. More than 4,000 people are unemployed for the first time, and male unemployment stands at over 15 per cent. But the Chancellor has not done anything that will help. What he has done for some small businesses amounts to no more than tinkering. These measures will not help capital investment; they will not help to improve skills and technical expertise; and they will certainly not help the transfer of technology from academia to industry which is absolutely vital to the future prosperity of our country.

In yesterday's *Financial Times* the director-general of the Engineering Employers' Federation complained of the "apparent lack of understanding of the role of capital allowances in stimulating investment."

Last week, I had the great privilege of going to Germany with the Select Committee on Science and Technology to look at the way in which the German Government help industry there. We saw a whole raft of measures. For instance, the Max Plank institutes are engaged in first-class, high-powered technical innovation and world-class research. We saw the work of Fraumhofer institutes which take the ideas that come from the Max Plank

[Mrs. Campbell]

institutes and the universities and turn them into research in technological innovation and engineering skills. We saw also the work of the Steinbeiss foundation, which takes ideas and problems from industry and helps to solve the problems. These institutions do not exist without Government help. In fact, they receive a great deal of Government help—assistance which is totally lacking in the British economy. The Chancellor has tried to cure toothache when the patient is suffering from cancer. I say that in all seriousness because I believe that the problems facing our economy could be terminal.

In East Anglia, 87,000 people are unemployed. When the Prime Minister loses his job and moves back to Huntingdon, he will have to compete with 28 other people for every job vacancy. If he moves to King's Lynn, he will compete with 322; in Cromer he will compete with 246, and in Great Yarmouth with 149.

In the face of overwhelming evidence of manufacturing decline, what action does the Chancellor take? Well, he allows people to assess their own tax; he makes minor modifications to the small firms loan guarantee scheme

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Mr. Heald: I am sorry to interrupt because I know that time is short. As unemployment in Huntingdon has fallen in the past few months, and as the Prime Minister will be in his job for many years to come, does the hon. Lady agree that her calculation might not be correct?

Mrs. Campbell: I am sure that the Prime Minister would not anticipate a second period of unemployment but, judging by what he said last May, he did not anticipate that the Government would have to increase VAT, so it would be difficult——

Mr. Garrett: We cannot rely on his judgment.

Mrs. Campbell: As my hon. Friend says from a sedentary position, we cannot rely on his judgment.

Are these the measures which will transform the British economy? I think not, because they are a gross underestimation of what our real problems are and what the solutions should be.

I deal now with broken promises, the increase in the cost of heating fuel, the imposition of value added tax and the way it will affect pensioners in my constituency. I have good reason to believe that the Budget will mean a choice between heating and eating for many pensioners in my constituency. Last March, I was privileged to visit many pensioners in their own homes. I clearly remember one pensioner in particular. He was in his early seventies and lived alone. I stayed in his house for about half an hour and he told me of the difficulties he was experiencing. He said that he was no longer able to run a small car to get around. He had stopped buying meat every day and bought it only twice a week. When I stood up to leave, I realised that I was very cold because his heating had been so low that it was not comfortable to sit there for any length of time. Many pensioners are in that position, and the Budget will make things even worse. Many will die of cold or starvation—what a terrible choice to have to make.

We have heard some facile comments from Conservative Members who tried to justify the imposition of VAT on domestic fuel by saying it is a green measure which will reduce carbon dioxide emissions into the atmosphere. I do not believe that because people whose heating is determined by cost already have their heating so low that it is not practicable or feasible to turn it down further.

If we really want to take effective green measures, we need to insulate homes. Why did the Chancellor not move in that direction? Why did he not encourage investment to stimulate the building and construction industries and get people to insulate their homes? Such measures would pay for themselves through genuine reductions in heating costs. My constituents will be extremely dismayed by the lack of such measures. We face the prospect of heating bills increasing steadily in the next two years and people being unable to pay them.

The rise in petrol duty has also been heralded as a green tax. In my part of the world it will be seen not as a green tax but merely as a revenue-raising tax. I and my family have been fortunate enough to be able to manage without a car for the past five years. We have done so by using bicycles, our feet and public transport, but many people in my part of the world do not have a choice because transport is not available. People need transport to get to work every day and, for many, the only option is to use a car. Therefore, the measure will not be effective in reducing CO_2 emissions but it will be effective in raising revenues because people have no choice.

The Budget is a disaster. It does nothing to deal with the underlying problems of the economy; it will make people on lower incomes even poorer; and it will do nothing to put the unemployed back to work or to improve the economy.

7.5 pm

Mr. Iain Duncan-Smith (Chingford): I am pleased to have the opportunity to follow, at some point, the excellent speech by my right hon. Friend the Secretary of State for Employment. She outlined all the relevant facts, and I shall not repeat them. It is a measure of the importance that the Government place on matters within their brief, such as employment, that the skills and talents of my right hon. Friend and her team have been deployed in this instance.

The Chancellor spoke of jobs coming from the private sector, which is an aspect on which I shall concentrate. I listened with great care and interest to the hon. Member for Holborn and St. Pancras (Mr. Dobson) and other hon. Members, and I was amazed by their lack of understanding of how employment is created. Before I came to the House, I used to run a company and was involved in manufacturing industry. It is perhaps relevant to describe to some hon. Members how jobs are created.

Jobs are created as a result of successful enterprise. I know of no business that has been set up solely to create jobs. Businesses are established as the result of an idea or the perception of a gap in the market. People provide goods and services, and jobs flow as a consequence. To listen to Labour Members, one would think that it was the other way round, that the jobs existed and someone looked for something to fill people's time. It is the ideas, drive, perseverance and determination of individuals which create jobs and get the economy going.

I remind the House that, during the 1980s, about 1 million new jobs were created on the basic principle of enterprise and filling a gap in the market. The Opposition still labour under the old idea, which I thought had died in

the 1960s and 1970s, that the Government create jobs, that they can then pick winners from industry and decide who is to succeed at home and abroad. That idea failed, and it is time the Opposition realised it.

Throughout the 1980s, the Department of Employment focused consistently on training, retraining and re-skilling. It is important that the Budget placed great emphasis on such issues. The Budget was announced against a backdrop of about £2·5 billion spent on training, which is about two and a half times as much as was spent in 1979.

I was especially pleased by three aspects of the Budget, which I shall highlight. First, I was pleased by the emphasis on training, vocational education and enterprise which will supplement other measures that we have introduced and which should result in about 100,000 more unemployed people being helped.

Secondly, I was pleased to learn that a community action programme is to be established, which will provide for 60,000 long-term unemployed people to take on voluntary projects. A new project will be set up for 30,000 people, who have been unemployed for six months or more, to be taught new skills. Those two measures are important and should be applauded.

Thirdly, I welcome the fact that the business start-up scheme is to be expanded.

VAT is a subject of particular concern, and in Chingford many people with small businesses have come to see me about it. I was interested to note that my right hon. Friend attacked that subject with gusto, and has introduced some crucial reforms. I was especially interested to find that the VAT threshold is to be raised to £37,600, which I applaud, and that the turnover ceiling for VAT cash accounting schemes is to be raised to £350,000 —that subject has been raised with me and, I am sure, with other hon. Members on both sides of the House.

I am pleased, too, that there will be some relief on bad debts. Now they can be reclaimed only when they have been outstanding for a year, but my right hon. Friend has reduced the period to six months, for which he should be applauded. In addition, the misdirection penalty is to be replaced, interest chargeable is to be capped, and VAT penalties for misdirection will no longer be automatic. I wish to highlight all those excellent reforms, which were long overdue.

Underlying the speech of the hon. Member for Holborn and St. Pancras was a little row that seems to be going on between him and the shadow Chancellor, the hon. Member for Dunfermline, East (Mr. Brown). On 14 February the hon. Member for Holborn and St. Pancras spoke on "The World This Weekend" about several expensive programmes that he would launch into if he were in power. He talked about saving 100,000 jobs here and 20,000 there, and about stopping various job losses in the public sector. He then refused to cost any of the programmes, saying that that was irrelevant.

However, his hon. Friend the shadow Chancellor says that the PSBR is already too high, and that Labour would not raise taxes—so clearly, they would not be able to introduce the measures mentioned by the hon. Member for Holborn and St. Pancras. There seems to be a schism between the two hon. Gentlemen. First, they talk about spending, spending, spending, and then they say, "We cannot raise taxes, and we have some responsibilities." It is high time that they got their act together and approached the subject in a logical and reasonable fashion that the public can understand.

The simple fact is that Labour has no policies. We have listened to the speeches, and not once have we heard one policy from Labour Front-Bench spokesmen. They have not said what they would do were they in power. That clearly shows that they see their role at this point as solely to attack Government policy, and put nothing in its place —*[Interruption.]* Opposition Members will have a chance to speak later, so I shall press on.

Another important factor in the background has been missed—the minimum wage. Opposition Members all signed up to it, and some time ago the hon. Member for Kingston upon Hull, East (Mr. Prescott) said:

"I knew the consequences were that there would be some shake-out—any silly fool knew that."

For those hon. Members—especially Opposition Members—who do not know what a shake-out means, I shall tell them: it means job losses. On top of that, the Opposition would pile more job losses, because it is clear that they would not now be able to raise the money to spend on all their programmes. It is the same old deal—they would tax, tax, tax and then spend, spend, spend, and ignore the sort of budget that was needed.

The Opposition have no policies. They offer nothing and could produce nothing for us when and if—God help us—they were ever in power. I therefore support the Budget that my right hon. Friend presented in such an excellent speech; it is an excellent Budget for jobs.

7.13 pm

Mr. Eric Illsley (Barnsley, Central): For the benefit of the hon. Member for Chingford (Mr. Duncan-Smith), I tell the House that we understand perfectly well how jobs are created. The hon. Gentleman does not understand that a Government can assist by providing contracts and projects for enterprise to take on, so as to produce employment. A Government can also produce available markets, as with the coal industry.

We have been told that the Budget was supposed to nurture the recovery. We have heard about that recovery for the past two years, yet I still see no sign of recovery, and nor do the people at Leyland DAF or Rolls-Royce. Will we see any next week, when we hope that the White Paper on the future of the energy industry, especially the coal mining industry, will be published?

This was a poor Budget for the unemployed. The Chancellor missed the opportunity to put something back into the economy to encourage recovery and reduce unemployment. As we have already heard, it was not a Budget for jobs. We are told that tax increases now would hinder any sign of recovery, yet in a three-year programme the Chancellor has taxed everything, through 1994-95 and even 1996, to ensure that the Government reduce the public sector borrowing requirement.

So confident is the Chancellor of that recovery of 1 per cent. or so that he has already put the taxation measures in place, just in case it does not appear, as it has not done over the past two and a half years. Clearly, people will be worried about their job prospects and the extra costs that they will face next year. That will not stimulate demand and, therefore, the recovery for which the Chancellor hopes. We must also bear in mind that there may be more such measures in November. I dare say that we shall see more tax increases and more promises broken when the next Budget arrives later this year.

The March Budget has been totally regressive. Everything in it affects the poorest tenth of our society,

[Mr. Eric Illsley]

while the richest tenth have fared quite well. Why do the poorer sections of our society have to provide the recovery from a recession started in the late 1980s by Chancellors giving tax cuts to the very well off? We have heard that the Conservatives are the party of indirect taxation—and thereby they are the party of inequality. One of the basic rules of taxation is fairness, yet the Government have turned their back on that.

One of the most unfair measures was that involving VAT. That regressive measure will impose VAT on heating and power, which will hit the poorest sections of society—people on low pay, pensioners and other people caught in the poverty trap. The Government have again sought to attack pensioners and the poorest groups. We have been told that people who receive income support will get extra help, but so far we have not heard whether they will be fully compensated for the extra VAT that they will have to pay.

I remember a similar argument being advanced on poll tax. We were told that income support would be increased to help people pay the extra money, but in the end they received an average sum—nowhere near the full amount that they had to pay.

The hardest hit will not be people on income support but people in the poverty trap—those who earn slightly too much to be able to claim income support or other benefits, yet who cannot be classed as anything like well off. Those people will suffer greatly because of the decision to impose VAT on fuel.

We heard earlier that fuel bills had decreased. Where is the evidence for that? Coal prices have fallen every year since 1985, and the price to the generators will fall by 20 per cent. this month. But we have never seen a corresponding fall in the prices that the generators charge the consumer. Instead, the generators' profits have increased. Power workers have been offered a 12 per cent. pay rise this week, when everybody else gets either a pay freeze or 1·5 per cent. The generators are awash with money and are offering pay rises of four times the norm. Why do we not tax the generators on their profits with a windfall profits tax, as the Opposition have suggested? The generators must have the money, or they would not be waving 12 per cent. pay rises about.

The Chancellor is clearly desperate to bring in revenue, and he has decided to raise it in the easiest way—to extend VAT and hit the people who cannot avoid paying it. The "green" argument is that the extension of VAT is a way of reducing CO_2 emissions, so the decision arises from the Rio summit. Why has there been no consultation with the energy industry or the energy efficiency organisations? Why has there been no consultation paper on how to reduce carbon dioxide emissions? All of a sudden, we simply have an increase in VAT. It is not a green measure—far from it. There has been no assessment of the impact. The Rio summit did not decide to reduce carbon dioxide levels through increasing hypothermia—nothing of the kind.

Next week, next month or the month after, we are supposed to receive an energy White Paper. Why did the Chancellor not wait until the White Paper was produced before starting to talk about green taxes on heating and power? Surely the Department of Trade and Industry has some input on this in the White Paper. Let us discuss how we can juggle our generating capacity to try to reduce carbon dioxide. Forget it: it is not a green measure, but simply a revenue-raising measure.

The idea is that the poorest sectors of our society will have to contribute to the greening of the environment. I quote from yesterday's newspapers:

> "Taxes dressed up as green need also to be justified on distributional grounds or the poor will pay disproportionately for the greenness of the rest of us. For green taxes to be fair they must be accompanied by measures that redistribute resources to those on low incomes."

That was said by the director of the microsimulation unit of the department of applied economics at the university of Cambridge. That will do for me; it is a fair enough quote. The measure is unfair and it is not green. It is a measure aimed simply at hitting the poor to raise revenue.

In March 1992, we heard that there were no plans to extend the scope of VAT. The Chief Secretary now says, "We said that when we were not facing a £50 billion public sector borrowing requirement. We are now." Is that not the real reason? Surely the Chief Secretary is saying that it is not a green measure. He is saying that we have a £50 billion PSBR, which is more than we had in 1992, so the Government must impose VAT on fuel and power to meet that revenue requirement. The Chief Secretary said nothing about it being a green measure. He said that it was simply a measure to increase revenue. Either way, the country knows that it is being lied to, and it knows that it can never trust the Government again on any matter relating to taxation.

We have heard that we should not jeopardise the recovery with tax increases, but the Budget taxes almost everything. Tax increases will be in place until 1996. Tax allowances have been frozen, so more people have been brought into the tax brackets. More people will pay proportionately more tax. National insurance contributions have been increased again. That is a regressive tax which also hits the lower paid. Excise duties have been increased on everything except whisky. Petrol duties have been increased. Surely the increase in petrol duty is a cost to business and a cost to employers. Surely that will come through when they look at their costs at the end of the year. They will see that their transportation costs have increased, and that increase will be passed on to consumers, resulting in job losses. Mortgage interest relief is to be restricted to 20 per cent. All those measures mean that people will pay a lot more tax even before the VAT increases are taken into account.

What is there for employment? What is there to get us out of the recession? The channel tunnel rail link will come into St. Pancras now and not into King's Cross. The northern part of the country is left out yet again. There is nothing in the Budget for employment. There is nothing for recovery. The Chancellor should think again in November and should come back with a Budget for jobs.

7.23 pm

Mr. Oliver Heald (Hertfordshire, North): I am glad to have the opportunity to speak in this debate, especially as my last speech, in a debate last Friday, lasted 30 seconds. I do not promise to be as good as that this time, although I hope that hon. Members will be heartened by that news.

I welcome the news today of a fall in unemployment, in my constituency and in the country generally. That is good news for a constituency that has been hit hard over the past two years, and I hope that the trend will continue.

Much of today's debate has centred on the extension of the VAT base, which is not the subject on which I had intended to speak. However, I make the point that it is easy to look at statements made more than a year ago and to ignore what has happened in between. We cannot ignore what happened at the Rio summit, when the Government pledged themselves to a range of environmental measures which have a cost.

It is wrong for Opposition Members to say that such measures do not have to be paid for. Of course they have to be paid for. We need to hear their proposals before we hear their criticism of extending VAT. At the Rio summit, we were pressed to go further, yet we are now told that, in paying for the measure, we are not following a proper path. That is a false approach to the debate.

The hon. Member for Truro (Mr. Taylor) talked about the housing market. It was ridiculous for him to compare the position a year ago with the position now, without mentioning that mortgage interest rates have fallen by 4 per cent. Over the pasts two years, the cost for mortgage payers has halved. It was ridiculous for him to ignore that.

I shall deal with jobs and with the measures in the Budget.

Mr. Ilsley: Will the hon. Gentleman give way?

Mr. Heald: I will not, because I have only 10 minutes. If the hon. Member for Cambridge (Mrs. Campbell) wants to intervene, however, I shall return the compliment she paid me.

The hon. Member for Birkenhead (Mr. Field) wrote an article in *The Guardian* on Monday which contained one or two statements with which I entirely agreed. It is right that politicians on both sides of the House should have full employment as their goal. I do not necessarily agree with the hon. Gentleman about the way in which to set about that, but I agreed with some of his comments.

He is right to say that getting interest rates down is important, and I hope that he recognises what has been achieved in that direction over the past few months. He is right to say that mortgage interest tax relief should be reduced, as the Chancellor has announced. The hon. Gentleman would go further, but he has made a useful contribution to the debate. He is right to say that it is necessary to widen the VAT base or to increase VAT. Again, I have no argument with that. He is right to say that we should encourage realism in wage bargaining and that the future of this country depends on growth. He is also right to say that that is the province of the private sector and of individual firms.

When I went through the article, I thought, "Gosh, there will be something here soon with which I shall not agree." I sometimes wish that such sensible and thoughtful contributions to the debate came from Labour Front-Bench spokesmen rather than from Back-Bench Members.

Mr. Frank Field: Will the hon. Gentleman give way?

Mr. Heald: No. The hon. Member for Cambridge can be the hon. Member's proxy. I owe her one—*[Laughter.]*

Mrs. Anne Campbell: I am grateful to the hon. Gentleman for giving way. Perhaps he will tell us whether he will vote with us at the end of our debate.

Mr. Heald: I was rather hoping that the hon. Member for Birkenhead would vote with us. One of the problems with the Opposition is that Front-Bench spokesmen come forward with one policy and Back-Bench Members with another. I am reminded of last Friday.

Mr. Duncan-Smith: What policy?

Mr. Heald: I am not saying that there is one policy; there are at least three or four. Last Friday, the Labour party proposed to cut defence spending by £7 billion. My constituents rely on defence expenditure for their export industries, so they do not welcome that proposal at all.

There are three ways in which full employment can be achieved. The first is a range of employment measures, and I welcome the announcements in the Budget. My constituents have written to me and I have a letter here. The letter makes a number of points, including the point that people who are unemployed should be given the opportunity to start up in business. I welcome the extra 10,000 business start-up scheme places which have been made available.

The second measure suggested by my constituent, who wrote his letter before the Budget, is a scheme under which the unemployed are given vouchers, which they could take to their future employers. I support such a measure for the long-term unemployed. I welcome the workstart pilot scheme, which will achieve just that.

My constituent went on to say that many socially useful jobs could be done by the unemployed. The community action programme and TEC challenge give people the opportunity to do such tasks. Although I believe that, over a period of years, growth will be the main answer to unemployment, it would be wrong for the Government not to take measures such as they have taken to help people now. Taken together with the meaasures announced in the autumn statement, 600,000 people now have more hope than they had some months ago.

I agree with what my hon. Friend the Member for Chingford (Mr. Duncan-Smith) said about the role of entrepreneurs in creating growth. It is vital that business men should lead the way in establishing businesses which succeed for Britain. In looking at what has happened in the past 10 or 15 years, we should recognise that businesses have specialised more, and that we have businesses in Britain which can take on the best in the world and succeed. We should not always run Britain down and pretend that that is not the case.

Such businesses are capable of challenging the three major trends in the world economy which need to be addressed, and, because they have become efficient and productive, they can meet the challenge of the newly industrialised countries. The efficiency of our businesses, the clustering of businesses in western Europe, their good connections in the far east, the type of help that was announced in the Budget under the export credits guarantee scheme and the help of our Foreign Office, which has so many trade missions across the world, will allow our companies to take on the challenge of the newly industrialised countries.

It is wrong to say that the impact of new technology will be death for jobs and that that is the end of the story. The impact of new technology has made the companies which have introduced it more efficient and productive than before. Some of the businesses which have lost a great deal of labour in the past 10 or 15 years are those which are now capable of exporting products for Britain and taking on the best in the world.

[Mr. Heald]

I believe that growth will come from that change in technology. The newly industrialised countries may be competitors, but they also provide markets for Britain. If we have the new technologies in place, we will be productive and efficient, and we shall be able to go into the new markets which are opening up around the world. That will create growth and new jobs.

In Britain, we must face the fact that there is a battle in Europe for inward investment and for the investment of our own companies in our country. The evidence given to the Employment Select Committee in the past few months, when it was investigating the issue, has shown that we must treat competition for investment as European competition. Companies with investment to make look to see whether Britain is at the centre of Europe. I believe that it should be and I hope that the Maastricht treaty will soon be in place so that we can move forward.

Companies want a willing and capable work force. We have that and good industrial relations and improved training. I wish to make two more points, Mr. Deputy Speaker.

Mr. Deputy Speaker: Order. I call Mr. Geoffrey Hoon.

7.33 pm

Mr. Geoffrey Hoon (Ashfield): I am delighted to follow the hon. Member for Hertfordshire, North (Mr. Heald). He has clearly come a long way since our days studying law together. Certainly he was a lot less weighty in those days, had much more hair and was a good deal more radical.

The Budget must be measured against one crucial test —whether it will encourage or increase confidence. Confidence is crucial in any recovery. People must have confidence in their employment prospects and their ability to maintain their present employment and standard of living. A typical family or household must have confidence in its ability to pay its bills, rent or mortgage.

People will obviously have welcomed recent cuts in exchange rates after such a long period of sustained high repayment rates. However, as yet there is only patchy evidence that interest rate cuts are leading the country out of recession. Instead of spending on new goods and homes, families and individuals are seeking to restore stability in their finances by repaying debt such as hire purchase commitments, credit card debts, mortgage commitments, and debts built up when the Government encouraged spending before the general elections of 1987 and 1992.

Moreover, in considering the confidence of a typical family or household, it is necessary to consider the impact of the tax increases announced in the Budget. Disposable income for almost every family in the country will be significantly reduced.

From April 1994, a married couple with one earner will have to pay more than £7·50 a week more if that earning amounts to more than £14,000 per year. If it amounts to £19,000 per year, they will have to pay £8·50 a week more. If it amounts to £28,000 a year, they will have to pay £13 a week more. That is a significant reduction in people's ability to spend their way out of recession, if that is what the Government are aiming at.

Above all, the fear of unemployment will remain the key factor which will limit confidence. In December 1992, the Trades Union Congress commissioned an independent poll of working adults. It established that 45 per cent. of people in work thought that it was very or fairly likely that there would be job losses at their workplace in 1993. That is hardly surprising, given the present state of the economy.

The British economy is in the deepest and longest recession since the war. It has been in recession since the second quarter of 1990. It has had three years of decline. Unemployment has increased in that period from 1·8 million to 3 million. There has been an increase in unemployment in each and every month since the right hon. Member for Huntingdon (Mr. Major) became Prime Minister.

More than 1,000 jobs have been lost every day over and above the unemployment which existed at the time of the general election. We have a lack of confidence throughout the economy. Investment is down 13·3 per cent. since 1989. It is just 17 per cent. of the gross domestic product. That is 3·5 per cent. below the Organisation for Economic Co-operation and Development average, and 13 points below the rate in Japan. The 1992 rate was 17 per cent. below the rate for 1989 and 6 per cent. lower than in 1979. The result has been unemployment across the range of economic activity.

In the year to September 1992, 260,000 jobs were lost in manufacturing industry; 320,000 jobs were lost in services; 90,000 jobs were lost in construction. The pit closure programme may add another 80,000 jobs to those totals. An unknown but perhaps comparable number of jobs may be lost in the public sector.

Recent large-scale redundancies have all too often been in the very areas and industries which we shall need if any recovery is to be permantent and sustained into the next century. There have been high-tech redundancies at Rolls-Royce, GEC and IBM. Like the Government-inspired recession of the early 1980s, this Government-inspired recession is precisely in the areas we desperately need if Britain is to remain competitive into the next century.

What strategy do the Government reveal in the Budget to deal with the recession? What solution do they propose in the longer term? What overall economic strategy is revealed by analysing the Chancellor's Budget? It seems to me that the Government's policy is still based on a single club. Admittedly, it is a different club: instead of the interest rate policy pursued until black Wednesday in September, our economic policy is apparently based on chronic and persistent devaluation.

In September, the pound was worth DM2·95. The Chancellor was apparently happy with that level. It is now 20 per cent. below that level, and the Government have not said how far they are willing to allow the pound to fall.

What has changed since September? Was the Chancellor right before September or is he right now? In effect, the pound is in free fall. Compared to its value in 1980, the purchasing power of the pound is just 45p, according to the calculations made by Barclays bank. Howard Davies, the director general of the Confederation of British Industry, who is not someone I quote regularly, said recently:

"Half the world thinks we are now hooked on a policy of competitive devaluation, which is dangerous and could be self-fulfilling."

What are the consequences of that policy? In the short term, British goods are certainly more competitive—no one can argue against that—but how long will they remain

so? Inflationary pressures will be increased by continued devaluation and will raise the price of imported goods and services, which account for about 30 per cent. of our national consumption.

How quickly the increases will feed through into the economy remains a matter for debate. For the moment, the market is so fragile that there is a significant element of discounting, but experience suggests that, as prices become firmer, the full inflationary effects of devaluation will begin. Increases in inflation are likely to offset devaluation in three to five years.

It seems that the 20 per cent. devaluation since September may take as long as five years to increase inflation by 20 percentage points above what it would otherwise have been. How will the Government fit that in with their medium-term inflation target of between 1 and 4 per cent.? They have no mechanism or strategy for achieving that target, other than a continuation of the present recession, or perhaps a return to their previous policy of raising interest rates.

Essentially, the Government are staggering from one economic policy to the next, as they stagger from one economic crisis to the next. This country needs stability and confidence, which are crucial to recovery. We need interest rate and currency stability, as they are an important starting point for any economic policy. That would allow families to plan carefully and thoughtfully for their futures, knowing how much they have to spend and what their expenditure is worth.

Precisely the same considerations apply to businesses, which want stability to plan economic strategy. If they are exporting, they want to know what contracts are worth at the time that they sign them, and that those prices will remain consistent in the longer term.

The Government must assist in the creation of that stability by encouraging investment in industrial capacity and the skills of our people. They must finance research and development, and help marketing and design.

Conservative Members have been asking Opposition Members to set out what should be the objective of economic policy. The primary objective was set out by the Government in 1944 in a White Paper entitled "Economic Policy": the maintenance of a high and stable level of employment. That is something that we should be seeking to establish.

A fundamental change in the Government's attitude is the most important factor in creating a high and stable level of employment. The Government must recognise that they have a crucial role to play in establishing the right conditions to allow that stability. It is a case not of picking winners, as the hon. Member for Chingford (Mr. Duncan-Smith) suggested, but of creating the right conditions.

The Government are fond of citing illustrations—there have been a number in this debate—of Japanese companies investing in the United Kingdom. Instead, why do they not cite the fact that the Japanese Government are prepared to spend £40 billion on a reflationary programme to ensure that Japan remains competitive? That is the sort of stability, strategy and imagination we need, and there is little evidence of it in the Chancellor's Budget.

7.43 pm

Mr. Nigel Evans (Ribble Valley): I am delighted to follow the hon. Member for Ashfield (Mr. Hoon) who, unfortunately—unlike my hon. Friend the Member for Hertfordshire, North (Mr. Heald)—was hardly radical enough.

I am conscious of the extremely difficult task facing the Chancellor of the Exchequer and our industrialised partners because of the problems caused by a deep world recession. The Chancellor has the task of introducing a Budget to assist a sustainable recovery without strangling it at birth and he achieved that with admirable skill on Tuesday.

As well as having a small business I am vice-chairman of the Small Business Bureau. Many small businesses have weathered the current recession with great difficulty, but with resilience. I am conscious of the fresh start-ups, which have been referred to today. Since 1979, there has been a net increase of more than 30,000 new small businesses starting up in the north-west. In 1991, there were 1,500 start-ups.

There are almost 3 million small businesses in this country and on Tuesday, when the Chancellor referred to them as "leading the growth", he was absolutely right. They employ one third of all private sector employees. Small businesses took on 1 million extra employees during the 1980s, forcing the pace and driving the expansion and profitability of UK plc. In the 1990s, we must look to them to create the jobs necessary to help to expand our gross domestic product and profitability and to reduce social security liability and bring dignity to those seeking work. We must remember that half of the people who become unemployed find work within three months. We must look to them to create jobs to raise the total tax intake to pay for our record amounts of essential spending on education, schools, welfare, health care, law and order and spending in other important areas.

Since the Budget, Opposition Members with their negative rhetoric have given this country no hope. The most that can be said of the Leader of the Opposition's offering was that his speech was mercifully short. But it was short in all the wrong areas—short in ideas, in vision and in solutions to the economic problems facing the industrial west. His speech was full of pomp and platitudes and empty of content.

This afternoon I waited three and a half hours to hear policies from Opposition Members, but we have not heard one policy from them. We have as much hope of hearing policies from Opposition Members as we have of hearing a genuine welcome for the reduction of 22,000 in the unemployment figures today. It is not so much a case of holding our breath to listen for that welcome, but of holding our noses because there is a funny lingering smell in the Chamber today. The Opposition, who seem to speak about creating jobs, by their actions and promises would do the opposite. The Opposition would impose a minimum wage, inflict on us the social chapter and saddle us with an employment training tax, all of which would increase unemployment.

Last Friday in the Chamber I listened to some Opposition Members talking about cutting defence expenditure. British Aerospace is in my constituency and I can tell Opposition Members that I shall fight hard to ensure that we maintain those jobs in my constituency and neighbouring constituencies.

[Mr. Nigel Evans]

The business aspects of the Budget have been welcomed by many leading industrialists, but I do not have time to name them this evening. The hon. Member for Cambridge (Mrs. Campbell), who is not in the Chamber, described the £1 billion kick-start as mere tinkering. I have a list of 10 suggestions from the Chancellor. If I had the time I would talk about all of them, but I will pick some of the juicier suggestions made last Tuesday. First, there is the onslaught on red tape, which strangles many of our small businesses. I am delighted that action has been taken to ensure that that is cut away. It does not matter where the red tape comes from—whether from Brussels, Westminster or local authorities—it needs to be cut.

On the review of statutory audits, which act as a tax on many small businesses, I am delighted that action is to be taken to consider ways to remove that from many of them. The increase in the value added tax threshold will release many small businesses from registration and allow Customs and Excise officers discretion in the way they deal with many small businesses who have problems filling in some of the extensive forms required for their VAT returns. That measure will also cut to six months the time that many small businesses have to wait before claiming VAT back on some of their bad debts. That is extremely helpful. I hope that the Chancellor will be able to ensure in future Budgets that some larger businesses will pay smaller businesses well within time.

The freezing of the unified business rate is welcome—800,000 small businesses will be welcomed, to the tune of £320 million. That will ensure that some left-wing councils are not allowed to heap misery on small businesses, because their UBR will be frozen to manageable levels and to levels that they will know.

The fact that 100 per cent. of the capital gains tax that would be charged on selling a business can now be reinvested in new businesses will create the new jobs that we all want. The increase in the small firms loan guarantee scheme to £250,000 will give small businesses the opportunity to get the money that they need from banks to expand and create extra jobs. I also welcome the other tax changes that will assist small businesses.

It is excellent that today the unemployment rate has fallen by 4,100 in the north-west.

Mr. Andrew Mackinlay (Thurrock): It has not fallen in the south-east.

Mr. Evans: Even so, we must welcome that fall in unemployment. I accept that the unemployment rate may be volatile in the months to come, but today's fall in unemployment shows that we are moving in the right direction.

One of the new schemes announced in the Budget will allow those who have been unemployed for longer than two years to be employed. The money that would have gone to them in income support will be used by their employers to subsidise their wage. I hope that we shall be able to attract one such pilot scheme to the north-west, because many constituencies—not my own, which has one of the lowest unemployment rates in England—would find such schemes attractive.

I was delighted to hear from the Government today that they will ensure that those on low incomes will be protected against the imposition of VAT on domestic fuel bills. I hope that we shall also be able to assist those who just fail to be entitled to income support—for example, some of our pensioners on fixed incomes who have been extremely careful throughout their working lives to save money. I hope that they will be given some assistance.

The extension of the 20p income tax rate from £2,500 to £3,000 is excellent news. An extra 1 million people will now be paying only 20p in the pound on their income. That still represents just one fifth of the working population, however, and I hope that as a result of future Budgets we shall be able to extend that rate to many others. Many people still remember the basic rate of 33p set by a Labour Government, and they will not forget it.

The conditions are now in place for recovery—a recovery made all the easier by the changes announced in the Budget. Lower interest rates, lower inflation, lower wage inflation and competitive exchange rates will lead industry in the right direction. Confidence is returning and I trust that all hon. Members will do their utmost to avoid jeopardising that recovery.

7.52 pm

Mr. Frank Field (Birkenhead): I welcome the hon. Member for Surrey, North-West (Sir M. Grylls) back to the Chamber because he gently, but firmly, chided the Opposition for not praising success when we see it. I agree that there is something about the British character that likes to wallow in failure and not prize success. Sassoon, writing during the first world war, said that if the English were promoted from the inferno to paradise they would still gather round and talk about the good old days. Because one despises that side of our national character, however, that does not mean that we should go overboard and declare success when there is little to declare. The sense of unreality surrounding the debate comes from the feeling that I get when I listen to Conservative Members.

We have a huge tide of unemployment, which is devastating the lives of those who must bear it. Equally, it is catastrophic for our country. The Budget must be judged on how it will help to achieve four objectives.

First, how will it help those who have suffered worst from unemployment—those who are literally destitute and sleeping on the streets of many major cities? Secondly, how will it help share the burden of unemployment by getting those in the queue for the longest to the front of it? Thirdly, as the hon. Member for Ribble Valley (Mr. Evans) said, how will it affect confidence and therefore help to return the economy to one of fuller employment, at least to the level that existed before the current recession or slump? Finally, the most important challenge is how the Budget will help to return the economy back to one of full employment.

Beatrice Webb, at the end of her long life, said that the most significant change that she had seen in Britain was the absence of beggars from the streets. Under the Government, however, begging is back in force and, sadly and appallingly, it is one of our growth centres. Those beggars have been made destitute by the rising tide of unemployment. To what extent will the Budget return us to a state where, whatever else is happening, people are not reduced to sheer destitution? The Budget is silent on that.

What will the Budget do to ensure that those who have borne unemployment longest have a chance to get to the front of the queue? The Secretary of State for Employment and others are right to say that some jobs are available. It

is crucial that those who have been out of work the longest stand the best chance of getting those jobs. Some pilot schemes have been announced by the Government, but one that I have proposed to them is the simplest of all. I hope that it will not only run in one centre, but will be adopted generally. Those who have been out of work for five years, or even 10 years—many of our constituents have been out of work that long—should be able to keep their benefit for a year if they are able to get a job and earn a minimum of between £50 and £60 a week.

My proposal is simple, it requires little policing and it would make those who have been in the dole queue the longest that much more attractive to employers. It has the edge over the scheme that the Department of Employment is currently favouring, presumably because of pressure from the Treasury.

One of the advantages of my proposal is that it would save the Exchequer some money, because I believe that the benefit and the wages should be taxable. The cost of unemployment would, therefore, be reduced by a small amount. My proposal would bring people to the front of the queue. It would make them attractive to employers and give them the chance of entry into work. It would give them the chance to hear about jobs and at the end of that trial year they might remain in the labour market.

Even if my scheme did not achieve that, it would allow the rest of the family to work without the loss of any income. It would give them the chance to reduce some of their debts and it would restore some hope to those people who have been crushed by the year upon year upon year burden that they have borne for us as we fight inflation by making people unemployed. On that front, the Government have some credit from the Budget.

Will the Government sustain that credit and will the Budget get the recovery under way? We all hope that the strategy will be successful, but I fear that it will not be. We have a Chancellor who has an extraordinary gift of announcing measures in a way that does least for confidence rather than boost it.

We have had dribbling cuts in interest rates, instead of bold, imaginative moves to try to convince people that we have turned the corner. We are now faced with a VAT increase which will come into force next year, whatever happens. I propose that we should have a VAT increase when unemployment has fallen below a certain level, which would mean that people had an incentive to spend now. That would reverse the increase in the savings ratio, which has bedevilled an immediate recovery.

The fourth test by which we need to judge the Budget is how effective it will be in returning the economy to full employment. I congratulate the hon. Member for Hertfordshire, North (Mr. Heald) who mentioned full employment as an objective. My hon. Friend the Member for Wallasey (Ms Eagle) pointed out that the Department of Employment did not set such an objective in its annual report this year. She also warned that the hon. Member for Hertfordshire, North will probably be taken outside and done over by his colleagues for even mentioning such a heresy as full employment.

In a previous Budget debate, I mentioned that it was crucial for the Government to maintain their stance on the GATT round. Given how dependent our economy is on world trade, the worst that could happen to our constituents who are in work, let alone those who are desperate to work, would be for trade barriers to go up. There might be short-term gains, but the long-term costs would be enormous. It is, therefore, important to support the Government on this point.

Secondly, there are huge markets in eastern Europe and Russia that do not have much purchasing power. The Marshall plan played an important part in ensuring that western European economies moved toward and maintained full employment after the second world war, and we need to be as economically bold as the Americans were then. That means giving people in these areas the chance to buy our goods and services and cementing friendly relations with them. If we cannot do that for good economic or sound moral reasons, we should do it for strategic reasons.

There has been an outbreak of tribalism in much of Europe. Some of those tribes are hungry; others possess nuclear weapons. It is now a much more dangerous world than it was before the Berlin wall fell. For reasons of survival, if nothing else, we should take that course.

I want to offer one last idea about full employment. If we are to move back to it, we must begin thinking the unthinkable. There is an employment cartel to which most of us belong. We take measures that make it difficult for those outside it to join. I know that the world is not quite as simple as this, but I suggest that if those of us in work were prepared to accept wage cuts of 12·5 per cent. and those wage cuts were translated into new jobs—assuming all went smoothly—everyone who wanted a job would have one. We desperately need a Government who will pressurise those of us fortunate enough to be in full-time jobs throughout all recent recessions to hand those outside the employment cartel a chance. Unless we are prepared to do that, all that the Budget will do—if it is successful—is push unemployment down, possibly to 2·75 million. That is a worthwhile objective, but many people whose lives have been devastated by unemployment, and who have borne that unemployment for up to 15 or more years, will have no prospect of a job in their lifetimes unless we begin to entertain thoughts the like of which we have not had before or uttered in this Chamber.

8.2 pm

Dr. Liam Fox (Woodspring): It is a pleasure to follow the hon. Member for Birkenhead (Mr. Field), whose thoughtful style and good grace in recognising good news when he sees it are a great joy. I pay tribute to the good work he has done for many of my constituents who are Maxwell pensioners—it is much appreciated by large numbers of people.

It gives me great pleasure to welcome the Budget, which I regard as excellent, timely and perhaps a little overdue. It gives rise to two questions whether a recovery is under way, and what our long-term strategy for the economy and employment should be. When the Chancellor made his famous remark about the green shoots, I think that he was probably correct. The economic indicators suggested that growth was imminent at that point, but there was one complicating factor—our membership of the exchange rate mechanism. Furthermore, no one could have foreseen the effects of the reunification of Germany and its economic domino repercussions.

I hope for the sake of future generations that we have learnt some powerful lessons from this experience. Currency stability is desirable, but not at any price. Strong currencies do not make strong economies, but strong

[Dr. Liam Fox]

economies can lead to strong currencies if low inflation and the value of money are maintained. When our party came to power in 1979 we used phrases like "honest money", "real value", "honest savings", and so on, far more than we do now, so I was delighted to hear the Chancellor return to using many of those phrases in recent weeks.

We have also learnt that Governments cannot fix exchange rates in the modern world. We do not have the cash to enable us to take on the currency markets and win. There is no inherent value in either a strong or a weak currency. It is merely one economic variable; sometimes a currency at a different level is relevant to a country's economic circumstances. Our currency at present is more realistically valued, I believe. It is false to talk of revaluation and devaluation when it is clear that the markets regard the currency now as slightly undervalued, and as a result of the Budget it is appreciating. The hon. Member for Ashfield (Mr. Hoon) seemed to fail to understand that, just as he failed to understand the fact that unemployment has fallen.

The ERM was supposed to be a semi-fixed mechanism with variable exchange rates. That was what the present Prime Minister and Lady Thatcher believed it to be when they took Britain in, but during the time of our membership the system was hijacked and became what was supposed to be the precursor of a single currency. As a result of Labour policies and of our experiences of nationalisation, we above all people should recognise that economic decisions made for political reasons will always end in tears. If we go along with proposals to move to a single currency which does not evolve naturally but is forced on us by means of an artificial political timetable, we shall live to regret it.

I believe that a recovery is under way, as witness the surge in mortgage demand, the cuts in interest rates and the fall in underlying unemployment. I welcome the fall of 2,900 in the west country—the first fall in unemployment for three years in an area hard hit by changes in the defence industry. Its plight, however, has been nothing to what it would have been if Opposition Members had been allowed to make the cuts of £7 billion about which they told us last Friday. Having supported that proposal for huge defence cuts, they are hardly in a position to tell us about job losses in defence industries in the west country.

The Chancellor was left with a difficult balancing act. If the recovery was indeed under way, when should we increase revenue and balance our public finances? There are Conservative Members who say that raising taxes will not harm the recovery if monetary conditions are right. I have some sympathy with that view, but it takes no account of the fact that confidence has been knocked hard by the length of the recession. The Chancellor was thus absolutely right not to raise taxes this year and to go for a neutral Budget but to increase taxation as economic growth gets fully under way. That is a responsible attitude.

The final confirmation that this was the correct course was given to me by my London cab driver this morning, who said that, although he might not have done well out of the Budget, it was not going to do the recovery any harm—and was not that what counted at the end of the day? Looking around for advice, one can always do worse than take a ride in a London taxi. Perhaps some of the drivers would like to stand for safe Labour seats and inject some sense into the Opposition for future Parliaments.

Our primary duty is to provide sound money. That was why the Conservative Government were elected in 1979. Tax cuts, low Government spending and low borrowing are at the heart of our philosophy, and every Conservative Member would like to cut taxes and Government spending and borrowing—if all these things were possible in a perfect world. Unlike the Labour party, however, we do not occupy office for short periods at a time. We are a great national party and we have to look to the long term because we tend to be in Government for rather long periods. At the moment we are at the beginning of one of our longer periods. Therefore, it cannot be enough for us to ask ourselves, "What would be a quick fix for the coming year and what will make us popular this year?"

We must look to the longer term with a view to establishing sound Government finances so that the generation coming after us do not have to take on the burden of debt that the Labour Administration left to the incoming Conservative Government. Of course, we repaid that debt to a great extent during the economic growth that took place in the 1980s. The Opposition tell us so often that we have been in office for 14 years and that we are responsible, but during the 1980s the Government repaid a greater amount of national debt than anyone believed was possible. It was the greatest amount ever to be paid back in our history. That is what economic growth and success can enable us to achieve.

The holy grail of a longer-term strategy has always been sustainable non-inflationary growth, but that is not so easy to achieve. Lord Lawson, who was one of the most important reforming Chancellors since the second world war, was wrong to believe that any Chancellor or any Government could perform an economic miracle. The battle against inflation is never won. Inflation, like sin, is always waiting round the corner to tempt anyone who might be susceptible. The battle against inflation must never be stopped. In other words, we must always be on our guard.

If we are to have sustainable growth, the economy must be based more on exports, both of goods and of services, and less on domestic consumer demand. I applaud my right hon. Friend the Chancellor for taking the far-sighted view and taxing consumption rather than income, encouraging exports and providing further supply side reforms. At last we have been presented with a Budget with a vigour and vision reflecting the early Budgets of Lord Howe when he occupied 11 Downing street.

In the late 1980s, we abandoned our monetary targets, we had too much domestic consumption and there was too little export growth, though it must be said that there was a remarkable export performance during the late 1980s. If there is too much domestic demand and too little export growth, we shall be on the road to a balance of payments deficit and inflation. That is why the measures outlined by my right hon. Friend the Chancellor are to be welcomed.

There has been a continuing fall in interest rates—not a small trickle, as the hon. Member for Birkenhead suggested, but a huge fall in interest rates over a relatively short period, which has provided massive stimulation for business. A realistically valued currency is helping our exporters. In addition, there is the announced increase in export credit. As my right hon. Friend the Chancellor said, there must be a two-pronged attack. Export credit can be

extremely expensive, so we must try to reduce the subsidies given by our competitors while we expand our own export credit. Recognition must be given both to the Treasury and to the Department of Trade and Industry for the efforts that they have made in that area. Until our subsidies are reduced by our competitors, we must help our domestic industries. That, in effect, is what my right hon. Friend the Chancellor announced when presenting the Budget. We welcome reduced premiums as we welcome the fact that by 1995-96 the allocation of Export Credits Guarantee Department cover for certain markets will have increased by 75 per cent. Those will be important markets such as China, Indonesia, Malaysia and Mexico.

We are surely right to continue to press for increasing liberalisation of world trade, and the commitment of my right hon. Friend the Prime Minister to achieve a successful resolution of the current GATT dispute cannot be overestimated. It is extremely important for the entire world—for all developed and developing countries—that we achieve a resolution of the dispute.

My right hon. Friend the Chancellor has recognised that to allow the public sector borrowing requirement to continue on its present path would threaten our long-term non-inflationary objectives. He is undoubtedly correct. However unpopular the moves may be in the short term to correct the course of the PSBR and to ensure that it shrinks as a proportion of gross domestic product in coming years, they must be made. My right hon. Friend is correct to stress that we must export to survive. He is also correct to say that we cannot spend what we do not have and that we need sustainable, non-inflationary, long-term growth. We have a Chancellor with the right philosophy and the right Budget. I urge him to keep faith and to keep us free.

8.14 pm

Mr. Harry Barnes (Derbyshire, North-East): The hon. Member for Chingford (Mr. Duncan-Smith) took the Opposition to task for not understanding the nature of successful enterprises. Presumably we must have a system in which there is entrepreneurial zip. No doubt profitability must be greatly increased. I suppose that stroppy labour must be pushed down so that businesses can develop vigorous virtues that lead to people standing on their own two feet, or on the feet of others, to make their way in the world.

The arguments that are advanced about the European Community seem, strangely, not to coincide with the philosophy of market economics. In the context of the EC, we are told that there will not be fair competition. Instead, there is to be fixed competition so that 11 nations will operate under the social chapter while we, the United Kingdom, shall be allowed not to be part of it. It seems that the normal rule that everyone starts from the same position is not to apply and that we, the United Kingdom, are to have some special privileges.

If the development of successful enterprise and entrepreneurial zip that the Government have been following for the past 14 years has been doing so well, why are we in such a mess? I am not allowed to explain what the mess is because that would be talking Britain down. I know that the markets will be much concerned with what I say in the House at 8.15 pm, so I must not say anything that is critical of the Government's actions. If I were to engage in such criticism, there would no doubt be a further collapse in share values and the strength of the pound. I would be talking Britain down.

Accordingly, I shall not explain what all the problems are and I shall not go into the details of unemployment, deprivation and homelessness that others have mentioned. Instead, I shall concentrate on the position in which we find ourselves.

We are told that the public sector borrowing requirement is to increase from £35 billion to £50 billion. At the same time, little has been done to advance the position of the economy. That has been put off until the time when money will begin to be recouped to pay off the debt that will be incurred by increasing the PSBR.

Before I develop my argument, perhaps I should say something about growth and development, while cautioning that entrepreneurial zip, private enterprise and the market might not be the be-all and end-all. The Government have siad that they are not to blame for the mess in which we find ourselves because it is the result of the international situation. That, of course, has been influenced considerably by the extension and development of Thatcherite ideals. The entire world was beginning to take up the British revolution in terms of the market, private enterprise and privatisation. Perhaps it was somewhat successful. Indeed, it has been so successful that it has been fed back to us. That has helped to put us in the mess in which we now find ourselves.

The alternative to possessive individualism is collectivism and collective provision. There is the approach that markets should be limited to the places where they operate well. There are, for example, the markets that operate in all or most towns. The system works effectively as the public move from stall to stall. Something approaching perfect competition can operate in those circumstances. That is because the public can check prices between stalls. That system does not operate in the context of monopoly capital and large firms, but it is one which should be nurtured for small businesses. That means that there should be more controls over larger firms and other large influences. We know that there is considerable exploitation if they are allowed to let rip. I am not talking about a command economy or about massive bureaucratic domination within an economy. The corrective is democratic involvement and participation with collective decisions being made about the areas in which improvements and advances should be made.

Mr. Nigel Evans: Which of the 47 industries that have been privatised since 1979 would the hon. Gentleman bring directly back into public control?

Mr. Barnes: It is difficult suddenly to produce such a list. For one thing, we are in a mighty economic mess with a public sector borrowing requirement of £50 billion. If industries were taken back into public ownership, the resultant compensation would impose an extra burden. However, some public utilities could begin to be returned to public control. They are natural monopolies which capitalist economists such as Marshall at the back end of the 19th century used to describe as requiring a great deal of public regulation in their operation. That principle should be put back on the agenda as an advance of collective provision.

It is interesting that the public sector borrowing requirement is to be allowed to let rip during the next year

[Mr. Barnes]

and is to be tackled only in the subsequent two years. During the first year, some extra moneys are to be collected for distribution in different areas. Those extra moneys are to come from the freezing of allowances, not just this year but in the subsequent two years. According to the Red Book, the freezing of allowances at the level determined by the Budget is to become permanent.

Excise duty provisions also have a knock-on effect. The increase in petrol prices has an impact on almost everything that depends on transport, such as food prices. Income from that and from the change in mortgage interest tax relief will go towards meeting the cost of widening the 20p band, which will take place this year and in the two subsequent years. That will result in more money being collected through income tax than would otherwise be the case, because allowances for each of the following two years have been frozen while a £500 band has been added to the 20p provision.

Many people who were paying tax at 25p in the pound and would have been taken out of tax if no change had taken place other than the development of the thresholds will find themselves having to pay 20p which will be pushed down further year by year.

The Financial Secretary to the Treasury (Mr. Stephen Dorrell): I am sure that the hon. Gentleman does not want to mislead the House. I can confirm that, in all the revenue projections in the Red Book in respect of 1994-95 and beyond, the assumption underlying those figures is full indexation in accordance with the statute.

Mr. Barnes: The figures on allowances and basic rate limits which are frozen show an income this year of £660 million, in the following year £920 million and in the year after that £960 million. It is now said that in the last two years such sums will be indexed. However, even allowing for that and the omission of indexing this year, the extension of the principle about which I am talking remains, even if the details need to be adjusted.

This year, another £300 million will be collected as a result of the freezing of the allowances and the 20p band provision. Next year, it will be £210 million and the year after that it will be £110 million. Therefore, more money will be collected through the income tax provisions than previously and there is a knock-on effect from year to year, despite the Minister's clarification of the figures in the Red Book.

Other measures include VAT relief on bad debts and cuts in business tax and rates, but the biggest changes are to be left until the following years—most significantly, the massive VAT increase on domestic fuel, and the national insurance contribution increases.

We may need some more statistics to check out the point that I am about to make, but if we take into account the amounts of money that will have to be paid in the next two years by consumers, who are also, in different ways, earners, in the form of income tax contributions, VAT payments, excise duties—which continue during the subsequent two years—and national insurance contributions, the amount of money raised is equivalent to an increase of 4p on the basic rate of income tax in 1993-94 and almost 6p—5·66p recurring—in 1995-96.

Not only is that a massive amount to be taxing people, but it is being done in a most regressive way. It is not done by extending income tax by way of a progressive increase in the number of bands, but in a way that continues the principle of the poll tax—the most regressive form of taxation that could be imagined—and extends regressive provisions. All that is done without any investment or improvement in the economy.

Only the Heathrow Express, crossrail and the channel tunnel provisions were mentioned earlier. They may be important projects, especially for London and the south-east of England, but where are the equivalent measures that will spread through the rest of the economy? Such projects were supposed to trigger developments throughout the nation. There was supposed to be some sort of ripple effect. Some stones need to be thrown into the pool elsewhere so that the ripple effect reaches other areas of the economy.

Mr. Tony Banks: If those transport infrastructure decisions go ahead rapidly, as I hope that they will, there will be a big spin-off for manufacturing industry in parts of the country other than in London—for example, those manufacturing rolling stock.

Mr. Barnes: I was not arguing against the plans and provisions. I was saying that this is all that we get in terms of investment, despite the fact that we move from deficit of £35 billion to a deficit of £50 billion. Surely what we wanted was the expansion of such arrangements to ensure growth in the economy and so that the knock-on consequences could be taken into account.

Some of us should start a campaign for fair taxation. The anti-poll tax campaign had a "Can't pay, won't pay" slogan. We should have a "Can pay, want to pay" slogan for the fair taxation campaign. The equalising impact of income tax should be taken into account when determining areas of expenditure. No fairer tax has been devised. All other forms of taxation are regressive. The whole package should be considered to see whether it is progressive or regressive.

In recent years, we have moved rapidly under this Government away from fair forms of taxation towards unfair forms of taxation. That development should be changed. Fair taxation to make the resources available for growth of the economy needs be be put in the forefront.

Mr. Lidington: Would the hon. Gentleman care to tell the House, since he has obviously given a great deal of thought to the tax structure, how many bands he would introduce, at what levels they would start and at what levels they would end? Would we eventually get back to the good old days of socialism, when we had a top rate of 98p in the pound on unearned income and 83p on earned income?

Mr. Deputy Speaker (Mr. Michael Morris): Order. I hope that the hon. Gentleman will not be tempted down that route. A number of hon. Members wish to speak this evening.

Mr. Barnes: I was preparing to finish when the hon. Gentleman intervened. When I am Chancellor of the Exchequer and allowed a two-hour introduction, I will certainly spell these things out in great detail. One of the worst things that occurred in terms of the high band of taxation was when we had a Budget that changed the level from 60 per cent. to 40 per cent. That was an absolute

give-away and a disgrace, while other areas of our economy were being hit very hard. Provisions to take into account such a top rate need to be reintroduced.

8.32 pm

Mr. Geoffrey Clifton-Brown (Cirencester and Tewkesbury): I rise in a totally confused and bemused state.

Mr. Tony Banks: He should be the Chancellor.

Mr. Clifton-Brown: I have listened to the whole debate today, and have tried to secure some clarity and light from the Opposition Benches. It was not until I saw the hon. Member for Newham, North-West (Mr. Banks) climbing up in the rafters, trying to find the metaphorical light switch, that I suddenly realised that the hon. Member for Derbyshire, North-East (Mr. Barnes) was telling us it all. He was telling us really good, old-fashioned socialism—clause 4, renationalisation, a centrally planned economy, the lot. It was no longer a socialist dream of reform coming to fruition; it was back to the old nightmare.

I watched with interest the recent television programme in which the hon. Member for Holborn and St. Pancras (Mr. Dobson) was busily telling us how he would save 20,000 jobs in the defence industry. I am very interested in employment in the defence industry because in my constituency it is of key importance. I studied his last election manifesto with great interest, and I seem to recall that it told us that he would reduce expenditure on defence to the lowest level among our European allies. I believe that that would involve a cut of some £7 billion in our defence budget, which would mean the elimination of the Air Force, the Army or the Navy.

I congratulate my right hon. Friend the Chancellor on an excellent Budget. It meets his twin objectives of a continuing recovery this year and a return to sound public finances within the economic cycle. It is a very ingenious Budget; it is a big Budget that contains a great deal. It sets the trend for fiscal and monetary measures over the next two to three years, and for the next autumn statement, when I hope that my right hon. Friend will take the opportunity, as the Chief Secretary to the Treasury is doing at the moment, to make a thorough review of public finances and see where we can hold them to their present level.

We have three ways of reducing our public sector borrowing: we can—as is undoubtedly happening with the increase in employment prospects and the reduced interest rates from the Bundesbank—encourage the recovery which has already started and which will bring in large extra tax receipts; we can reduce public expenditure; and we can raise more money. I hope that my right hon. Friend will do all three, as he has done by producing a fiscally neutral Budget this time, looking forward to raising £6·5 billion next year and £10·5 billion the year after.

It was interesting that, on Tuesday, my right hon. Friend projected a growth rate of 1.25 per cent. this year and over 3 per cent. next year. If that happens—I have no reason to doubt it—we will have one of the highest growth rates in the industrialised world. We have heard a lot from Labour Members about creating employment, but the only true way to create employment is to encourage growth in the economy. If it was a question of spending more money, we would have the highest rate of employment in the western world, because our public sector borrowing requirement as a percentage of gross domestic product is rising far faster than it should. That is why my right hon. Friend has taken the measures that he has.

I want to comment on one or two of the fiscal measures in the Budget that even Labour Members might have been magnanimous enough to admit have some merit. There cannot be an entire Budget that takes two hours to introduce without a single measure that they might consider had some merit.

In my bemused and confused state, there was just one chink of light, and that was cast by the hon. Member for Birkenhead (Mr. Field). I first met the hon. Gentleman when I was lying next to him in a Blue Circle cement bag, when we were sleeping out on the tiles. It was a cross-party venture. I was rather sorry when the hon. Gentleman said that we were not doing anything for the homeless, because, as he knows only too well, we have introduced a huge range of measures on their behalf—rough sleepers initiatives, initiatives to help the non-governmental organisations, rents above shops initiatives, rents to mortgages initiatives, and many others.

The hon. Gentleman had some very good ideas, and I am sure that one thing of which he would approve in our Budget is the arrangement to take people out of the tax net altogether. Of course, the former Chancellor, Lord Lawson, started this process by taking 3·5 million people out of the tax net, and my right hon. Friend the Chancellor continued this process last year by introducing the new 20 per cent. tax band.

The extension of that tax band this year will benefit some 4·9 million taxpayers, and I calculate that next year, with the further extension, it will benefit 1 million taxpayers. These are very large numbers of people at the lowest income level who will benefit by not having to bear such a high burden of taxation as hitherto.

The principle of widening that 20 per cent. band is fundamentally right. My hon. Friends believe that distorting tax reliefs should be gradually reduced. Therefore, I thoroughly welcome my right hon. Friend's measures to limit mortgage interest relief at source to the 20 per cent. tax band. It will raise a very useful sum of money to be deployed elsewhere. I also thoroughly welcome the reduction of the married person's allowance to the 20 per cent. tax band.

One of the most far-reaching reforms that my right hon. Friend announced concerned the self-regulation and current year basis of assessment for the self-employed. He has introduced a truly visionary measure which follows his consultation paper which, as I told him at the time, I greatly welcome. I urge him to examine the American system carefully. It could be a complicated system to introduce, but it could benefit 8 million self-employed people, so it is extremely important. The American model is simple to operate. Let us face it. We want the self-employed people out there earning a living and benefiting the country and the system will be of no benefit if it is too complicated for them to operate.

I ask my right hon. and hon. Friends to consider the following bold initiative to encourage self-employed people to take up the new system. As the new system will save civil servants in the Inland Revenue a great deal of time, my right hon. Friend might offer people an incentive to use the system. How about offering a £300 reduction to anyone who is prepared to change to the new system? That

[Mr. Clifton-Brown]

would be worthwhile in terms of the administrative costs that the Inland Revenue will save in sorting through the tax returns of 8 million people.

Other measures might have been welcomed by Opposition Members, such as those relating to gifts to charities. The reduction in the gift aid to charities from £400 to £250 a year seems thoroughly worthwhile and we now have the equivalent of the old covenanting system. There are other measures to help charities, such as the increase in the payroll giving scheme from £600 to £900 a year. As we gradually reduce our tax take as the economy recovers, and as prosperity returns to Britain, we need to encourage individual responsibility, which certainly includes giving to charities.

There was one measure to encourage self-reliance that I regret my right hon. Friend did not introduce. I am sorry that the hon. Member for Birkenhead is not in the Chamber, as I agree with him about pensions. We need to reduce reliance solely on the state pension and encourage occupational and private pension schemes. I am sorry that my right hon. Friend did not choose to increase the cap on earnings-related tax relief on private and occupational pensions. I hope that he will consider that in the near future.

I now move on to measures for businesses. We have had a thoroughly worthwhile Budget for businesses which will encourage small, medium-sized and large businesses to succeed. My constituents will welcome in particular the increase in stamp duty and another year of freezing the uniform business rate. They will particularly welcome the increase in the turnover limit for the cash accounting system for VAT purposes from £500,000 to £350,000.

I am a business man, and I understand these matters only too well. After the Keith report—here I am a little critical of my right hon. and hon. Friends—Customs and Excise were given quite unnecessarily draconian powers as regards penalties. I very much welcome the changes that have been introduced.

During my right hon. Friend's speech I was looking carefully around the Chamber and I noticed right hon. and hon. Members on both sides of the House nodding off during the complex provisions on advance corporation tax. I welcome those provisions, not least the reduction from 25 per cent. to 20 per cent. on dividends paid which will increase the cash flow of British industry by £2 billion. That is a significant amount of money.

I had hoped that, as well as limiting the amount of income tax that can be reclaimed from the 20 per cent. band, my right hon. Friend would have left it at the 25 per cent. band as that would have been simpler to administrate. As the measure raised only £200 million, my right hon. Friend could have raised the money more easily elsewhere.

In conclusion, much has been made in the past few days of the imposition of VAT on fuel and energy costs. I know only too well that after the Rio summit containing the convention on climate change we have to stabilise our emissions of carbon dioxide and other greenhouse gases at the 1990 level by the year 2000. That is an extremely tough target.

If we are to meet our international treaty obligations —Opposition Members always play green until it comes to hitting their pockets and then they are not quite so keen —we have to introduce severe measures. Energy is one of our industries with the highest emissions of those gases. If we can encourage people to insulate their homes better and use less energy sensibly we shall go a long way towards meeting our Rio targets.

Opposition Members moan and groan, but if my right hon. Friend the Chancellor had really wanted to be unkind he would have imposed the 17·5 per cent. VAT from midnight on Tuesday and given people no time to adjust. He has been extremely generous in giving everybody plenty of time to plan. There are generous insulation grants available and people can move to more energy-efficient ways of heating their homes. By imposing an 8 per cent. tax next year and a 17·5 per cent. tax the year after, my right hon. Friend has given everyone plenty if time to adjust. I am sure that Opposition Members would have squealed and moaned just as much had he imposed VAT on newspapers, sewage, books, children's clothes or food.

We have to be prudent about the economy and raise a substantial amount of money to reduce the PSBR. I believe that we have had an excellent Budget. It was a Budget for growth, for exports and for allowing us to take the maximum advantage of the single market. Above all, it was a Budget for jobs. I want to create jobs just as much as any Opposition Member and I believe that the Budget will put us on course for recovery and creating as many jobs as we can in the western world.

8.47 pm

Mr. Tony Banks (Newham, North-West): It really is a bit much for the hon. Member for Cirencester and Tewkesbury (Mr. Clifton-Brown) to try to dress up a tax on the poor—which is precisely what a 17·5 per cent. VAT charge on fuel, albeit delayed, actually means—as though it was an environmental measure to be applauded. One can only assume that, if he wanted to go a bit further, logically, too many people are breathing too much air and no doubt the hon. Gentleman could come up with a very good scheme to stop them doing so.

The hon. Gentleman went out of his way to praise former Chancellors who took 3·5 million people out of tax. He could have congratulated the present Government on taking another 4 million people out of tax by rendering them unemployed.

I have many criticisms of the Budget, but who does not? All honest people will have criticisms to make. That is not to say that there was nothing good in it, and I pay tribute to all those good things now and move hastily on to the main part of my speech.

I am grateful that this is the last time that we will have a great Budget setpiece, now that the Government are moving towards a unified statement. At least that will mean that future Chancellors will have to eat their words only once a year rather than twice a year.

I found it offensive from the Chancellor's statement onwards to hear the accusation that, when we criticise the Government's economic policies, we are somehow running Britain down. Such accusations are wholly unprincipled: they represent the last refuge of a scoundrel.

The Government have dragged Britain down. When we say so, we are merely attacking the incompetence of the Conservative Government, and we are certainly not criticising or running down the country in which we live and suffer the incompetence of the Government's

economic policy, along with so many millions of our fellow citizens. The country deserves something better than an ideologically fixated Government, made up of economic illiterates, but I am afraid that the country will have to wait for the change that only a general election can bring.

I have to confess that I have a grudging liking for the Chancellor of the Exchequer. I try to dislike him, but I find it difficult. I like him; it is rather like having Arthur Daley in charge of the Treasury. He is a likeable rogue. I would regret it, but I fully expect one day to wake up and read that he had been nicked around midnight, halfway up a drainpipe, probably at the back of Kensington palace, clutching a bottle of champers, 20 fags and a box of Cadbury's Milk Tray. He will no doubt give us a good laugh when he goes. In the meantime, he is giving us a lot to think about, and much misery to be shared round.

I will not begrudge the Chancellor today's glimmer of good news that unemployment has fallen by a few thousand. That is true for the country as a whole, but not for the capital city. Unemployment in London has gone up. We are still inexorably heading towards 500,000 unemployed in the capital. The right hon. Member for Brent, North (Sir R. Boyson) was right to argue the case for London having assisted area status.

I understand that the Secretary of State for Employment, who is in her place, has supported that case. I am going only by newspaper reports, but it seems that there has been an argument about it in Cabinet between her and the President of the Board of Trade. It will not be much use to the right hon. Lady to have my support, but she should know that among Conservative and Labour Members, and among Conservative and Labour councils in London, there is unanimity about assisted area status.

We have an unanswerable case. We have the largest concentration of unemployment in the country. If we use the labour force survey, which the Secretary of State seems to prefer, London has the largest number of unemployed and the highest percentage rate of unemployment in Britain. In areas such as Hackney, Haringey, Lambeth, Newham, Tower Hamlets and Southwark, unemployment rates are well in excess of 20 per cent. and have been for a considerable time. If one becomes more particular in the examination and starts looking, for example, at unemployment among black males between the ages of 20 and 24, the unemployment rates are up to 70 per cent.

Unemployment is a big problem in London, and anything that the Secretary of State for Employment can do to bring relief will be much appreciated. In two and a half years, London has lost over 250,000 jobs. There are 56 people, twice the national average, chasing every job vacancy in London. Our case for assisted area status is overwhelming and it has all-party support.

Other hon. Members want to speak, so I will not delay the House, but I want to concentrate on one aspect of the Budget speech which had particular reference to London —the transport element. The Heathrow-Paddington link is to go ahead. That is good news. It is noticeable that that is a straightforward partnership scheme between the British Airports Authority and British Rail. They were able to get their act together, probably because the Government were not much involved. That is the way it should be.

When we come to transport infrastructure decisions in which the Government are integrally involved, we run into difficulty. We were promised that public money had been earmarked for crossrail. We understood that the project was secure, but now it is to be pushed on to the back burner as the financial package is re-examined. One way to finance crossrail would be to dump the M25 widening scheme in Surrey and transfer the money to the crossrail project. I believe that the sums involved are almost exactly equal. That would be good for the environment and much better for the south-east than widening the M25.

As to the channel tunnel fast link—some fast link. We are not sure where the link will end, and we do not know how it will be paid for. As to the route, I have been given by my hon. Friend the assiduous Member for Thurrock (Mr. Mackinlay) a copy of tomorrow's *Thurrock Gazette*, which announces the line of the route. I understand that the *Kent Messenger* has also leaked the route.

My hon. Friend the shadow Secretary of State for Transport, the hon. Member for Kingston upon Hull, East (Mr. Prescott), is at the moment doing his head-butting thing outside, in an angry mood, because newspapers and television companies apparently have got information about the route before the House has had an opportunity to discuss it. That is shameful. The Secretary of State for Transport is to make a statement some time next week, but as the information has leaked into the public domain, it would be only decent if a Minister came to the Dispatch Box to make a statement.

My hon. Friend the Member for Derbyshire, North-East (Mr. Barnes) asked why we should concentrate on transport decisions affecting London and the south-east. I pointed out to him that they are not of importance just to the south-east. There will be an enormous spin-off for manufacturing industry throughout the country if the decisions are made speedily. It would mean more rolling stock and investment in manufacturing output other than in London. London's industrial base has fallen dramatically. London used to have one of the great concentrations of industrial employments; now it has one of the smallest concentrations in the European Community.

We are still waiting for the Jubilee line extension to the east, again mentioned by the Chancellor, by the Minister for Transport in London and by the Secretary of State for Transport. How many times will it be announced as something the Government favour? When will we see a sign of the scheme going ahead? It is a strange way to run a railroad. When the line is started eventually, we should call it the green shoots railway because it is always being promised but it never turns up.

If investment decisions are good, they are good investment decisions, period. They are as good for public investment as for private investment. Recession is the time to make those decisions, because investment decisions on transport infrastructure will help advance the upturn in the economy; they will prepare the way. They would form the basis for the prosperity that we hope will return one day to manufacturing industry and the economy generally.

We need speedy decisions on such projects. We do not want to have the Government launching and relaunching them all the time while there is no apparent move to get the railroads built and the rolling stock ordered. We must prepare the way for economic recovery through these decisions. They would provide valuable public assets for the 21st century. We want no new excuses or delays from the Government: we want action.

8.57 pm

Mr. Jacques Arnold (Gravesham): I have been in the House on and off throughout the debate. I listened with a twinge of sympathy to the speech of the hon. Member for Holborn and St. Pancras (Mr. Dobson). It was obvious that he had prepared a speech with his characteristic polish. It was to be a long, self-indulgent gloat over the inexorable rise in unemployment, so we can imagine his feelings when he heard of the welcome drop in unemployment, down nationally and down in Gravesham, to the pleasure of my constituents. In his characteristic style he must have expressed his feelings with a cry of "We woz robbed". Instead, at such short notice, he has had to rely on the immature scribbles of a research assistant to prepare his speech.

Our debates have been a feast of words, but there has been a ghost missing from the feast. There has been almost a conspiracy of silence among the party leaderships on that ghost, the exchange rate mechanism. The ERM was doubtful at the best of times. It became even worse when it was used to fix exchange rates. It might have been good at the time the exchange rate was fixed, but within days it all came out of line with the relative performances of different economies and, therefore, their currencies, thus putting pressure on the exchange rate. It was like a pressure cooker whose vents had been stopped up: it was bound to explode.

That pressure was added to by the thoroughly irresponsible way in which the German Government carried out reunification and absorbed and converted the ostmark into the deutschmark. The consequence was that German economic policy required higher interest rates which, in turn, were inflicted upon Germany's ERM partners. Since golden Wednesday we have been out of the ERM. We have been free. We have set our own economic policy. The others remain trapped. The high interest rates imposed because of German policy have led to their economies being crucified. If we want to see real difficulties, let us look at the economies of France, Spain, Italy, and so on—the countries which remain within the exchange rate mechanism.

This debate has a whiff of hypocrisy about it. If the Government favoured an exchange rate mechanism which had that impact, so did the Opposition. I remember hearing in this House the Leader of the Opposition taunting the Government, saying that the Government believed that we should be in the ERM wide band but that the Labour party believed that we should be in the narrow band and that, with its socialist comrades on the continent, it would adopt the single currency. The leader of the Liberal party was not far behind. I could quote what he said, which was exactly the same thing.

A fashion was created for high interest rates. That fashion created the recession. We now have the freedom to set our own exchange rates and to lead our own destiny. The fact that we are leading our own destiny is leading to lower interest rates, growth and the good news today on unemployment.

The results of our ERM policy, supported by the Opposition, inevitably created a large deficit. On Tuesday we heard my right hon. Friend the Chancellor of the Exchequer courageously plan to eliminate the deficit. It is hypocritical of the Opposition not to address the problem of how to cope with that deficit. We have heard not a word about that from those who sit on the Opposition Front Bench.

There is one aspect of closing the deficit gap by increasing taxes to which I intend to refer—the imposition of VAT on domestic fuel bills. In June last year this country signed the United Nations framework convention on climate change. It commits all developed countries which are party to the convention to take measures aimed at returning their emissions of carbon dioxide and other greenhouse gases to 1990 levels by the year 2000. What are we doing about that? The objective is to reduce the emissions of carbon dioxide by 10 million tonnes.

Steps are already being taken by industry, commerce and the motor industry, not least through fiscal encouragement. They have already resulted in the elimination of 7 million tonnes of emissions. The task must now pass to domestic households to make up the missing 3 million tonnes. The announcement of the imposition of VAT on domestic fuel from April 1994 provides a lead time within which individuals can prepare to save energy by the more efficient heating and insulation of their homes. The minor works assistance scheme, available through local councils, will help people to do that. The Government also have time to prepare for the protection of the less well off and the elderly who will face higher bills. That is why I welcome today's clear commitment by my right hon. Friend the Prime Minister.

There is much good news in the Budget. In particular, I welcome the measures to improve the Export Credits Guarantee Department. The cut in ECGD insurance premiums is very welcome. Also welcome is the £1·3 billion increase in ECGD capacity. I noted in particular the statement of my right hon. Friend the Chancellor of the Exchequer about limiting that increase to what he termed the fastest growing and most important markets around the world. It will not surprise my colleagues on the Treasury Bench if I draw attention to the fast-growing markets in Latin America. The economies of the Latin American countries rose, on average, by 3 per cent. in both 1991 and 1992. That growth rate is accelerating. An Organisation for Economic Co-operation and Development report on the economic outlook published in December 1992 showed that last year both Argentina and Chile were likely to exceed 7 per cent. growth, Mexico and Colombia 2 per cent. growth, and Brazil was expected to have a trade surplus of 15 billion US dollars. There are big opportunities for British exporters. Let us back them up with the proper application of this increased ECGD capacity.

After the Chancellor's major trailer for the high-speed rail link through Kent one assumed that the announcement of the route would follow very quickly. It was therefore with some disappointment that we found that the statement was to be made not on Wednesday but next week, which is the last week before the deadline. It is becoming apparent why the statement was not made on Wednesday. In a very busy Budget week, the Government had apparently pencilled the statement in for Wednesday; in accordance with the usual channels practice of the House, they advised the main Opposition party so as to enable it to field its spokesman. That is a normal courtesy, but what happened? Thinking about the fancy speech of its Treasury spokesman and about the importance that the Labour party attaches to Kent, the Opposition said, "No, we will not have it on Wednesday."

The hon. Member for Kingston upon Hull, East (Mr. Prescott) said recently on Radio Kent, "Quite clearly, if the Government hadn't aborted the statement on Wednesday, the Labour party would have withdrawn normal co-operation and gone in for trench warfare." What is the consequence of that? The hon. Member for Newham, North-West (Mr. Banks) has referred to his hon. Friend the Member for Kingston upon Hull, East, Labour's transport spokesman, as being outside, head-butting with the media. What is the hon. Gentleman head-butting about? He is head-butting about so-called leaks of the route—leaks which may or may not be true —but he is head-butting the people of Kent, the people who are worried about the rail link.

What we want is a definitive announcement from the Secretary of State. We could have had a statement on Wednesday but for the action of the Labour party. As a result not least of a question that I put to the Leader of the House earlier today, we are to have it early next week, as originally planned. The Labour party should not be playing party political games with my constituents. Next week the Secretary of State will be here to answer questions put by Kent Members. What happened today was quite shameless.

The Budget contains much that is painful and some good news. Above all, however, it indicates plenty of courage. It tackles the problems of Britain today—something that the Opposition have patently failed to do —and deserves our support.

9.7 pm

Ms Angela Eagle (Wallasey): Listening to the Chancellor's ponderous and technical speech on the Budget, I was reminded of two Tory election posters. The first appeared on the streets in 1979. It depicted a long dole queue and carried the words "Labour isn't working". Let me remind the House that that was a time when unemployment stood at just over 1 million—a level to which it has never returned in the 14 years of the Tory party's stewardship of the economy, though the figure has often been 3 million. Then there was the Labour tax bombshell poster of the 1992 election campaign. When I was reminded of those two posters, I realised that I was listening to a Chancellor from a political party which is prepared to devalue the political currency as much as he has devalued the pound.

On Tuesday, the right hon. Member for Shropshire, North (Mr. Biffen) said:

"I . . . stand here, shamelessly, as a taxing Tory."—

[Official Report, 16 March 1993; Vol. 221, c. 202.]

I was driven to wondering whether the right hon. Gentleman had done the same in April. Certainly the Tory party did not. The voters will remember for a very long time the Government's cynical and shameless Budget and their behaviour surrounding it. It is the equivalent of George Bush's, "Read my lips: no new taxes", and it will come back to haunt them.

Lord Gilmour, in his book *Dancing With Dogma,* summed up the Government's stewardship of the economy in the past 14 years in a way that I cannot better. He said:

"The Thatcher era saw a grim failure of economic management. The two worst slumps and the most irresponsible boom since the war is a record nobody should be proud of."

As my hon. Friend the Member for Holborn and St. Pancras (Mr. Dobson) said so well, billions of pounds of North sea oil revenue have also been squandered to finance mass unemployment as our industrial base has been sacrificed on the altar of monetarism and Thatcherite orthodoxy by a Conservative party in thrall to the City. Also thanks to their free market dogma, we have seen the deregulation of credit, which unleashed a massive credit boom and caused household debt to rise from about £10 million in 1979 to a staggering £52,894 million last year. That represents £2,300 for every household in Britain. There will be no recovery of confidence or anything else as long as there is such a massive debt overhang and the constant threat of unemployment, which stifles our prospects for recovery.

The Tory Government's monumental irresponsibility and economic incompetence seem to be matched only by their capacity for self delusion or deliberate deception, one of which they have practised on a grand scale. Even Lord Lawson, now safely retired and out of the way, refutes his own ludicrous claims of an economic miracle, which he attributes to rather too good a dinner one night before he returned to the Chamber. I note that he now has the dubious pleasure of being the latest in a long line of scapegoats paraded to explain the Government's colossal economic failure.

The truth is—and the Budget proves it in no uncertain terms—that the failure is a Tory failure, caused by dogma and incompetence. As yet, there is no sign of an end to it. The scale of the failure can be summed up by the three structural deficits revealed in the Red Book. The first is the public sector borrowing requirement, estimated at £35 billion this year and set to rise to a massive £50 billion next year.

The second is the balance of trade, £17·5 billion this year rising to £18·5 billion next year. In the depth of a continuing recession, that is quite unprecedented. The third is unemployment which hovers between 3 million and 4 million, depending on whether one believes the real figures or the Government's altered statistics. In any event, the figure represents 10 per cent. of the work force. That is a triple whammy if ever there was one.

Unemployment is not only a symptom of recession and economic failure but is a contributory factor to that failure. It is a scourge which must be eliminated, but, unfortunately, as today's debate has proved, we have a Government who, during their long and disastrous management of our economic affairs, have scarcely even bothered to pay lip service to the view that unemployment should come down, let alone targeted it as a problem to be solved.

I believe that the Government decided early on that they could get away with mass unemployment and not be punished by the electorate. They have shown no concern. Despite billing the Budget as a Budget for jobs, they have done nothing. The costs of unemployment to the economy are considerable. Three million unemployed, or 10 per cent. of the work force, cost about £27 million—or £9,000 per person on the dole—in lost tax revenues and increased social security payments. As for the gross domestic product, unemployment costs up to £66 billion in lost production. If we had that production, the deficit—massive as it is—would disappear.

In the north-west, 334,700 people are out of work. The cost to the Exchequer of unemploymnent in that region alone is £3 billion. The social costs are incalculable, and the personal tragedy involved has been referred to many times, at least by my colleagues. Unemployment is

[Ms Angela Eagle]

economically inefficient and morally unjustified. Unlike the Government, we believe that it is a legitimate concern of Government to minimise it, so was the creation of employment at the core of the Budget's strategy? I looked and looked, but, it must be said, it was not.

We had to wait until the Chancellor was well over an hour and a half into his speech to hear employment referred to for the first time. The Government's so-called employment package consists of two measures. At the micro-economic level, there is supply-side tinkering, involving five new initiatives, but not one job has been created. At the micro-economic level there is nothing but forecasts of a continuing rise in the number of jobless. The Red Book's unemployment forecast says:

"The rate of increase should start to slow down again as the economy recovers; though since the level of unemployment typically lags behind the cycle in activity it will be some time before it starts to fall again."

The detail in the Red Book reveals that despite the supply-side measures, which must be welcomed, although they are minuscule compared to the size of the problem, the forecast is that an extra 200,000 people will be unemployed by the end of the year, and that the level of about 3 million will persist for the next two or three years.

The projection for growth this year—1·25 per cent.—is not enough to prevent a continuing rise in unemployment. The only other policies designed to create employment are essentially indirect, such as the deregulation and general freeing up of business taxes that have often been mentioned by Conservative Members. However, there is no guarantee that deregulation will create more jobs. Those policies could lead to an increase in profitability or dividends—we have seen that British business likes to pay increased dividends rather than create more employment. There is no guarantee that there will be any more employment as a result of that side of the Budget.

The overall expenditure on supply-side measures is a paltry £125 million. We lost £5 billion in an afternoon to try to save the Chancellor's face, yet all that we can spare for the tragedy of the 3 million unemployed, many of whom have been on the dole for a long time, is £125 million. One speculator made £1 billion in one day last September. The level of waste in which the Government indulged during that folly puts the employment measures, trumpeted though they are, and welcome though some of them are, in the perspective that they deserve.

Like my hon. Friend the Member for Birkenhead (Mr. Field), I was amazed when I examined the strategic aims of the Department of Employment and found that no mention was made of full employment, merely of creating a flexible and efficient work force. It is not good enough for the social fabric of the country if that is all that the Department of Employment exists to do. The references to the unemployed said simply that the Department would provide training to give people a better chance of getting jobs.

That deals only with the supply side. There is almost nothing to stimulate demand. In Wallasey we have almost 6,000 people unemployed, and only 75 notified vacancies. People can be trained until they are blue in the face, but the vast majority of them still will not succeed in getting jobs, because the jobs are not available. There must be measures on the demand side to create employment.

I welcome the Budget promises, such as they were, about the great capital programmes for south London. If they actually happen, if the famed private finance actually shows up, jobs will be created—but we must do much more. There is much wrong with our infrastructure after 14 years of total neglect. There is much wrong with our roads, our schools and our hospitals, and many skilled construction workers are on the dole, waiting to work. It is not beyond the wit of the Government, or any Government, to introduce employment-creating measures that will improve the infrastructure, and to spend public money on them. It has been done in the past.

At least the Government have done us a favour, in that they have proved that we can never trust a Tory promise at a general election. That has been demonstrated so starkly that I believe that the electorate will never forget it. The Government are incapable of an imaginative response because of the dogma that has tied them up for the past 14 years, so they condemn 3 million people to more years of idleness. Instead of tackling the cause, they plan to cut welfare even more to pay for the hole that they have created in the Budget.

The Budget is shameless and cynical, full of broken election promises and huge tax increases, and it will do nothing for the unemployed.

9.19 pm

Lady Olga Maitland (Sutton and Cheam): I very much welcomed the Budget and today I especially welcome the news announced by my right hon. Friend the Secretary of State for Employment that there has been a 22,000 drop in the number of unemployed. The suggestion made by the hon. Member for Wallasey (Ms Eagle) of Conservative neglect was wholly wide of the mark. If we had been so neglectful, how could we have been elected for four terms on the run? I found it rather unworthy of the hon. Member for Holborn and St. Pancras (Mr. Dobson) that he almost choked on the news of the drop in unemployment and that he tried to dismiss it as a freak. We should study the matter in its real context.

Mr. Dobson: Were you here?

Lady Olga Maitland: I am very much here.

This is a Budget for jobs and I congratulate the Government on the many employment initiatives. All told, Government spending on employment initiatives now amounts to £2·5 billion, which is not inconsiderable. It takes considerable vision to keep up the momentum with five new initiatives which could provide at least another 100,000 opportunities for individuals.

The initiatives are timely. I agreed with the hon. Member for Birkenhead (Mr. Field) when he said that it was painful for people to lose their jobs. Losing a job is devastating—I could not agree with him more. His comments were sensitive, correct and appropriate. I have seen what a shattering experience losing a job can be for those of my constituents who have never been out of work before. It is hard on their dignity because the vast majority of people want to work. We are not basically a nation of whingers and whiners.

The good and interesting news is that growth is already beginning. It is beginning quietly and it is beginning in a way that makes me feel comfortable because it will be sustained. There are examples of that growth in my constituency. The evidence shows that people are getting

back to work far more quickly than ever before. As has been said in many ways today, one quarter of those who are unemployed find work within a month, one half find work within three months and two thirds find work within six months. It is also worth bearing in mind the fact that last year, in any six-month period, 4 million people moved in and out of work. The unemployment figures are not static; there is constant movement.

I give the example of the experience of the Sutton enterprise agency. It has found that the range of middle and senior management seeking work has stabilised since January. It has noticed that last year seven PhD postgraduates and any number of graduates came to it for help. So far this year, there has been none. The Sutton enterprise agency finds that the most positive programme is the business start-up scheme. The success rate is high. About 75 to 80 per cent. of the companies that are started under the scheme are still trading after two years, which is slightly better than average for small businesses.

As time is short, I shall deal with one area that has not been especially mentioned. I congratulate my right hon. Friend the Secretary of State on her initiative in introducing the workstart pilot schemes. I believe that it is appropriate that we should pay a lot of attention to helping unemployed people who have been out of work for two years. Such people lose heart and they lose the habit of work. They find that they lose morale and that it affects their family life. It is appropriate that we should seek every possible way to place them back into the system.

I understand that workstart has taken its inspiration from workfare in America. It is an enterprising way to move forward. I pay tribute to my hon. Friend the Member for Norfolk, North (Mr. Howell), who opened up the debate initially. The programme is still in its infancy and I wish my right hon. Friend the Secretary of State well with the talks with the TECs next week.

There is a great deal of work to be done. Businesses need an incentive in taking on people. The scheme will take a great deal of structuring. We shall want to know precisely who will be taken on, by what kind of companies and for how long. It will require careful monitoring. None the less, workstart will be of tremendous benefit to the long-term unemployed. It will help to break the vicious cycle of lack of confidence and help people to get back into the workplace. There are high hopes that, by getting the habit of working, people will in turn be taken on for work.

9.25 pm

Mr. Andrew Smith (Oxford, East): The tragedy of the Budget and the failure of the Government is that at a time when Britain needed a Budget for jobs, the Tories gave us a Budget for tax increases costing the average family £8·50 a week. Where we needed a Budget to reverse economic decline, the Chancellor delivered one which will deepen it. Where the Budget should have been fair, it hit viciously those on average and below average incomes.

In the Budget the Prime Minister was tested against his general election promises and was seen by everyone throughout Britain to have broken them. On 27 March last year he said:

"We have no plans and no need to extend the scope of VAT".

On 31 March last year the Chancellor said:

"We will not have to increase taxes. I cannot see any circumstances in which that will be necessary."

The Prime Minister said:

"I have no plans to raise the top rate of tax or the level of national insurance contributions."—[*Official Report*, 28 January 1992; Vol. 202, c. 808.]

None of the Conservative Members who have spoken today has apologised for the breaking of those promises. Indeed, the hon. Member for Surrey, North-West (Sir M. Grylls) said that they were a trivial and nitpicking matter. Of course, all Conservative Members said in last year's general election campaign, "Vote Conservative on Thursday and the recovery will continue on Friday."

We must ask what happened to that recovery. Since 9 April last year, more than 40,000 families in Britain have lost their homes. More than 60,000 people have lost their businesses. Broken promises. Some 300,000 people have lost their jobs. More broken promises. Today, even on the Government's figures, and even with the small welcome improvement in the unemployment total, there are 3,042,614 people unemployed. That is not the mark of a successful Government or effective policies.

Last Thursday, recoiling from the onslaught of my right hon. and learned Friend the Member for Monklands, East (Mr. Smith), the Prime Minister, in one of those unwise, unscripted rejoinders which he occasionally gives, said:

"If France is so successful, why are there 3 million unemployed there?"—[*Official Report*, 11 March 1993; Vol. 220, c. 1102.]

It is interesting that the Prime Minister is finding time to reflect on the problems of France. But is there not a more important question that he ought to think about? If his Government here in Britain are so successful, why are there 3 million unemployed people here? Of course, the answer is that the Government have failed to invest in industry, in our economic and social fabric and in skills. As a result, Britain's production of goods and services lags woefully behind that of our competitors. The consequence of that is the mounting unemployment, the suffering of individuals and families and the grotesque waste which diminishes the lives and living standards of us all.

Mr. John D. Taylor (Strangford): While I agree entirely with the hon. Gentleman's analysis of the current recession, does he agree that it has been caused by the high interest rates which occurred as a result of our membership of the exchange rate mechanism? Will he say that the Labour party would not join the ERM?

Mr. Smith: The extent of unemployment has been caused by the Government's failed policies. They have failed to invest in the British economy as our competitors have invested.

Some of my hon. Friends suggested measures that the Government could take to arrest the rise in unemployment and to reverse it. My hon. Friends the Members for Barnsley, Central (Mr. Illsley) and for Coventry, South-East (Mr. Cunningham) said that the Government could act, could keep the pits open and could save 100,000 people from joining the dole queues. The Government could act to meet the needs of manufacturing industry.

Yesterday, the Financial Secretary to the Treasury issued a challenge to Opposition Members on industrial production. Let me give him the figures during the years of Conservative government. Since 1979, manufacturing output has grown by 25 per cent. in Germany, 36 per cent. in the United States, 50 per cent. in Japan and 4·7 per cent. in the United Kingdom.

Mr. Dorrell: Just for the sake of completeness, will the hon. Gentleman also tell us what happened to manufacturing output during the years of the last Labour Government?

Mr. Smith: Let me tell the Financial Secretary that we advance our economy and create the prosperity that we all need through investment in manufacturing. Let us compare that investment now with when the last Labour Government left office. The answer is that manufacturing investment has fallen in the United Kingdom by 6·3 per cent., and during the same period it increased by 53 per cent. in Germany and by 128 per cent. in Japan. That is where we find the roots of our economic failure and national decline.

As my hon. Friends the Members for Lewisham, West (Mr. Dowd) and for Newham, North-West (Mr. Banks) said, when we point out such matters, Conservative Members claim that we are talking Britain down. We are not talking Britain down, but the Government are doing Britain down. It is not those people who call for action who are doing Britain down, but those who have failed to take the necessary action to secure economic prosperity.

On Tuesday, the Chancellor claimed that his proposals would help business and promote employment. What is the reality? What is the judgment of key industries affected by the Budget? The director-general of the Engineering Employers Federation said:

"This Budget does nothing to bring about the massive switch from consumption to investment which is essential for lasting recovery."

The Machine Tool Technologies Association said:

"We were disappointed that little emphasis was placed on improving investment in high technology."

My hon. Friend the Member for Cambridge (Mrs. Campbell) pointed out that nothing was being done to assist technology transfer, which we so desperately need.

If there is no Government action to allow British shipping to compete fairly, it faces extinction and there will be a loss of 20,000 jobs and a net loss of £2·3 billion to our balance of payments. Mr. Edmund Vestey, the president of the Chamber of Shipping, said of the Chancellor's Budget: "it is extraordinary that he has ignored the shipping industry. This is a missed opportunity for Britain."

I promise the Government and Conservative Members —some of whom have expressed concern on such matters —that during the passage of the Finance Bill we will provide ample opportunities for them to join us in the Lobby to vote for effective measures to promote crucial national industries. Those industries are all the more crucial because of the startling deterioration in the balance of trade referred to by my hon. Friend the Member for Wallasey (Ms Eagle). The current level of the deficit, although alarming, is not the only disturbing factor, because the forecast is shifting and is becoming worse. A £9 billion deficit was forecast for 1993-94, but it is now forecast to be £17·5 billion. There could be no surer measure of the Government's failure to enable Britain to pay its way in the world.

What of the measures of which the Chancellor and the Secretary of State for Employment have boasted to help the unemployed? In common with my hon. Friend the Member for Birkenhead (Mr. Field), I believe that we need a measure to help those—to use my hon. Friend's striking phrase—who have been in the queue longest to get to the front of it. That is why we proposed in our budget for jobs that national insurances rebates should be given to employers who are prepared to take on people who have been unemployed for more than a year.

If we consider all the measures in the Budget, it is clear that they are too little, too late, too poorly financed and will have too little impact when set against the £1·2 billion cut in the value of the schemes for the unemployed that has been imposed since 1990.

Of course it is good to help those who want to start up their own businesses, but does the Chancellor not realise that, to succeed, those businesses need customers? Of course it is good to let unemployed people study vocational courses, but why is that good for just 30,000 people? What about the many students who cannot undertake such courses because they cannot gain the discretionary awards to which my hon. Friend the Member for Norwich, South (Mr. Garrett) referred?

I accept that there is much work that needs to be done in the community, but, instead of introducing schemes with allowances barely above benefit levels, why are the Government not prepared to pay a proper rate, offer schemes that include proper training and create proper jobs? How on earth have the Government decided on the number to whom those schemes apply? Why did they choose 100,000 people? Does that stand for one in three of those who have lost their jobs since the election or the one quarter of those who face losing their jobs next year? Whatever the answer, the Government's proposals are a colossal betrayal of unemployed people, especially the long-term unemployed, who should have a right to quality when they train and a right to proper payment when they work. The Budget has also missed other opportunities to help the unemployed.

Real programmes for environmental action and improvement could and should have been used to generate jobs. The Government's attempts to dress up their punitive extension of VAT to domestic fuel and, for that matter, the increase in petrol duty as green measures are utterly unconvincing. Greenpeace rightly called the VAT proposal a setback for the environment.

If the Government wanted to help the environment by saving energy they would expand investment in rail and public transport and widen the differential between leaded and unleaded petrol. It would have been better if the Government had provided money for insulating pensioners' homes properly rather than inflating their fuels bills. They should have followed the national energy efficiency plan proposed by the Labour party. That would cut four times as much in CO_2 emissions as the Government claim will result from the VAT imposition. Our proposals would not simply save energy but create jobs.

The true recycling in the Budget was that done by the Chancellor when he recycled construction projects that had been announced before. It is high time that we had less of Ministers mincing their words and more of construction workers mixing cement. The question is when those projects will start. The Chancellor announced that crossrail would be subject to further delay. How do we know that that will not be an indefinite one? The Jubilee line project, which the Chancellor trumpeted in the autumn statement, is now subject to further problems. The north-south Thames 2000 link has also been postponed.

How can we have any confidence in the Chancellor's vague promise of a channel tunnel rail link by the end of the century, given the Government's previous mishandling

of the scheme, which was described by the president of the European investment bank as a "disaster"? Alastair Morton, the chief executive of Eurotunnel, has described the scheme as

"a tragicomedy in umpteen acts."

When the channel tunnel opens within the next year, the Government will have left the country with the French end of the tunnel linked to the European high-speed rail network and the British end plugged into Network SouthEast.

Above all, and as many of my hon. Friends have argued, why do not the Government even now allow the accelerated release of accumulated local authority capital receipts so that homes can be built and a start can be made on getting the 400,000 construction workers on the dole back to work?

If action is to be taken for jobs, we also need to look to international action. In his Budget statement the Chancellor welcomed, as we all do, the re-emergence of growth in the United States—a ray of light, he called it. But he failed to acknoweldge the limited extent to which such growth in the United States will have an impact in the United Kingdom. Analysts Phillips and Drew put the ratio at eight to one vis-à-vis the EC. A 5 per cent. increase in United States demand raises Europe's GDP by only 0·5 per cent. and that of the United Kingdom by only 0·3 per cent. Does not that show that much more effective and urgent international co-ordination is needed to secure expansion, including the sort of measures for eastern Europe to which my hon. Friend the Member for Birkenhead referred?

Why did Downing street dismiss Jacques Delors' call for an emergency G7 summit to consider urgent action on unemployment? When I tabled a parliamentary question about that, why did the Government refuse to commit themselves to such a summit? Will they give such a commitment this evening?

By making only contemptuous references to the European Community in the Budget speech, did not the Chancellor signal not merely the fact that he needs to cultivate the Euro-sceptics on the Tory Benches but his wanton disregard of the importance for jobs of urgent and co-ordinated European action for economic recovery? Christophersen, the Commissioner for economic policy, is calling for further measures—he has said that much more than what was agreed at Edinburgh needs to be done. He expects that the Danish presidency will propose as much. I challenge the Government to tell us their intentions. Do they believe that further measures should be taken? What are they; and will they give the urgency to this matter which they so signally failed to do during the British presidency?

Will the Minister apologise to the House for the fact that the Government forced out of the Edinburgh summit, despite the commitment to it of the other 11 member states, a £160 million programme for training for those who had lost their jobs or whose jobs were at risk?

There may be another reason for the Chancellor's contemptuous references to the European Community. Conceivably, he wanted to throw some of his hon. Friends off the scent of what was, at least to them, an important issue. The Chancellor said of carbon taxes:

"Tax policy should continue to be decided here in this House, not in Brussels."—[*Official Report*, 16 March 1993; Vol. 221, c. 182.]

However, if the right hon. Gentleman is allowed to proceed with the 8 per cent. and then the 17·5 per cent. rates of VAT on domestic fuel, under the terms of the 1991 and 1992 European agreements this House would never again be able to levy a zero rate of VAT on fuel. I challenge the Paymaster General to make the Government's position on that clear tonight. Do they concede that what I have said is true?

Will the Government answer a question that they have so far failed to answer—the one put to them by my hon. Friend the Member for Barnsley, Central? Will pensioners be compensated in full for the extra costs of VAT on domestic fuel? I challenge Conservative Members—the right hon. Member for Brent, North (Sir R. Boyson) for one, since he expressed his concern on this point—to join us in the Lobbies on Monday to honour their election promise and defeat this extension of VAT, to afford some protection to pensioners and others on low incomes by not proceeding with this disastrous and punitive measure.

Far from being the Budget for jobs that Britain needed, this was a Budget for tax increases, for lengthening dole queues and for more broken promises and wrecked lives —from a Government who can no more be trusted with the economy than they can be trusted with their own words to the British people.

Mr. Frank Field: On a point of order, Mr. Deputy Speaker. I ask you to draw Madam Speaker's attention to the fact—this applies to right hon. and hon. Members on both sides of the House—that most of those whom she called to speak earlier in the debate have not had the courtesy to stay to the end. She might bear that in mind when she is next drawing up a list of speakers.

Mr. Deputy Speaker (Mr. Geoffrey Lofthouse): It has been noticeable for a few weeks that the courtesies of the House, which have been observed over many years, are being overlooked. I hope that hon. Members will take note. I will draw the matter to the attention of Madam Speaker.

9.44 pm

The Paymaster General (Sir John Cope): I am delighted to commend the Budget to the House. It sets out the strategy to give confidence to the economy. My right hon. Friend the Chancellor of the Exchequer has managed to show—despite all the comments that were made in advance of the Budget—how we shall tackle the deficit without damaging the recovery. Those are a difficult pair of aims to pull off at the same time, as all the comments before the Budget made clear. Nevertheless, that is what my right hon. Friend has been able to achieve. He has done it by setting out further ahead than usual what we shall do, and planning to legislate for that as far as possible. I have found during the day or two since the Budget statement that this has been welcomed by businessmen, who themselves have to plan ahead. That is why the Budget is so important for confidence in business.

It is, of course, businesses that create jobs. I know that some Opposition Members find that difficult to accept, but it is a fact. We need sustained growth with low inflation, and that is what the Budget will achieve. That is the primary reason why it is good for jobs, as my hon. Friend the Member for Hertfordshire, North (Mr. Heald) said. The hon. Member for Wallasey (Ms Eagle) spoke as

[Sir John Cope]

though only infrastructure or spending on training by the Government would create jobs. That is a simplistic approach.

I shall respond to some of the arguments which have been advanced and draw particular attention to two important features of the Budget. First, there are the measures to help small businesses. Secondly, there is the impact of the single market. After all, this is the first Budget of the single market.

My hon. Friend the Member for Surrey, North-West (Sir M. Grylls), who for so long and so diligently has championed the cause of small businesses, correctly said that this is a five-star Budget for small businesses. My hon. Friends the Members for Ribble Valley (Mr. Evans) and for Taunton (Mr. Nicholson), and others, supported that assertion. It was important that it should be a Budget for small businesses because they are capable of creating the jobs that we need. Stan Mendham, the active boss of the Forum of Private Business, said yesterday that small businesses created about 1 million jobs in the 1980s and could do the same again in the 1990s. I am proud of the Conservative party's record, and that of the Government, on small businesses and of the contribution that those businesses have made to the economic life of the country. It is one of the great changes that we have seen since the socialist years, when large centralist organisations—preferably nationalised—were in fashion.

At first, efforts were directed to help small businesses start. All these schemes were focused on start-up. We are still concerned to foster new businesses, but at a time of recession we need to help existing businesses. Much of the help comes from the things which help every business—interest rates, confidence and other general considerations. There are, however, specific proposals for small businesses in the Budget. My hon. Friend the Member for Surrey, North-West mentioned especially the loan guarantee scheme. Like him, I am a strong supporter of the scheme. It makes bank finance possible for those who could not otherwise get it due to lack of security to put up to secure a loan or because of an inadequate track record. That is important.

My right hon. Friend the Chancellor of the Exchequer announced that the premiums would be lowered and, in particular, that they would be a ½ per cent. only on fixed rate lending. That is valuable encouragement to this finance—which is important to small firms. Following the Budget, we are to discuss with the banks increasing the guarantee from £100,000 to a maximum of £250,000—a major increase—and increasing the proportion guaranteed from 70 per cent. in most cases to 85 per cent. There is also a further cut to a ½ per cent. in the premium for loans in inner cities. London has been mentioned a number of times in the course of the debate in that context, although most attention was obviously on the large infrastructure projects. However, it is important in this context too.

My hon. Friend the Member for Surrey, North-West quoted two leading bankers who are in favour of the loan guarantee scheme. As Minister with responsibility for small firms, I know from personal experience of the difficulty of selling the loan guarantee scheme to local bank managers, who are not always keen to take it up. Therefore, my advice to small firms is to ensure that they ask for the scheme, that they press for it if it is the right one for them, if necessary by going to a higher level within the bank, or for that matter by going to another bank. It is not always easy to persuade a local bank manager to go in for the scheme.

There are many other changes to help small firms—in particular, to value added tax. A couple of weeks ago, with our European Community partners, we negotiated a special agreement to raise the maximum for the cash accounting scheme to £350,000 turnover—by far the highest in the EC. In the Budget, my right hon. Friend announced that that is exactly what we are doing. This is a useful scheme, particularly for small businesses which have bad debts or are worried about bad debts. I urge all those firms who are eligible to consider joining if they have not done so already. We are also making it easier to join the scheme and consulting about simplifying the scheme altogether. In addition, we have cut the time limit for all firms for bad debt relief to six months. The need for that came out strongly in discussions with small firms—and large ones, too, for that matter—and their organisations.

We have also improved the VAT penalty regime, as several hon. Members have remarked. We have attempted to keep a balance between the necessity to collect the revenue and the need to recognise the problems that firms, particularly small firms, may have. The VAT penalty regime has to balance the necessity to collect the revenue with a realistic attitude to firms' difficulties. Hon. Members see in their constituency postbags, and from time to time send to me, hard cases of firms with difficulties of that sort. Sometimes one can assist, sometimes not. But most businesses pay promptly and properly and they have a right to expect that we will also collect the proper tax from those who are reluctant. The revenue cannot stop trading with someone it regards as being a doubtful debt in the way that a trader can. That is why we need penalties. We are not relaxing our duty to collect the tax, but we are introducing, for example, flexibility to mitigate penalties, as my right hon. Friend the Chancellor announced, something which was much requested by business organisations.

Another important deregulatory measure which has been mentioned this afternoon is the reform of the system for assessing the self-employed personal tax. Some small firms worried that we were passing over to the self-employed work currently done by the Inland Revenue, making them do more of the work. In fact, self-assessment will be voluntary. It will be able to be on the pay-and-file basis—to borrow a phrase from corporation tax—but the self-employed will also be able, if they wish, to fill in a return and let the Inland Revenue send the bill as happens at present.

My hon. Friend the Member for Cirencester and Tewkesbury (Mr. Clifton-Brown) made an entertaining and vigorous speech in which he referred to some of this. He did, however, leave one big unanswered question, which perhaps he will deal with at some point—how on earth he and the hon. Member for Birkenhead (Mr. Field) came to be wrapped up in cement bags. He never got around to telling us how that came about, but perhaps he will do so at some later stage.

There were many other measures in connection with small firms which I have no time to go into at the moment. There was the unified business rate, affecting 800,000 properties. Again, in London, 40,000 small shops and 40,000 other business premises will benefit from what my

right hon. Friend announced. There were also the prompt payment measures, the capital gains tax scheme, and so on. It is truly a five-star Budget for small firms.

This is the first Budget in the single market and I realise that many people are worried about the effects on trade of the opening up of markets, particularly trade in goods subject to excise duty. Our value added tax is below average in the Community, but our excise duties are higher than most, though not all, in the Community. Every member state has different rates, and that is exactly how it should be. Our rates are fixed here in this country by the House.

We have a land border between Northern Ireland and the Republic and that, of course, is where the problem is, or could potentially be, most acute. Our excise duties and VAT are very similar to but just below those of the Republic for the most part, so cross-border shopping where it is easiest is least distorted with the rates previously and the rates as proposed by my right hon. Friend in the Budget.

With regard to the sea border between this country and the continent, the position is, of course, different. Most of our neighbours there have lower excise duties. That means that, when it comes to personal shopping, there is an incentive which we have always recognised and which was taken into account by my right hon. Friend in making his judgment on fixing excise rates in this Budget.

I will say only two things about this at the moment. First, it is not only the duty but, as far as the customer is concerned, the price that matters. Over the last 10 years the proportion of the retail price of beer and whisky, and for that matter wine, represented by the tax has come down by 10 per cent. and 20 per cent.

Mr. Andrew Smith: I appreciate that the hon. Gentleman's time is short, but can he answer the questions put by me and my hon. Friends? First, will he reimburse in full the cost to pensioners of the extra VAT on domestic fuel? Secondly, can he confirm that the British Parliament would not be able to return to a zero rate on that fuel under the European agreement?

Sir John Cope: On the first point, I have nothing whatever to add to what my right hon. Friend the Prime Minister said earlier, what my right hon. Friend the Chancellor said in his Budget speech, and what other Ministers have said in the course of this debate. On the second point, under the agreement made by the last Labour Government, it is true that we should need to renegotiate that in order to lower the rate. That is something which will no doubt be discussed in Committee as we go through these proposals.

Before the hon. Gentleman cut in, I was talking about cross-border shopping. People are concerned not only about personal shopping but also about potential bootlegging—people bringing back and re-selling here goods on which duty has been paid in the Community. These are early days, but the Customs have already caught quite a number of people and there are some prosecutions coming forward. Anyone who thinks of going in for bootlegging should remember that the penalties are severe —seven years imprisonment at the top, but also the duty, plus a fine, while the goods and their vehicles are subject to confiscation. If a pub or an off-licence re-sells bootleg alcohol or cigarettes, those concerned risk losing their licence. The penalties are very heavy and they will be imposed, so those who contemplate going in for it should make sure that they understand exactly the risks that they are taking.

We have had a wide-ranging discussion today. I have not had time to report to my right hon. Friend the Chancellor that the hon. Member for Newham, North-West (Mr. Banks) confessed to liking him. I have to tell my right hon. Friend, when he comes to read it in *Hansard*, that it was wrapped up a little and was rather a back-handed compliment. The hon. Gentleman was in the course of praising my right hon. Friend for introducing the unified business rate——.

It being Ten o'clock, the debate stood adjourned.

Debate to be resumed tomorrow.

[Sir John Cope]

Criminal Injuries Compensation

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Patnick.]*

10 pm

Mr. Michael Shersby (Uxbridge): At the outset of the debate, I wish to declare an interest: I am president of the Uxbridge Victim Support Scheme, which, like the National Association of Victim Support Schemes, is greatly concerned with compensation for criminal injuries. I have taken this position recently, and I am proud to occupy it.

As the House knows, I am also parliamentary adviser to the Police Federation of England and Wales. However, I wish to make it clear that I am not speaking on its behalf in tonight's debate, if for no other reason than that police officers now account for less than 10 per cent. of all applicants to the Criminal Injuries Compensation Board and it therefore follows that 90 per cent. are civilian innocent victims of crime.

On 23 November last year, my right hon. and learned Friend the Home Secretary announced, in reply to a parliamentary question from my right hon. Friend the Member for Westminster, North (Sir J. Wheeler), that the Government had decided that introducing a simplified procedure based on a tariff structure offered the best prospects of providing quicker payments to claimants through a means that is fair, straightforward and understandable. He went on to say that further work was needed to develop the practical aspects of these new arrangements, and that that work should be completed by the first half of this year, when a White Paper would be published setting out the details of the proposed new arrangements. He expects them to come into operation this year.

Following that announcement, I decided to apply for an Adjournment debate because I believe, first, that compensation by the state for criminal injustice is a vital part of our British way of life; and secondly, that we should be very careful before we move away from the present satisfactory scheme to one which, although it might be quicker, might well provide the claimant with what I can only describe as rough justice.

It is worth recalling why the Criminal Injuries Compensation Board was brought into existence and why the scheme came about in 1964. It was realised that, in most cases, victims of crime could not bring civil proceedings for compensation against their assailants, because those assailants would be without funds.

The Government of the day recognised that the fact that there are increasing numbers of victims of crime was a sign that society itself had somehow failed the victim by allowing him or her to be assaulted. That being so, perhaps it is right that the Government should ensure that victims receive compensation.

Compensation is treated by victims as a very important part of their recovery, fulfilling as it does their desire for some sort of justice, and the payment of compensation, coupled with the successful prosecution of the offender, is usually a large factor in their recovery.

Victims of crime need proper compensation to reimburse them for their out-of-pocket expenses and to recover from any financial embarrassment that might have resulted from the assault. They also need it to deal with the interests of justice from a personal standpoint.

One important feature of the new tariff-based scheme upon which the Home Office is working could be the complete prohibition of the Criminal Injuries Compensation Board making awards for past or future loss of earnings. That is an important point. I hope that I am wrong about that, but if not, it means that 90 per cent. of civilian applicants who suffer injuries so serious that they are unable to earn their livelihood could be obliged to rely on existing social security benefits, which usually would in no way make up for the shortfall in income. It would not be right for any new scheme to deprive innocent victims of crime of the right to recover income lost through violent crime.

The essence of a tariff scheme such as my right hon. and learned Friend is contemplating is to identify types of injury and to give a standard figure of damages for each injury, rather like the Northern Ireland model. If that is the case, I trust that the figures will be increased by the rate of inflation. However, my concern and the principal reason for raising the matter is that huge anomalies are bound to occur.

The recent guidance given to the judiciary and the Criminal Injuries Compensation Board by the Judicial Justice Board identifies types of injury and, according to the seriousness of the injury, gives a bracket within which compensation would be appropriate. The brackets are often wide because it is recognised that each case is individual and turns on its own factors, and that it is impossible to fix a figure appropriate for any type of injury. One broken arm is often different from another broken arm.

The present scheme allows experienced lawyers to study all aspects of the case and to reach an appropriate valuation in accordance with the principles of common law. The system is fair, and puts the criminal victim in roughly the same position as a claimant in a civil case. It must be remembered that there can be no duplication of state benefits. All benefits paid by the state, all private pensions and much private insurance are taken as a credit against damages to reduce the state's outlay.

If a victim is injured by the use of a motor vehicle as a weapon—in other words, if a victim is deliberately run down—that victim can apply to the Motor Insurers Bureau for compensation under common law. If a victim is injured by a very differently shaped piece of metal, such as a crowbar, something which we would all deplore, that victim would have to apply to the Criminal Injuries Compensation Board and would obtain much less by way of damages. Can that distinction be justified?

My other worry is that, in many types of injury, it will be impossible to provide any meaningful tariff for damages. Facial and bodily scarring, post-traumatic states, stress disorder and sexual abuse, including rape, are obvious examples. How can any standard figure be set for those injuries? Why should not the present system continue, under which damages are assessed by a lawyer, usually a Queen's counsel, who is experienced in the art?

I cannot believe that my right hon. and learned Friend takes the view that changes in the present scheme are necessary to improve the access of victims of violence. That is obviously not the case. I have the terrible feeling that my right hon. and learned Friend's proposed changes

to the present scheme are to save the Government money. In other words, the proposals are what is commonly called Treasury-driven.

If that is the case, I do not think that the Treasury is in any position to press my right hon. and learned Friend to save money. At a meeting of the Public Accounts Committee, held on Monday of this week, the deputy secretary who is the accounting officer for an organisation called Forward, a wholly owned Treasury organisation providing catering to the civil service, had to admit to substantial maladministration, to the loss of up to £1 million, to the payment of cash sums to ghost workers who did not exist and also to other malpractices.

When I read the papers for the meeting of the Public Accounts Committee on Monday of this week, I was reminded of my late right hon. and noble Friend Lord Ridley of Liddesdale, to whom I pay tribute, who in 1979 introduced the Ghost Workers (Abolition) Bill. I obtained from the Library a copy of my late right hon. and noble Friend's speech. I was able to deploy it to considerable effect in the Public Accounts Committee and to demonstrate that Her Majesty's Treasury was in the business of employing ghost workers. I thought that that was a particularly splendid tribute to the work in this House of my late right hon. and noble Friend.

If the Treasury cannot even run the modern equivalent of a whelk stall, in the form of the civil service catering department, it is hardly, I suggest, in a position to tell my right hon. and learned Friend the Home Secretary to start saving money by reducing compensation to the victims of violence.

According to the National Association of Victim Support Schemes, which is to issue a report entitled "Band Aid for Victims?" tomorrow morning:

"the current scheme has some serious deficiencies".

One of these

"is the long delay before awards are made."

However, the report also points out that this situation has been improved and that the proportion of cases resolved within a year has increased from 25 per cent. in 1990-91 to 49 per cent. last year. The chairman of the Criminal Injuries Compensation Board, my right hon. and noble Friend Lord Carlisle of Bucklow, himself reminded the victim support association at its annual conference:

"he who gives twice gives quickly."

The improvement in the speed with which the board deals with claims has to a considerable extent resulted from pressure from activity, including the management reviews carried out by my right hon. and learned Friend and in particular by the Home Affairs Select Committee. As a result, working procedures and the turnover of claims has increased enormously. The position is in no sense the same as it was three or four years ago.

I warmly congratulate the board on making the improvements it has. If those improvements are allowed to continue, there can be little doubt, by any standards that my right hon. and learned Friend cares to adopt, that the Criminal Injuries Compensation Board is likely to be meeting its targets. As you know, Mr. Deputy Speaker, targets and milestones—the jargon of management consultants in 1993—are very important and very dear to the hearts of the Treasury, the Public Accounts Committee and this House. There cannot therefore be any justification for changing the scheme, and any suggestion that it can be improved by cutting benefits simply does not stand up to examination.

The present scheme, in fact, excludes classes of people from receiving benefit. It excludes those who have criminal convictions, those whose way of life makes it inappropriate that they should receive compensation, and those who consented to the risk of injury by indulging in, say, a good pub fight. Those restrictions are bound to continue to apply, so the innocent victims—those who are left—will merely suffer potentially vast diminution of benefits.

I wanted to wind up by putting to the Minister of State some questions that I know he will answer with his customary diligence.

How would a tariff scheme take sufficient account of the personal circumstances in a rape case? These cases are tremendously difficult and require careful consideration —not a cheque for £500. How would a tariff scheme take account of the average and future working life of a claimant? Would a man of 75 be paid the same for the loss of a limb as a man of 30 who had 35 years of working life left?

How would a tariff-based scheme take account of the effect of scarring on a young woman with her life ahead of her and with prospects of marriage and a family, compared to the effect on, say, a woman in her 50s or 60s or an older man, whose marriage prospects would not be lessened to the same degree?

How would payment for, say, a broken nose or a broken jaw be calculated? Under the present scheme, the Criminal Injuries Compensation Board considers medical and police evidence most carefully. If it did not do so, the payment could be too great.

I do not believe that a tariff system would be quicker than the present system, bearing in mind the need to take into account police evidence and medical reports. If those were to be dispensed with, justice would fly out of the window. Anyone reading the 28th report of the Criminal Injuries Compensation Board will be deeply impressed by the fact that, in the year ended 31 March 1992, the board received 61,400 applications, as against 50,820 in 1990-91.

I urge my hon. Friend not to replace the excellent scheme that we have at the moment with a cheaper, tariff-based scheme—a scheme based on rough justice. If the Home Office decides to do that, I for one will have the greatest possible difficulty in supporting it.

10.17 pm

The Minister of State, Home Office (Mr. Michael Jack): I congratulate my hon. Friend the Member for Uxbridge (Mr. Shersby) on obtaining this debate and on the very courteous and careful way in which he has put his case before the House. I shall certainly do my very best to answer his questions, although, as will be apparent, there are some areas in respect of which I shall be unable, for very good reasons, to give at this stage the detailed information that he has requested.

My hon. Friend mentioned his role in victim support. I congratulate him on his appointment and take this opportunity to pay tribute to the organisation. I too was much taken with the words in its latest press release, issued ahead of the report that is to come out tomorrow. The press release says that payment should be prompt. On that point, there is no gap between us.

This is a very important subject. Clearly it is an emotive issue for many people, and I am grateful for the probing questions that my hon. Friend has put. I hope that I shall be able to allay some of his anxieties and use this

[Mr. Michael Jack]

opportunity to explain a little more fully why and how we intend to change the criminal injuries compensation scheme.

The Government are anxious to maintain the response to those who are victims of crime that was enunciated in the 1964 White Paper, which first described the criminal injuries compensation scheme. This said that it was right that the public's sense of responsibility for and sympathy with the innocent victim of a crime of violence should find practical expression in the provision of compensation on behalf of the community. We believe that that philosophy is no less valid today. I am glad that my hon. Friend took us back to that starting point, where we share common cause.

The scheme was of course set up to deal with the volume of crime and levels of claims expected to arise in the mid-1960s. I do not think that anyone could have envisaged how, sadly, both have risen or how much more difficult the administration of the scheme would become as the range and complexity of cases increased. Despite the best efforts of the Criminal Injuries Compensation Board over the years, there has been an inexorable rise in the backlog of cases awaiting resolution.

The backlog exceeded 81,000 at the end of the financial year 1991-92, and most claimants were having to wait more than a year for their case to be settled. The House will agree that that serves to show just how far we have moved away from the intention of the scheme's founders, which was to provide a quick and simple method of recompensing victims.

As my hon. Friend said, compensation is currently assessed on the basis of common law damages—in other words, what a civil court would award in damages in a comparable case. That process necessitates finely balanced judgments or assessments by board members of the claimants' degree of suffering and financial loss. It tends to make speedy and consistent decision-taking all the more difficult.

Last year, we concluded that the scheme in its present form was intrinsically incapable of delivering the type of service that victims now expect, a service that produces awards reasonably quickly, straightforwardly and in an understandable way. In saying that, I must emphasise that I imply no criticism of the board itself, and join my hon. Friend in paying tribute to Lord Carlisle for his work and that of his colleagues. They have made determined efforts to provide a better service, and with some success. It is rather a reflection of the nature of the scheme itself that we felt that we should consider a better way of delivering payments to victims.

We believed that a scheme based on a tariff of awards, which broke the link with common law damages and with the inevitable delays built into the system, was the best way forward. In order for my hon. Friend's voice to continue to be heard, I must point out that we intend to set out our proposals more fully in a White Paper to be published in the summer. I hope that my hon. Friend will understand that that is why at this juncture we are listening carefully to people's views, and this is the first parliamentary occasion on which we have had the opportunity to do so. Clearly they will be taken into account when we publish the White Paper.

It is important to reflect for a moment on the rules of eligibility which we intend to follow. They are essentially that claimants must have been the blameless victims of a crime of violence, and must subsequently have co-operated fully with the criminal justice services. We do not intend to exclude the police or any other occupational group from the scope of the scheme. There will continue to be provision for cases to be reopened if the claimant's medical condition deteriorates after an award has been made. I hope that my hon. Friend finds that reassuring.

Mr. Shersby: Will my hon. Friend be kind enough to tell the House whether claims under the new scheme will take account of the loss of wages?

Mr. Jack: I shall deal with that aspect in a few moments.

It is important to take some time at this stage to explain the conceptual change in the nature of the new scheme. Many people will accept that no amount of money can fully or properly compensate people for criminal injury, and that it is perhaps unrealistic to believe otherwise. There is no such thing as an "absolute" or "right" figure for the hurt suffered. Awards under common law damages are necessarily subjective, not objective. Even the courts are sometimes accused of inconsistency in the awards they make.

Our new scheme will no longer attempt that almost impossible task. It will continue to provide a tangible recognition of society's sympathy and concern for the blameless victims of crimes of violence. It will do so by making a payment related to the nature of the injury rather than to its effect on the victim. The new system will be based on the tariff or scale of awards under which injuries of comparable severity will be grouped into bands for which a single fixed payment will be made.

We are currently examining about 20,000 cases resolved by the board in 1991-92. That is one third of the cases that it resolved. The extensive case sampling exercise will help to decide how injuries should be grouped together, how many tariff bands there need to be, and what level of payment should be made for each grouping. Our intention is to set the tariff bands so that the average award under the new scheme is broadly the same as the average award under the current system.

I should point out that, in its first full year of operation, the board paid out £400,000 to 1,164 victims, whereas last year it paid nearly £144 million to more than 39,000 recipients. The vast majority of awards were for less than £5,000, with more than 66 per cent. falling within the range £750 to £3,000. The average payment was £3,660.

The design of the new tariff will build on the existing matrix of cases, so allowing us to take full advantage of the collective and distilled experience and wisdom of the present board. The average claimant will receive much the same award as he or she would have received under the present scheme. Our tariff scheme will remain the most generous state compensation scheme anywhere in the world.

In response to several of the points that my hon. Friend made, I refer him to paragraph 8.2 of the board's most recent report, which shows the narrow financial band within which the present scheme operates. If my hon. Friend considers that, and thinks about the element of discretion, that should give him some reassurance that what we propose will build on the collective distilled

wisdom gained from what the board has done. Clearly, our mapping exercise will deal with some of the problems that he has put before the House.

I maintain that our new system should be no less fair than the current one. It will ensure that people suffering the same injury receive the same award, which is often not the case now. The payments will still be very generous when compared to those of any other state compensation scheme. In addition, victims may, depending on the circumstances, also be able to look for help from social and other support mechanisms, such as medical and social care, and from unemployment, invalidity and other social security benefits; so victims will still get all the help that the state can reasonably provide.

I should make it clear that there is much further work to be done in drawing up the detail of the new scheme. I mentioned that we envisaged the rules on eligibility remaining broadly as before, but we are also looking carefully at administrative procedures, including the handling of police and medical reports, and at such things as how the body that will run the new scheme might best be organised and managed. I note that my hon. Friend mentioned that most pertinent point.

We aim to introduce the new scheme on 1 April 1994, but claims lodged before then will be resolved by the present board under the current arrangements. Claims lodged after that will be dealt with under the tariff scheme.

We are also determined to ensure that there should be a fair and equitable appeals system. We envisage a two-stage appeals process. The first would be a higher-level review of the papers by the scheme administrators. This should help to sift out frivolous or vexatious appeals and enable any obvious mistakes to be corrected quickly. Stage 2 would be to an independent appeals panel, which might include members of the medical, business, legal and other professions and groups. I am afraid that I cannot answer questions on points of detail involving precisely how the arrangement will work, but such matters will be dealt with in the White Paper.

Of course, there will be an opportunity for the House to consider our proposals when the White Paper is published. It is fair to say that our proposals are not set in stone at this stage. We shall listen carefully to what people have to say. I should be delighted to receive any further input that my hon. Friend wishes to submit. I appreciate that he, like me, is restricted by time in his attempt to get all the detail into tonight's debate. We have already received papers from the chairman of the Criminal Injuries Compensation Board and from the NAVSS, and we are considering their views most carefully.

I emphasise that we are determined to introduce the new tariff scheme early in 1994, so we shall work hard to settle the details by autumn this year, so that matters concerning communication, the publishing of details, guidance, training of staff and everything else that goes into bringing a complex new arrangement into being can be done effectively and efficiently.

In embarking on an attempt to improve the service to victims of crime, we too are conscious of the issues that my hon. Friend correctly put before the House. The central necessity is to focus on the preparation involved by way of the extensive mapping exercise. That is the way to take the best of what we have now, both in human and in financial terms, and to provide it in a more effective and efficient way to the victims of crime. At the end of the day, it is their interests that must be uppermost in our minds.

We must not forget the relative generosity of our scheme compared with anything else in the world. I am glad that our new scheme will be more effective and efficient, and will remain the best that there is.

Question put and agreed to.

Adjourned accordingly at twenty-nine minutes past Ten o'clock.

House of Commons

Friday 19 March 1993

The House met at half-past Nine o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

PETITION

Disabled People

9.35 am

Mr. Frank Field (Birkenhead): I seek your permission, Madam Speaker, to introduce the humble petition of 3,627 constituents of the Wirral. It sheweth

That disabled people must have a right to the same equality of opportunity in all respects of their daily life as non-disabled people.

That people who are disabled or perceived to be disabled (for whatever reason) are continually having to face widespread unjustifiable discrimination.

The legislation is necessary to outlaw this discrimination.

Wherefore your Petitioners pray that your House introduce legislation to outlaw unjustifiable discrimination against people with actual or perceived disabilities as soon as possible.

And your Petitioners, as in duty bound, will ever pray.

To lie upon the Table.

Tourism

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Wood.]*

[Relevant documents: European Community Documents Nos. 5800/91, 5437/92 and the Decision of 13th July 1992 (Official Journal No. L231 of 13th August 1992) relating to a Community action plan to assist tourism.]

9.36 am

The Parliamentary Under-Secretary of State for National Heritage (Mr. Robert Key): This is the first time that the House has had a debate on tourism since 17 June 1988. Business of the House permitting, I believe that we should now have an annual debate on tourism, as befits an industry which is of major importance to the prosperity of our nation—an importance which is set to grow as we approach the millennium.

My right hon. Friend the Secretary of State for National Heritage very much regrets his absence this morning. He is fulfilling long-standing engagements, including the opening of the Snibston discovery park in Leicestershire.

In 1988, the debate was opened by John Lee, the former Member of Parliament for Pendle, who is still my hon. Friend. He was one of the many people who believed in the future of tourism for this country. He contributes enormously to it to this day. Since he was the Minister responsible for tourism, my noble Friends Lord Strathclyde and Lord Ullswater have been Ministers with responsibility for tourism. They, too, have played their part in a very vigorous way. I am delighted to see that for today's debate there are more Members present on both sides of the House than there were for the debate in 1988.

Tourism's importance to our country can be measured in hard facts. It represents about 4 per cent. of our gross domestic product. It contributes £25 billion annually to the economy and provides work for nearly 1·5 million people—more work than in construction or the health services. Even in a global market of ever-increasing competition for overseas visitors, the United Kingdom is sixth in the world in terms of the earnings from those visitors.

The size of the world market is simply astounding. The World Tourism Organisation calculates that international tourism arrivals rose from just 25 million in 1950 to 429 million in 1990. Overseas visits to the United Kingdom grew by 50 per cent. between 1980 and 1990, a truly remarkable decade for the industry. By the year 2000, tourism is set to be the world's biggest industry.

That emphasises the importance of inward tourism. Last year, a record 18·1 million overseas visitors came to our shores, spending £7·6 billion while here; and on the latest figures, United Kingdom carriers benefited to the tune of £1·9 billion by bringing them here and taking them back. Most visitors come on holiday, some visit kith and kin, but a significant number, around 25 per cent., visit on business.

Domestic tourism accounts for almost two thirds of our tourism earnings—£15·5 billion in 1991. That is not just long holidays of four nights duration or more, although they produce about £6 billion. An increasingly important sector is the short-break market, which is worth nearly £2 billion, and business travel, which produces nearly £1·5 billion. Day trippers spend more than £5 billion on visits to our resorts, attractions and heritage sites—and to the

[Mr. Robert Key]

shops. Retailing should not be left out of the tourism equation. Increasingly, it is a leisure activity in its own right. Shopping accounts for about 30 per cent. of all expenditure on day trips, followed by outdoor activities or visits to attractions.

The creation of our Department has given new focus and stimulus to the work that the Government can do in helping the industry to meet the challenge. Tourism provides the opportunity for visitors, from home and abroad, to appreciate and enjoy the country's treasures. It breathes life into our culture and it provides a vital source of revenue to help our arts thrive, to maintain and improve our historic buildings and to help us add to the collections in our museums and galleries. About a third of the audiences for London's theatres are overseas visitors. In 1990, there were 74 million visits to museums and galleries. Last year, more than 5 million people visited English Heritage sites and more than 10 million visited National Trust properties.

In turn, tourism gains from almost everything that my Department does. The work that we undertake in support of the built heritage, museums, galleries, libraries, sport, the performing and visual arts, the royal parks and palaces, film making and the framework that we provide for broadcasting all contribute in a major way to tourism, both for our own citizens and in encouraging overseas visitors. Our heritage, in all its manifestations, is the magnet which draws visitors to these shores.

In the coming year, my Department will spend nearly £1 billion, much of which will directly enhance tourism. That very substantial support is all too often ignored when the Government's commitment to the industry is assessed. People frequently dwell on our support for the tourist boards and fail to see the big picture. Today, I want to shed light on that big picture.

In the Department of National Heritage, we are small in number—about 300 civil servants and two Ministers. We have brought under our one roof so much that interacts to create the quality of our life in these islands. We operate on an arm's-length principle, with 46 non-departmental public bodies, and in partnership with local authorities and the private sector.

My Department exists to facilitate. Let me bring this to life: in the south-west, the chairmen of the regional tourist board, sports, arts and museums bodies have come together to form the South-West Regional Heritage Agency. This is but the latest example of partnerships being formed for the benefit of all. Another is the Peak District partnership, a three-year programme of sustainable tourism. This brings together four regional tourist boards, which will work with local authorities, training and enterprise councils, the Rural Development Commission, the Countryside Commission and the Peak District national park. In addition, there is the Northern Arts initiative. Only recently, my right hon. Friend the Secretary of State launched Chester's cultural strategy. It is a pleasure to see my hon. Friend the Member for City of Chester (Mr. Brandreth) here today.

New examples are springing to life regularly. The six major policy divisions that comprise my new Department have been brought together from different Departments of State around Whitehall, each with its own traditions and working practices. That has brought with it a challenging vitality, which is most refreshing for us all. Our national heritage is a seamless robe and, in order to ensure that the policy work in every division takes account of the importance of tourism, we have recently established a small and dedicated team to co-ordinate effort across my Department.

In the past year, Ministers and officials have visited every part of the United Kingdom to ensure a proper understanding of the responsibilities of our Department. I have criss-crossed the country from Newcastle to Torquay, from Weston-super-Mare to Brighton, from Manchester to the Isle of Wight. It is delightful to see my hon. Friend the Member for Isle of Wight (Mr. Field) in his seat. He was here for the 1988 debate, as was my hon. Friend the Member for Harrogate (Mr. Banks), who I see behind me.

I have pursued our interests in Brussels, Paris, Seville, Madrid, Barcelona and Rhodes. Next week, I will visit Antwerp and after Easter I will visit Copenhagen and Stockholm. My noble Friend Lord Astor visited New York to open the British Tourist Authority's office, and he will be there again before Easter.

In addition to our work with the British Tourist Authority and the English tourist board, I have done business with regional tourist boards representing Northumbria, the north-west, the south, the west country, the east midlands, the west midlands, London and the south-east of England.

Since the creation of the Department, I have enjoyed meeting a large number of organisations representative of this massive industry, such as, and in no particular order, the British Hospitality Association, the Association of Larger Visitor Attractions, the Tourism Society, the British Association of Tourism Officers, the Association of British Travel Agents, the Association of Registered English Language Schools, the Association of District Councils, the British Self Catering Federation, the Rank Organisation, the Forte Group, Thomas Cook, the International Tourism and the Environment Conference, the World Travel Market, the World Tourism Organisation, the World Travel Forum, Blackpool Pleasure Beach, the National Council of Hotel Associations, the Institute of Travel and Tourism, Gatwick Airport Tourist Information Centre, the London Forum, the Association of British Chambers of Commerce, the British Holiday and Home Parks Asssociation and the Association of Chief Leisure Officers. The list may be exhausting, but it is by no means exhaustive. There are almost as many organisations in our other areas of responsibility—the arts, sport, heritage, broadcasting, press and films.

Clearly, it is imperative that all these organisations should be aware of the importance of working together, and Ministers are developing ways of working in a co-ordinated and coherent way with our client groups. Accordingly, I can today announce that, starting in the summer, my Department will be sponsoring a series of regional conferences, chaired by Ministers, designed to bring together representatives of bodies and organisations that reflect Department of National Heritage responsibilities. We will endeavour to share best practice, listen to problems and develop joint approaches where appropriate.

Mr. Tony Banks (Newham, North-West): It is good to know that the hon. Gentleman is having such an enjoyable

time as a Minister, tripping around the country eating these lunches and dinners. I am sure that we are all extremely grateful to him. He mentioned the London Forum. Will he say something about that in his speech and, if not, may I ask him a question? I understand that the London Forum will be launched next Monday with a breakfast that will cost the taxpayer £15,000. How can that be justified? It sounds like a good breakfast—one can get a lot of bacon and eggs for £15,000.

Mr. Key: I hope that the hon. Gentleman will be there. I have no idea of the cost of the launch of the London Forum, but I shall make inquiries. It is an extremely important initiative and it would be uncharacteristic of the hon. Gentleman if he were to think that anything but the best will do for London.

I should like to spend a little time outlining our general policy and how we seek to implement it. First, we fund and support the work of the British Tourist Authority and the English tourist board in helping the industry to develop the tourism product to its full potential and market it both at home and overseas.

Secondly, we work to ensure that all parts of government take full account of the implications of their policies to the tourism industry, and that unnecessary barriers to its development are removed. We should also recognise that tourism is a partner in the wider leisure and recreation industry. That is increasingly recognised in the new partnership projects that are emerging. For example, last September I launched in Exeter a sport and active recreation initiative sponsored by the Sports Council (South West) and the South-West regional tourist board. There is good reason for optimism when considering the leisure market. The Kleinwort Benson leisure analyst, Paul Slattery, is quoted in the *Caterer and Hotelkeeper* as saying:

"At the onset of the recession the industry had a knee jerk reaction and thought frivolous spending would be cut. But we believe that the recession has had hardly any impact on leisure demand, which is still growing."

That report pointed out that 23 per cent. of hotels have leisure facilities. With only about 20 per cent. of adults staying in hotels annually, there is a major market to be tapped. The analysts see leisure demand rising to new heights as the decade progresses.

At a time when public spending is under such pressure, our critics ask why we should provide any support to such a successful industry, demonstrably full of entrepreneurs and innovators and, if we are to invest taxpayers' money, how will it be used to best effect.

I recognise that international tourism is fiercely competitive and I have no doubt that Britain will lose out to competitors if we do not continue to promote ourselves abroad. Ideally, the costs of this marketing should be borne by the industry—by the businesses that stand to reap the rewards. But overseas promotion is difficult to organise and the returns to individual businesses may be quite small and unpredictable—not worth the investment, they would say. The industry, unaided, would not put sufficient money and effort into overseas promotion. The tourism industry is particularly fragmented; it covers many sectors and it is not in the direct interests of any one private sector company to promote Britain as a destination.

We therefore recognised the need to maintain the Exchequer grant to the BTA at planned levels for the next three years. The BTA runs an effective overseas operation. It constantly scoops awards for best tourist office, most recently in Ireland. It is held in very high esteem by its counterparts and the industry in other countries. Its campaigns are first class. The "Britain is Great" campaign recently won a silver medal in Belgium and the BTA's "Glimpses of Britain" video won three awards in New York. The BTA is very good at attracting contributions from the industry—around £18 million in the current year, not counting the value of the considerable "in kind" support it receives. The BTA has partnership schemes with British Airways, Virgin, P and O, Sealink, British Rail and Eurotunnel among many others.

Our review led us to conclude that the case for continuing to fund domestic tourism was less strong. British residents are, of course, much more aware of what their country has to offer. There is also some criticism of duplication of effort by the English tourist board, regional tourist boards, local authorities and private sector initiatives. This will be one of the issues that the English tourist board will be examining in assessing its priorities across all its programmes.

We also considered the extent to which the industry has developed since the ETB was established in 1969. The ETB itself has played a crucial role in the establishment of a network of regional tourist boards, forging partnerships between players in the industry and between public and private sector bodies. The scope and effectiveness of trade associations have increased, and new ones have come on the scene. The industry is now in a much better position to take care of itself. At the same time, the ETB, like the BTA, is attracting private sector support for its individual initiatives. For example, more than half the funding for Industrial Heritage Year comes from sponsors such as Grand Metropolitan, Marks and Spencer, British Telecom and Hanson plc.

We therefore concluded that it was now right to reduce gradually the funding we provide for the ETB. We do not underestimate the ETB's achievements, which are considerable and which have helped bring about this change in the nature of the industry. The ETB has also worked to improve standards of service in tourist information centres, which now do an excellent job throughout the land. In accommodation—through the crown classification scheme, the key scheme for self-catering and the Q scheme for caravan, chalet and camping parks—the ETB encourages quality and better consumer information. It has been in the forefront of the development of new products, taken forward initiatives on sustainable, or green, tourism and supported tourism for all, to the benefit of disabled people. Holidays and leisure activity for disabled people represent an important specialist market, as yet relatively undeveloped. Another is business incentive travel, and many more niche markets await attention by entrepreneurs.

Much has been achieved. We believe that the ETB should continue to have an important, but more strategic role. Increasingly, it should focus its resources on particular areas where tourism potential will not be realised without it as catalyst.

Mr. Michael Jopling (Westmorland and Lonsdale): I have listened carefully to what my hon. Friend has said about funding for the English tourist board. I have studied the figures for 1995-96 and wonder how he can begin to justify the fact that the English tourist board will receive central Government funds of £9 million, whereas the

[Mr. Michael Jopling]

Wales tourist board will receive £13·8 million and the Scottish tourist board £14·2 million. Why is the English tourist board to be treated as the poor relation?

Mr. Key: I was coming to that, but I shall answer my right hon. Friend directly. A number of factors come into play. First, the ETB operates in a market which is substantially more sophisticated, developed and mature than the markets in Scotland, Wales and Northern Ireland, according to the judgment of their Secretaries of State. Secondly, the Secretaries of State for those countries have the responsibility of deciding for themselves what support they should give to their tourist boards. I urge my right hon. Friend to put his question to them as well as to me.

We have concluded that the time is right gradually to reduce the funding that we provide to the ETB. We believe that it should focus its resources on areas in which it can act as a catalyst. It has meant hard decisions for the board and the staff of the ETB, but we have to be sure that taxpayers' money is needed and is being used effectively. We have agreed that the board should take time to reassess its role and its programmes—indeed, we have given it some extra money this year to help it—and I look forward to seeing its plans later in the year. I hope that it will display the vision and enthusiasm that the industry deserves, and has come to expect, from its statutory board.

We are actively involved in a very thorough search to find a new chairman for the BTA and the ETB. This is a very important post and we are determined to find the right person.

In Scotland, the Government remain committed to supporting the tourism industry. Ministers are concerned to ensure that the means by which that support is delivered are still appropriate. They have, therefore, consulted those involved in the tourism industry in Scotland on whether the existing arrangements are effective and, if not, on how they might be improved. I understand that the Secretary of State for Scotland has received some 350 responses to his invitation to the industry to comment. He is considering carefully the opinions that have been expressed, with a view to making an announcement in the summer.

In Wales, a number of policy reviews have confirmed that the relatively undeveloped nature of its tourism sector justifies continuing Government support for the Wales tourist board. The board is currently undertaking a major consultative exercise with the industry and other interested parties, with the aim of drawing up a national integrated tourism strategy, to be announced later this year.

In Northern Ireland, a major review of the tourism industry in 1989 concluded that tourism could make a greater contribution to the local economy. The Northern Ireland tourist board has now been given an enhanced role in developing tourism in Northern Ireland.

Tourism is subject to a tremendous range of policy influences from a broad cross-section of Departments of State, and from the European Community; immigration policy, fire safety, food hygiene, air traffic, road policy, health and safety, licensing laws and Sunday trading all impact to a greater or lesser degree upon tourism. A year ago, the Government published "Tourism in the UK—Realising the Potential", which set out comprehensively the range of activities underpinning tourism, some of which were incorporated into our Department when it was set up a month after publication. I am glad that the undertakings in that document have been addressed.

My right hon. Friend the Secretary of State and I constantly impress on colleagues the need for tourism interests to be recognised in the development of policy in other areas. A good example of what we can achieve through this was the recently published tourism planning policy guidance note, which aims to ensure that development plans should contain clearer, tourism-related policies and proposals, with decisions based on up-to-date advice on tourism development policy. Indeed, only the day before yesterday, in Weston-super-Mare, I heard how well the initiative had been welcomed. It is good to see the guidance on tourism development carried forward into regional development plans, which themselves provide an ideal opportunity for the tourism industry to comment.

We need to rid the industry of those unnecessary pieces of legislation which still litter the statute book. Proposals to abolish wages councils are a good example of how the Government have responded positively to industry overtures. That is why I hope that the industry and the House will join me in welcoming the Secretary of State for Trade and Industry's initiative to give a new impetus to deregulation, in which the Prime Minister has a great personal interest. Task forces—including one on tourism and retailing—are being established to review carefully and meticulously the need for the thousands of regulations that impact on business. This will supplement the work already going on right across Whitehall to re-examine regulations, to search for ways to simplify them or simply to abolish them. I have invited the industry to help us. We have had many positive responses, and I repeat that invitation today.

For the future, the requirement to publish compliance cost assessment for all new regulations that affect business will very much focus attention on those who are too keen to regulate. We also want consistent and practical enforcement of the regulations. The risk-related approach to enforcement, which my right hon. Friend and Secretary of State for Health is encouraging environmental health officers to adopt, must be right.

Yes, we can help the industry through our funding for our national heritage, and through our contribution to tourism promotion.

Mr. David Nicholson (Taunton): I very much welcome what my hon. Friend has just said about deregulation and about advice to environmental health officers, who often bring a heavy hand to these matters. My hon. Friend will be aware that there is great concern in the tourism industry about the impact of what are known as the food safety measures. Does he agree that individual members of the tourism industry, those running bed-and-breakfast accommodation and other representatives of the industry, should be specific in their complaints? It is no use making generalised complaints. They must be specific so that my hon. Friend and his colleagues can do something about the problems.

Mr. Key: I am grateful to my hon. Friend for that observation. I agree with everything he said. We all receive general whinges and moans in the course of our duty as Members of Parliament, and it is just the same for Ministers. What really counts is when people complain about a specific problem, as a number of my hon. Friends

have done. I have received a number of delegations on these issues in the past few weeks alone. When people are specific, we can usually help. I should be delighted to hear of individual problems. We can then take action. My hon. Friend the Member for Torbay (Mr. Allason) has highlighted a number of issues. It is in response to such pressures that my right hon. Friend the Secretary of State for Health has formally initiated a review of the way in which health regulations are implemented. That can only be good for the tourism industry.

My Department can perform at least an equal service by ensuring that the framework is in place to enable the industry to flourish through the initiative, skills and enterprise of those working in it. A sound economy with low interest rates and low inflation is a prerequisite of a brighter future as we move out of recession. Since September, many foreign tourists have effectively had discounts of 20 per cent. on holidays in the United Kingdom. The lower value of the exchange rate is undoubtedly beneficial. It may also persuade domestic holidaymakers to look again at what Britain has to offer. The answer, they will find, is a great deal.

It is essential that, as in the United Kingdom, European Community policies take full account of the tourism industry's interests, whether those are concerned with transport, with fiscal issues, with data protection, with social affairs or with consumer protection—the list could go on.

That is why the United Kingdom has emphasised the horizontal approach which features so strongly in the Commission's tourism action plan agreed last June. It is also why provision for consultation with industry professionals is included. I wanted to ensure that the plan presented value for taxpayers' money and that it was not so ambitious that it would be impossible to deliver.

I believe that we negotiated modest, but useful, measures to stimulate tourism throughout the Community —measures which respect subsidiarity. For example, the Community is undertaking a programme of studies to inform the industry about current developments. The Community promotes the exchange of ideas and best practice in a number of areas, including visitor management, which is vital in sustainable tourism, and the promotion of tourism by people with disabilities. The main tourism plank of the United Kingdom presidency of the EC, the conference "Tourism and the Environment —Challenges and Choices for the 90s", was widely commended. It was the culmination of two years' pioneering work which has given the United Kingdom a richly deserved reputation for producing the best work available in the world in sustainable tourism. The leading expert, Professor Jost Krippendorf, has said that the United Kingdom's work in this area deserves the tourism equivalent of a Nobel prize.

I now turn to the challenges facing the industry.

Mr. Toby Jessel (Twickenham): Before my hon. Friend leaves the question of the European Community and subsidiarity in relation to tourism, may I ask him whether he recalls that last summer, he told some of us of a rumour, which had begun to gain ground in Brussels and elsewhere, that some of the Community authorities might be asked to bring about a unified promotion of tourism for Europe as a whole in the United States and in other markets for European tourism where we currently have British Tourist Authority offices of our own? Any such policy would be in sharp conflict with the doctrine of subsidiarity. My hon. Friend said that he intended to look into the matter. Will he be kind enough to tell us of the outcome?

Mr. Key: I am grateful to my hon. Friend the Member for Twickenham (Mr. Jessel), who has a long memory. Fortunately I have as well, so I remember our conversation. The outcome is enshrined in the agreement we signed, which respects subsidiarity. I was sceptical of the idea that the European Community should promote Europe as a destination in North America and in Japan, for example. I felt that it would be more in Britain's interests if we were there promoting inward tourism to our shores, rather than tourism in southern Europe, for example. That was the outcome of those discussions. It is an argument which, yet again, we have won because we are at the heart of Europe.

Mr. Dennis Skinner (Bolsover): Have we not reached a sorry state of affairs in Britain when a Minister who is talking about tourism tells us that in commendation he has received acknowledgements from somebody with a name like Dr. Krippendorf? Have we not reached a sorry state of affairs, as we are caught up in this Maastricht and European Community wrangle, when we have to beg to people like Dr. Krippendorf? What a sorry state of affairs.

Mr. Key: My goodness, the walls of Bolsover castle will crumble at the voice of the hon. Member for Bolsover (Mr. Skinner). The fact is that because of our supremacy in environmental tourism, we have been widely acknowledged in that area. It is all very well for the hon. Gentleman to sneer just because someone has a foreign name. That is not a very enterprising way in which to carry on. I am very proud of the fact that Britain has shown that it is rather better than the Germans, whom the hon. Gentleman is running down yet again. I hope that we can have a more serious debate now.

Mr. Skinner: Will the Minister give way?

Mr. Key: I certainly will not give way. I want to get on with a serious debate. We can have another exchange on the matter.

Mr. Skinner: We have got another Maastricht debate next week.

Mr. Key: I am delighted. The challenges facing the industry are well exemplified by the hon. Member for Bolsover.

The marketplace is increasingly competitive. Tourists are becoming more selective and more sophisticated. They know what they want and if they do not get it, they will not buy again—they will go elsewhere. Incidentally, there is an urgent need for better communication between providers and consumers in the tourism industry. The industry needs to do more to explain to British as well as to overseas customers how much the product has changed recently. What is the point of the ETB producing its excellent crown grading system if the industry does not explain it to the public?

Our broadcasters and publishers produce popular travel programmes and features which help to spread the word. We are grateful and hope that they will do more. But we must be willing to help them by, for example, facilitating the making of films and television programmes. The industry, local government and, indeed, central Government can all play their part.

[Mr. Key]

What tourists want—what we all want, for we are all of us experts in the art of pleasing ourselves—is quality and value for money. We want a product and service appropriate to the cash we have laid out—and, ideally, just a little bit more. That may mean simple, straightforward cooking and clean sheets—but with a smile accompanying the toast and marmalade, and flowers in the bedroom. It may mean organised and guided tours with a well-informed and entertaining commentary. In the case of Japanese visitors, it means not allocating them room numbers that include the figure 4. It may mean thinking about taking the kids back to that attraction they enjoyed so much in the summer holidays—and finding it is open in the February half-term, at a reduced price and with more staff and shorter queues.

How much better for the visitor to be greeted with a broad smile of welcome at ports of entry, on renting a car, on checking into a hotel or on entering a shop or restaurant. How much better still if this is reinforced by being able to converse in the visitor's own language. The BTA's "Winning Words" campaign has been well received by the industry as a blueprint for adopting good practices in an area in which we have traditionally been weak.

Of course, language is a two-way process. One of our greatest advantages as a tourist destination is our language. We also play host to large numbers of people —particularly young people—who come here to learn English. That sector of the tourism market is worth up to £500 million a year. We must remember that, for young people, the appeal of the country may not be so much for its heritage but in comtemporary music and pop and jazz —and, of course, fashion. And for heaven's sake, let us all be more polite and cheerful to each other and to tourists.

How many people know that it is perfectly possible to fly the Union Jack without any need for planning consent? I have it on the authority of Sir Humphrey himself that, in general, the national flag of any country displayed on a single vertical flagstaff, without any additional inscription beyond the approved design of the national flag, is exempt from planning control—if in doubt, consult the local planning authority. The rest of the countries of Europe fly their national flags; why do we not? Look around. Count the empty flag poles. Too often, even the flagpoles are missing. It is time for us to bring out the flagpoles—and fly our flag with pride.

Tourism is all about finding out what consumers want, and providing it at a price that they can afford. At our best, we can be very good at that. I have already referred to the unique opportunity for the industry to exploit the very favourable sterling exchange rate.

Caterer & Hotelkeeper got it right when it said recently:

"The survivors of the recession . . . are going to be the people and businesses who have listened to what their customers say to them, and have responded to what they hear; who have thought about the way they run their businesses and revisited all their rules and working methods . . . who are ready to tear up the rule book and start again if that enables them to give the customers what they want."

That is the sort of commonsense advice to which I subscribe. So do others, such as the Meetings Industry Association and the English tourist board, both of which have issued codes of practice—an excellent way of setting and maintaining necessary standards.

There is, of course, a need to get the industry's messages right in terms of both content and audience. I commend the ETB's work with the industry on the seaside resorts campaign—showing people in this country exactly what good-quality holidays exist at home. Local associations can also play their part. Through the "Value Rutland Group", potential visitors to the ancient county receive a "Rutland passport", which is stamped when they make purchases at different retailers and restaurants. The inducement lies in a prize draw for those with sufficient stamps on the passport. That is a splendid example of local co-operation aimed at marketing a relatively small area in a novel and innovative way.

Success can be as simple as sightseeing or farm visits. Sightseeing visits in the United Kingdom generated a record expenditure of £880 million in 1991. Revenue rose by 10 per cent. that year. Visits to farms rose by 5 per cent., and this is the second year running that farms have had the fastest visitor growth rate amongst the 10-day visit categories mentioned. Some 81 per cent. have opened since 1980—a much higher proportion than for any other type of attraction.

Of the 345 million day visits made in 1991, 76 million were to historic properties, 58 million to museums, 49 million to country parks, 34 million to leisure parks, 23 million to wildlife attractions and 19 million to art galleries. Visits to garden centres, workplaces, farms and steam railways ranged between 5 million and 15 million.

Many people believe that theme parks are not quite the thing. I think that that is misplaced snobbery. There is a balance to be struck. Neither I nor any serious player in the tourism industry would wish to see the United Kingdom turned into a large theme park. But the best theme parks have an impeccable academic provenance and respectability. Many are endorsed by leading figures in the world of archaeology and history. Just two that would fall into that category are Jorvik and the White Cliffs experience at Dover. I entirely accept that theme parks, along with visitor centres, can do much to quench the mighty thirst for education about and understanding of our historic heritage. In fact, it is increasingly difficult to draw the distinction between a traditional, museum-based approach—for example the dinosaur exhibition at the natural history museum—the entertainment-based approach of, say, Madame Tussauds, and the wider explanation that is so often demanded at world heritage sites such as Stonehenge.

I said that I hoped more Britons would decide to take their holidays at home. Apart from the relative value of the pound, the factors most likely to influence such decisions lie within the control of the industry itself. The last time a Government tried directly to stop holidaymakers going abroad, banks were required to limit foreign currency issued. I well remember my passport being stamped, and all the fiddles that went on. Did it work? Of course it did not. I have no intention of encouraging such a banana-republic mentality, which would achieve little—except, perhaps, flotillas of small boats setting off from our shores, under cover of darkness.

As a former teacher myself, I believe firmly that the future success of the industry depends on a well-trained and flexible work force, able to provide the quality and standards demanded by visitors, and increasingly familiar with the best available internationally.

The education and training system that we now have in place is responding to that need. All those hours some of us spent in the Standing Committee that considered the Education Reform Act 1988 are bearing fruit at last. The

national curriculum allows students to study tourism-related topics within main subjects. Study of a foreign language, so important in welcoming the overseas visitor, is now compulsory for students up to the age of 16.

Provision of further and higher education places on tourism courses has risen considerably in recent years. In 1986, just two institutions offered tourism degree courses, with a total enrolment of just over 100 students. By 1991, 13 courses were available offering tourism, either as a single subject or as a major component of the degree, with a take-up of well over 750 students. The Council for National Academic Awards has forecast a remarkable rise to possibly 23 courses by the beginning of the 1993-94 academic year, with upwards of 1,400 students enrolled.

General national and general Scottish vocational qualifications give a broadly based vocational qualification for people working in the industry. A wide range of NVQs relevant to the industry are available from level 1 to level 4. To ensure their continued and coherent development, the Government have funded the Tourism and Leisure Consortium to bring together lead bodies and main players in the development of occupational standards. The consortium will promote those qualifications and ensure their take-up throughout the industry.

I am urging the regional tourist boards and individual businesses—where they do not do so already—to work closely with their local training and enterprise councils to ensure that tourism issues are taken up at local level. That will mean that employers are investing in their own success and employees will have a coherent career structure.

Our tourism industry is indeed big business. But it is about small enterprise. Above all, there cannot be any industry in Britain that relies more on people—people as providers and people as customers. I do not underestimate the recent difficult trading conditions that have affected the industry, not just in the United Kingdom but throughout the world. There is, however, an undoubted enthusiasm and a strong determination to succeed.

It is very much in the nature of a debate such as this that we dwell on the problems. We can never eliminate the negative—and it would be wrong to try to do so. In seeking to accentuate the positive, however, I acknowledge the numerous messages and letters that have come from those throughout the tourist industry and across the country who have expressed a welcome for the establishment of the Department of National Heritage, and great confidence in their own ability to succeed. That includes interests based in those parts of the country that have felt the chill winds of recession most severely.

In its regional strategy for the south-west, the South-West Regional Planning Conference has articulated its key strategic principle of tourism:

"Encouragement, renewal and promotion of the region's tourist industry must be focused on the achievement of quality and the regeneration of existing resorts, with recognition of the varying physical and environmental capacity of different areas to accommodate the pressures"

The Government will indeed encourage the industry and recognise the pressures. But not according to yesterday's sepia-tinted rule book. That is not in the interests of the small businesses that make up the back-bone of the industry. Nor is it in the national interest. The Government have created the first new Department of State for 30 years specifically to uprate the importance of all those features of our national life that make Britain world famous. Tourism is the golden thread which runs through all our Department's areas of responsibility. In proposing a new blueprint for the future, we offer new partnerships and new horizons.

The tourism industry has come of age. It is a huge success. Its rich diversity and maturity are envied across the globe—and our achievements are widely imitated. It is our purpose to ensure it keeps its place, with pride, as a world-class industry.

10.19 am

Mr. Tom Pendry (Stalybridge and Hyde): The Opposition very much welcome this debate on tourism which, as the Minister said, is the first such debate for five years. It would be churlish of Opposition Members not to recognise the part played by many Conservative Back Benchers who have helped to bring the debate about. After hearing the Minister, I am sure that many of them are wondering whether their efforts were really worth while and whether the Minister's journey was necessary.

The Minister promised us the big picture, and he gave us the small screen. Simply trotting out figures and statistics that we could have obtained from the House of Commons Library is no substitute for Government policy which should relate to the problems facing the industry.

The Minister gave us an impressive shopping list of future visits. My colleagues who are shadow National Heritage Ministers would very much like to participate in some of those visits. However, when my hon. Friend the Member for Cynon Valley (Mrs. Clwyd) wanted to go to Dover to see some heritage sites, the Fees Office asked her to pay her own fare. We are therefore limited. It is a disgrace that the Opposition cannot pursue their proper function without having to pay the fares involved. I hope that the Minister will rally to our cause because very soon, of course, he will be in opposition himself.

People, particularly those in the tourist industry, must have been bitterly disappointed by this week's Budget which gave the industry very little. I did not hear the Minister bemoan that fact. I need hardly tell him that there is great foreboding, despite the picture he painted, within the tourist industry about the Government's lack of commitment, and in particular the lack of commitment of the National Heritage Department, for the industry.

Morale within the English tourist board and the British Tourist Authority is at an all-time low. The English tourist board in particular, with 40 redundancies recently declared, is at a low ebb. Is it any wonder that William Davis has resigned from the chairmanship of both the ETB and the BTA in utter disgust at the way in which the Government view tourism in this country? He believes that a fragmented industry like tourism, made up mostly of small business men, needs Government help if it is to prosper. The Opposition share that view.

I accept that the Minister cannot be blamed for all the ills facing the industry. In the past decade, there have been numerous acts of treachery by a host of Ministers responsible for tourism.

Mr. Gyles Brandreth (City of Chester): The hon. Gentleman said that the industry is very fragmented and comprises many small businesses. Those are the very businesses that will have welcomed the Budget, as it was a deregulating Budget, which modified VAT thresholds and increased the loan guarantee scheme. It was actually a Budget for small businesses. The tourist industry reflects

[Mr. Gyles Brandreth]

the economic climate. As that economic climate improves—and the Budget will help that—so the tourist industry will benefit.

Mr. Pendry: Once more, the hon. Gentleman shows that he is absolutely out of touch with reality. Those of us who have been in touch with people in the industry over the past few days since the Budget know that that is not the case. At best, many of them are saying that it is neutral. However, the Budget is certainly not welcomed.

During the decade in which the treacherous acts occurred, every sponsoring Department cut funding and reduced staffing levels at the BTA and ETB. Therefore, perhaps we should not have been surprised that the Chancellor did not do overmuch for the industry in his Budget. When the Chancellor was the Trade and Industry Minister responsible for tourism in 1983, he cut the grant to the BTA and the ETB. That resulted in 50 job losses.

In 1989, the current chairman of the Conservative party, then the Secretary of State for Employment, announced changes that resulted in 150 job losses. Now, in 1993, out of a total United Kingdom establishment in those boards of 340, 72 posts have been lost as a result of cuts in funding by the current patron of tourism—the Department of National Heritage.

The situation is bound to worsen this year and next unless the projected grants in aid to the ETB for 1994-95 and 1995-96 is restored to current levels. Any cut in funding to the ETB is bound to have a dramatic effect on the BTA. I accept the praise that the Minister heaped on the British Tourist Authority, but it is no use his playing one off against the other.

Both organisations have been inextricably linked for more than a decade through the establishment of common services departments. That relationship has had to change this year, with the BTA increasing its share of the common costs. If the funding for the ETB continues to decrease, it is obvious that the BTA will be forced to absorb the whole cost of common services—a cost which it cannot afford to bear.

Those additional costs come on top of the reduced spending potential of the BTA's grant in aid following the devaluation of the pound. That will dramatically reduce the BTA's overseas spending capacity by, some say, up to 15 per cent., as most of its expenditure, as the Minister is aware, occurs overseas and is payable in local currency.

Even a Select Committee on Employment report in 1990 recommended that an increase in funding for the BTA's overseas marketing would produce significant returns. Without adequate resources for the BTA, the United Kingdom is unable to compete effectively for the international tourist trade. In 1991, Aruba—a small South American country in the Cayman islands—spent more on destination advertising in the USA than Britain. That is a disgrace.

The way in which tourism has been shunted around from Department to Department and from Minister to Minister has not helped to stabilise the industry or helped its morale problems, However, the buck now stops with the Under-Secretary of State for National Heritage. He must carry the can from now on. To show the feeling out in the real world, I want to quote from an editorial in the latest publication of Travel GBI:

"The government is supporting neither tourism in general, nor England in particular. No-one in Cabinet is fighting tourism's—or England's—corner. Ministers need to be made aware that the patience of the United Kingdom tourism industry is exhausted and that the time has come for action. Perhaps withdrawing Robert Key's invitation to British Travel Trade Fair, where he would bask in the reflected glory of a battered but still remarkably successful industry which neither he nor his colleagues have done anything to support, would be a start."

I do not know whether that invitation has been withdrawn, but an invitation to that fair is winging itself to me as I speak.

What are the major casualties of the current cuts? They include the elimination of the common services division set up by the right hon. Member for Kingston upon Thames (Mr. Lamont) in 1983. I am told that its director and a number of staff have been made redundant, and were given five days to clear their desks. That is, of course, no way to behave towards staff who served tourism so loyally over the years. However, what is worse, they have taken with them a wealth of knowledge and experience, particularly in areas of information collection. Perhaps the Minister would inform the House whether the future of £2·5 million tourism database is secure.

Another casualty of the cuts has been the tourism resource library—a net revenue earner, and the only tourism reference resource if its kind in the country—which is invaluable to industry and educational bodies. The abolition of the post of resource manager threatens the continued publication of three widely used research reports. I understand that messages of concern are flooding into the boards in respect of the future of those reports. Will the Minister give the assurance that that fine service will not be eroded along with the jobs?

The tourism information centre network is one of the ETB's major achievements. It has taken 21 years to build it up, and it has been instrumental in spreading the benefits of tourism throughout the country. However, many at the ETB believe that the network cannot survive with so many of its team being made redundant. The loss of the BTA's product marketing department will affect the board's ability to stimulate the marketing campaigns which have so often generated a huge amount of free press coverage for Britain.

The list that I could recount to the House of the important areas of activity that will be affected by Government cuts is indeed long. I hope that other hon. Members will deal with areas of concern other than those that I have highlighted. However, it is clearly absurd for the Secretary of State to maintain:

"the case is now much less strong for central Government funding of the promotion of tourism in England."—[*Official Report*, 13 November 1992; Vol. 213, c. 997.]

I know that Conservative Members, who perhaps are being rather loyal today, nevertheless share that view.

Is it any wonder that the staff of the English tourist board, who were not given the opportunity to contribute to the review to which the Minister referred, reached that conclusion and are at a loss to understand how the Government, who purport to support the tourist industry, can allow such destructive cuts to be made?

Is it not ironic that, at the time that the Government were announcing a reduction of £6 million in their funding to the English tourist board over the next three years, they managed to find £6 million to support an arts festival in celebration of the Prime Minister's uneventful presidency of the EC? Why were not the commercial friends of the

Tory party asked to stump up that cash, instead of taking it from tourism? I bet that the hon. Members for Cornwall, North (Mr. Tyler) and Cornwall, South-East (Mr. Hicks), who is not in his place, would have loved to see a slice of that money, as would other hon. Members from both sides of the House. It is amazing how easily the Government can abandon their commercial principles in such situations.

The March edition of *Holiday Which?* graphically points out that the historical sights of Britain leave a lot to be desired, yet we have relied on the historical significance of those sights in the past to attract visitors. It is clear that there is an urgent need to face ever-increasing competition from abroad.

As the Minister said, it was a welcome initiative of the English tourist board to launch its £650,000 campaign to promote English seaside resorts in 1992. It is vital that our domestic tourist market be promoted, but £650,000 is a relatively small figure when set against the £100 million which tour companies and overseas Governments spent last year in persuading Britons to holiday abroad.

With the Minister commending the English tourist board's initiative, it is disgraceful that the Government turned down a request to give a mere £150,000—the same amount as that provided in 1992—for this year's initiative. I hope that the Minister will reconsider that matter and perhaps do something about matching those funds.

Britain's tourist industry needs resources to develop its considerable potential for growth. Let us face it: how many potential areas of growth are there at present? The Government must invest more if Britain is to maintain its share of tourist receipts in the face of increasing competition from abroad—especially from the United States, France, Italy and Spain. While it is right and proper that Britain needs to spend substantial sums on promotion overseas to maintain the increasing incoming tourism to this country, it is equally important that the Government increase funding for the promotion of United Kingdom holidays to the domestic market, because it helps to create and maintain jobs and naturally has a positive effect on the balance of payments.

As Baroness Young pointed out in another place, the tourist industry is the fourth highest earner of invisible exports. Indeed, if restaurant and theatre earnings were included, tourism would be the highest invisible export earner. In 1991, invisible earnings grossed £109 billion, producing a surplus of £7·5 billion, compared with a £10·3 billion deficit on visibles.

Clearly, the cuts to the English tourist board and the British Tourist Authority will not help the situation in future. Many small hoteliers do not have the clout to promote themselves in domestic or overseas marketplaces. Of course, the Government may well feel that the recent devaluation of sterling and the general recessionary pressures will camouflage the underlying problems of our tourist industry, but is it not ironic that the biggest boost to United Kingdom tourism comes from the Government's own economic failings?

The proportion of overseas visitors to the United Kingdom is not all good news, either. Recent figures show that a high proportion of overseas visitors are here, as the Minister acknowledged, on business and not pleasure. One might surmise that they are foreign salesmen engaged in activities that will increase the United Kingdom's import bill. From any close analysis, it becomes abundantly clear that the economic potential of the tourism industry is not being realised, and that the United Kingdom's competitive performance is in decline, despite what the Minister said this morning.

I hope that the Minister had an opportunity to read the fine publication from the National Economic Development Council's working party on competitiveness in tourism and leisure. That body gave an informative insight into the current state of the British tourist industry, which is perhaps why it was abolished in June 1992. Figures from the report highlighted the fact that the United Kingdom's share of world arrivals was the same in 1990 as it was in 1970. Indeed, the share in receipts generated from those arrivals declined from 6·1 per cent. in 1970 to 5·6 per cent. in 1990. *[Interruption.]* It is no good the Minister chuckling at those figures.

Mr. Key: That is an entirely false way of looking at those arguments. If one is looking at the massive development in the world market, it is not surprising in the least. The hon. Gentleman should address the fact that Britain remains one of the top six destinations in the world. He should be proud of that fact, not denigrate it.

Mr. Pendry: I will not give way too much to the Minister, who distorts the argument. I shall continue with my speech. I shall make a much more constructive speech than he gave.

According to the provisional figures issued by the World Tourism Organisation, the picture has worsened in 1991 with the United Kingdom's share of world arrivals falling to 3·7 per cent. while its share in receipts fell to 4·9 per cent.——

Mr. Brandreth: Will the hon. Gentleman give way?

Mr. Pendry: No, not again. I know that many hon. Members want to speak, including the hon. Gentleman.

Overall, investment in the tourist industry for the first half of 1992 declined by £2 billion compared with the same period in 1990. That is happening at a time when capital values for hotels have fallen dramatically throughout the country. A record number of hotels are in receivership. Soon, the banks will own more hotels than the major hotel chains.

Mr. Nigel Waterson (Eastbourne): Will the hon. Gentleman give way?

Mr. Pendry: No, I will not. One of the most significant reasons for the lack of investment and development in new tourist facilities is the withdrawal of section 4 grants to England in 1989. The Scottish and Welsh tourist boards operate with rather more help from central Government. They receive a constant level of grant in aid, as well as section 4 assistance. Also, the national boards for Wales, Scotland and Northern Ireland have independent powers to market overseas: England does not.

I read in the current edition of *Tourism Enterprise* that, following a delegation to the Minister, the hon. Member for Cornwall, North said:

> "When asked why it was that tourism in Scotland and Wales had maintained their funding levels whereas the ETB funding had been drastically cut",

the Minister allegedly said:

> "they had a Minister batting for them".

If that is true, it is a disgracefully complacent remark. We had hoped that the Minister was batting for England when his colleagues were batting for their boards.

Mr. Key: No.

Mr. Pendry: I am glad that the Minister is denying that. I hope that the hon. Member for Cornwall, North will put his own point of view if he catches your eye, Mr. Deputy Speaker. I hope that the Minister will address the remarks of William Davis, who said:

"The Ministers for Scotland, Wales and Northern Ireland clearly take a different view of the domestic market than the Department of National Heritage. In the next financial year, for example, Scotland and Wales will each receive almost as much money from the Government the ETB and the 11 English regions combined. It is a pity that there cannot be an agreement on a common policy."

I concur with that, because many regions of England are every bit as deserving of those grants as Scotland and Wales. There seems to be a clear lack of fairness and balance in the allocation of those grants. The Minister must address that imbalance, as there has been an increasing fragmentation of the tourist industry in recent years.

If the United Kingdom is to improve its competitiveness, every organisation that is contributing an element of the total holiday experience must play its part. Mr. John Lee, who is a former Member of the House and a former tourist Minister, stressed, in an article in this month's *Leisure Management*, that he favoured an increasing partnership between the private sector, local authorities and the Government. If ever he was considered—rumour has it that he was—as a replacement for William Davis as chairman of the BTA and ETB, he blew it when he stated in that article:

"There is a clear need to convince government of the importance of increasing tourism funding, and that means making individual MPs more aware of the role of tourism in their own constituencies . . . I have always argued for government to give more funds to the industry."

He also shared a belief with the National Economic Development Council that a national body is needed to co-ordinate and bring the regional tourist boards together, ensure participation in national schemes and also lobby and advise Government on tourism in England.

Mr. Waterson: In his discussions with hoteliers and the like in his constituency or other constituencies, has the hon. Gentleman ever made clear to them the implications for their businesses of his support for the social chapter, the continuation of the wages councils and other anti-competitive measures which would effectively put many hoteliers out of business?

Mr. Pendry: I am amazed by that intervention. If the hon. Gentleman were to look at some of our competitor nations in Europe who have the social chapter and a minimum wage and at the graph in *Holiday Which?* this month, he would see that those nations are much more competitive than we are, even with those wage levels. Anyone can go to the Library and read that; it is a fact.

Some local authorities within my region of the north-west are already working with the private sector to market and develop their tourist attractions, but, without adequate funding at national level, the regions cannot co-ordinate their efforts. The potential success of implementing a policy that pulls all the tourist attractions in a region together and selling that region to tourists across a wide range of attractions is clearly the way forward.

We really do live in a beautiful country, and we do undersell it. If one looks at the north-west, for example, where my constituency lies, we can see the North-West tourist board actively working closely with local authorities and the ETB to develop new tourist site opportunities, as well as infrastructure improvements on existing areas of interest.

Let us take Blackpool. I am sure that, if the hon. Member for Blackpool, North (Mr. Elletson) catches your eye, Mr. Deputy Speaker, he will expand on the tourist industry in Blackpool. I understand that Blackpool is embarking on a scheme such as I have described. Blackpool council is working with Blackpool Pleasure Beach and Blackpool Leisure Co-operative—two of the area's major private leisure industries. Blackpool football club is developing a super-stadium for not only its soccer team—which is not doing quite so well as it should at the moment—but for Pavarotti or Madonna concerts. It is also developing a new built-in hotel complex.

Liverpool council is also working with the private sector and British Rail to provide visitors to the city with complete tourist packages. Those exciting developments, coupled with the natural beauty of the Pennine range and the nearby Lake district, should be expanded upon in a regional context, but we need an English tourist board with resources to bring them together within a national strategy.

While I am dealing with the north-west, and perhaps wearing the shadow Minister for Sport hat, I must ask how the Government can be committed to the Manchester 2000 bid and not develop the tourist industry to the full in that region. I can tell the Minister from my experience that the International Olympic Committee members, and particularly their wives, have to be sold a diverse and interesting package of tourist and leisure facilities alongside the sporting ones on offer.

Opposition Members and, I suspect, many Conservative Members believe that investment in Britain's tourist industry is vital. It may well be that the sun, sea and sand sightseeing tour which dominated the 1980s is in decline. The forms of tourism that are expected to grow faster in the next decade are cultural tourism, active sport-related tourism and rural tourism related to local crafts and products. Those forms of tourism can make Britain's climate less of a drawback and its historical heritage an even greater asset.

We need a tourist policy that takes advantage of the EC action plan, because it is chiefly in the context of regional development plans that EC funds can be accessed. The debate gives us all the opportunity to give the Government notice of the hon. Members who represent constituencies throughout the land want—indeed, they are determined to ensure that tourism is taken seriously and funded properly. I certainly welcome the Minister's statement that we shall now have an annual debate on tourist. The more debates we have the better. The tourism industry deserves nothing less.

10.44 am

Mr. Michael Jopling (Westmorland and Lonsdale): I begin by commenting on two of the points that my old friend the hon. Member for Stalybridge and Hyde (Mr. Pendry) made. First, I associate myself with his welcome for the creation of the Department of National Heritage to embrace tourism. That seems a logical place to put tourism. In recent years, as the hon. Gentleman said, we have had too much of tourism being bandied from

Department to Department simply because a Secretary of State felt that he did not have enough work to do or enough responsibility. That is no way to treat tourism.

I am glad that my right hon. Friend the Secretary of State and his team are now looking after tourism within the context of their overall responsibility. However, I did not agree with the hon. Gentleman's comments on the Budget. It is appropriate that the debate on tourism comes in the middle of the wider debates on the Budget in which the House is engaged. The Budget has been warmly welcomed by many people, especially people in the tourist industry, who largely own small businesses.

I quote as an example a letter that I received, funnily enough, only yesterday from the chairman and managing director of one of Lake district's largest hotel groups. He said:

"On a personal note, I thought the Chancellor's budget was strategically very sound for the long term interests of the country."

To demonstrate his impartiality, he followed that up by saying:

"This is the first kind thing I have said these last 3 years of either him or his predecessor."

The Budget was good for the tourist industry.

Of course, I am principally interested in the tourism industry in the Lake district, which I have supported for many years in the House and about which I have spoken on many occasions. It is by far the most important industry in the Lake district. It involves 40,000 jobs directly and indirectly, and has a turnover of £364 million.

The Budget has been warmly welcomed. That comes on top of the welcome given to the abolition of the wages councils. The various VAT concessions in the Budget are warmly welcomed. So, too, are the new arrangements for capital gains tax, which will be helpful to many of my constituents.

The third particularly welcome factor is the freezing of transitional help with the uniform business rate. That has been warmly welcomed. However, in that context, I wish to make a point that is not the direct responsibility of my hon. Friend the Under-Secretary of State for National Heritage. I shall take it up in the next day or two with the Treasury. However, I should like my hon. Friend to look into the problem, which I regard as serious. It is summed up in a letter that I was handed literally on my way to the Chamber this morning. It is from one of the largest firms of chartered surveyors, which is a specialist hotel rating valuer in the north of England. The firm, which is based in Leeds, expressed to me its serious anxiety about the way in which its appeals against rating assessments, in the hotel industry in particular, are being dealt with in Cumbria. First, it refers to the delays at the Cumbria valuation offices. The letter states:

"We had a period of 18 months when the valuer who had dealt with hotel business rating was taken off that work to carry out Council Tax work and in that period, no progress was made."

The revaluations have caused my constituents great difficulties and for their appeals to be delayed in that way is very serious.

I apologise for raising this subject in the presence of my hon. Friend the Member for Harrogate (Mr. Banks), but the same firm has brought another factor to my attention. The letter states:

"The Lake District rateable values represent a disproportionate comparison with potential trade, and as compared to other areas such as York and Harrogate where we have successfully obtained reductions of between 25 per cent. and 50 per cent. of rateable values, the Valuation Office in the Cumbrian area seems not to be prepared to listen to logical and realistic argument."

I am sure that my hon. Friend the Minister will agree that those are serious allegations and that they are harmful to the tourist industry. I hope that, with me, he will look into them with the Treasury.

Mr. Key: My right hon. Friend will recall that I had the honour of serving as a Minister with responsibility for local government finance and I understand the importance of those issues and the way in which they can, we hope, be sorted out. I will draw those important matters to the attention of the Minister responsible for local government and I very much hope that a solution will be found.

Mr. Jopling: The Minister is exceptionally helpful. Finally, perhaps my hon. Friend might be good enough to take up, or bear in mind, a third matter that has been drawn to my attention by the same firm, which told me that some people in the hotel industry are paying too much. The letter says:

"but what I am also concerned about are the people that do not seek professional advice and I am finding in many cases are paying far more in rates than should be necessary."

That is a serious matter, which causes me a great deal of concern.

In an admirable opening speech, the Minister said that the tourist industry is fiercely competitive, and so it is. Countries throughout the world are spending huge budgets to try to entice tourists. We know how popular foreign travel is becoming. We also know that, with the coming of the channel tunnel, more of our citizens are likely to be tempted into the delights of foreign travel, which will put pressure on our domestic tourist industry. Small fragmented businesses—many family controlled—face the problem of massive bills for publicity, which is essential for the success of the tourist industry.

I speak for all of the north of England, and I believe that a massive publicity effort is essential to publicise the region. I am frequently amazed that so many people in London and the south of England have a negligible knowledge of the north of England. Too often, overseas tourists and many of our citizens spend time visiting London, Stratford, and perhaps Oxford and Cambridge, but then take a jump up to Edinburgh, ignoring the north of England.

I shall give two examples of what they are missing. I am astonished at how few people in this country are aware of Durham, which is one of the almost unknown glories of England. Anyone who has been there never forgets it. Also, few people know the English Lake district where, as the House knows, we have one of the world's greatest heritage sites. Apart from the beauties of the lakes and mountains, there is the rich heritage of Wordsworth, De Quincey, Coleridge, Ruskin, Beatrix Potter and Arthur Ransome, to meet all tastes. I do not need to explain that to the Secretary of State, whose knowledge, interest and participation in the Lake district is so well known—especially his active participation in Dove cottage, the old Wordsworth home.

How are those massive and essential publicity schemes to be financed by businesses that are generally small and family run? That question demonstrates why the role of the regional tourist boards is so vital. Cumbria is well served by the Cumbria tourist board, which does a fine job under the presidency of our old friend Willie Whitelaw and the chairmanship of Mrs. Sheila Hensman. They get only

[Mr. Jopling:]

one quarter of their £1·8 million budget from the Government and the rest is raised locally, so there is no question of the Cumbria tourist board lying back and expecting the Government to do everything for it.

I welcomed the Secretary of State's statement that central Government support for the regional tourist boards will be maintained, as that is essential and it is not as though the Government are supporting everything. They are making a vital, minority contribution and most of the money is being raised locally. What concerns me is that the continuation of such support is likely to denude the English tourist board of much of the budget that it needs to do all the other things besides supporting regional tourist boards.

I have been told that as a consequence of the new arrangements, the budget of the English tourist board, after it has financed the regional tourist boards, will be reduced from about £8 million to about £2 million. I know that many of my constituents are worried—they have told me so—about the effects of such a large reduction in the activity of the English tourist board. Again, I shall quote from a letter that I received yesterday from the chairman of one of the largest hotel groups in the Lake district. Speaking of the importance of the English tourist board he says:

"Because of this fragmentation"—

of the industry—

"it is vital that there is a 'central' organisation to look at standards; education and training; product development".

I am alarmed about the reduction in available money, but, above all, my constituents are outraged about the issue on which the Minister was kind enough to give way to me during his speech—the totally dispropotionate amount of money that will be available to Wales, Scotland and Northern Ireland in the financial year 1995-96. They can see no justice in the English tourist board getting £9 million from central Government when Wales gets £13·8 million, Scotland £14·2 million and Northern Ireland £11·5 million. It has been suggested, for example by the Opposition Front-Bench spokesman, that the reasons for the discrepancy are that the Secretaries of State for Wales, Scotland and Northern Ireland are more enthusiastic and vigorous in their support for tourism, and my hon. Friend the Minister did not dispel my suspicions in his reply to my intervention. That simply will not do. There is no reason to treat England in a niggardly way. I hope that the Government will look at the matter again, because my constituents see no reason whatever for such disparities.

10.59 am

Dr. Lynne Jones (Birmingham, Selly Oak): I am about to be interrupted by the forthcoming statement, but I shall start. I welcome this opportunity to raise an issue that has caused me some concern since last summer, when one of my constituents visited my surgery. It is the issue of holiday insurance, especially as it relates to coverage for accidents and illness abroad. Ironically, by raising the matter, I may do something for the home tourist industry, which is obviously important. I shall disgress slightly.

It being Eleven o'clock, MADAM SPEAKER *interrupted the proceedings, pursuant to Standing Order No. 11 (Friday sittings).*

Liquor Licensing

11 am

The Secretary of State for the Home Department (Mr. Kenneth Clarke): I apologise to the hon. Member for Birmingham, Selly Oak (Dr. Jones) for interrupting her speech.

With permission, I should like to make a statement. I am today publishing a consultation document inviting comments on a number of proposals for possible further changes to the liquor licensing laws of England and Wales.

It is nearly five years since the Government's last substantial reform of this area of the law took effect. The Licensing Act 1988 allowed public houses and other bars to stay open on weekday afternoons and for an extra hour on Sunday lunchtimes. It also introduced certain other procedural reforms and tightened up the law on under-age drinking. That measure is generally regarded as a success.

In keeping with the Government's step-by-step approach to reform in this area, the time is now right to consider what further changes are desirable to ensure that licensing laws are kept up to date.

The first of the proposals in my consultation paper is the replacement of the absolute discretion that the licensing justices currently enjoy over the grant of most licences. I propose that the only grounds on which such applications might be refused in future should be specified in statute, as has been the case in Scotland for well over a decade. This change should, I believe, make the licensing process clearer for all those involved with it, and also more consistent in its application throughout the country.

The grounds on which an application for a licence might be refused are set out for comment in detail in the consultation paper. Briefly, they concern the suitability of the applicant to hold the licence, the suitability of the premises for the purpose for which they are intended and whether the use of the premises for the sale of drink is likely to cause public nuisance or a threat to public order and safety.

We will also consider the important issue of whether under any new arrangements the licensing justices should continue to have the power to refuse new licences because, in their view, there are already sufficient licensed premises in that particular locality, and therefore no need for a new one.

I appreciate that this is a question on which strong opinions are held on both sides. My consultation paper sets out for comment the arguments for and against the inclusion of any "need" criterion among the grounds for refusing a licence. The Government have not yet made up their mind either way on this issue, and will consider very carefully the responses to this section of the consultation paper.

The second proposal is the introduction in England and Wales of a system of children's certificates for the bars of licensed premises similar to that which came into operation in Scotland in January 1991. This would permit, after a successful application to the licensing justices by the licensee, the admission of accompanied young children under 14 years of age into suitable bar premises in certain defined circumstances—for example, for a family meal—and then only up until, say, 8 o'clock in the evening. These arrangements have worked well in Scotland, and it is time to consider their introduction south of the border.

Coupled with this is a third proposal for the introduction of a new category of licence which would authorise the sale of alcoholic drinks in café-style premises, without a bar counter, provided that food and non-alcoholic drinks were on sale at the same time. Accompanied young children ought, we think, to be allowed into such premises, but again perhaps only up to a set time in the evening.

The Government would welcome views on both the principle and the detail of these proposals, which are aimed at providing greater choice for the customers of licensed premises, particularly families with young children. They should also encourage competition and generally higher standards of provision for customers, assist the tourist industry and help to promote the further development of premises for civilised moderate consumption of alcohol, instead of heavy drinking.

I must emphasise that, although these proposals envisage greater access by accompanied children to licensed premises than is now permitted by law, the Government have absolutely no intention of relaxing the prohibition on the sale of alcohol to young people under 18, and their consumption of it in the bars of licensed premises.

The final proposal set out in the consultation paper is the abolition of the Welsh Sunday opening polls, following any which might be called in 1996. Only one Welsh district is now dry on Sunday, and the Government believe these polls have become increasingly anachronistic, as well as unjustifiably costly. This is, I am glad to say, essentially a matter for my right hon. Friend the Secretary of State for Wales.

I am asking that comments on all the matters set out for consultation in the paper, other than those simply concerned with the Welsh polls, be sent to the Home Office by 30 June this year. Comments on the future of the Welsh polls should be sent direct to the Welsh Office by the same date.

Mr. Tony Blair (Sedgefield): I thank the Home Secretary for his statement. Does he accept that, as in Scotland, there must be rigorous controls on the granting of children's certificates? Does he agree that their purpose is to allow families to enter pubs together, not to encourage children to drink? Given the enormous problem of under-age drinking in Britain and the link with crime, will he endorse and implement his Department's proposals, set out almost six years ago, to prevent under-age drinking?

How many café bars have been licensed in Scotland? Does he recognise that the success of café bars abroad is at least as much due to the habits and traditions of the countries as to their licensing laws? Potentially, the most far-reaching part of the statement is the proposal canvassed in the White Paper to remove the criterion applied by licensing justices of "public need" when deciding whether to grant a licence.

I entirely agree that there should be much greater consistency in the granting of licenses, and that the criterion of public need should not be used simply to fortify a local monopoly or to deprive local consumers of choice. However, I should like to offer the Minister a strong counsel of caution in this area.

First, does he not understand that, in abandoning an anti-competitive view of public need, he should not abandon the whole notion of public interest? There may be good reasons—to do with disturbance to local residents, the character of a town or village or the dangers of trouble and difficulties of policing—to limit the number of pubs. The interests of local people should not be cast aside simply in the commercial interests of those who want to open more public houses.

Secondly, does the right hon. and learned Gentleman agree that the problem in many parts of the country is not the number of pubs that want to open and are prevented from doing so by the licensing laws, but the number of pubs that are closing and being boarded up? Does he accept that, whatever the motivation of the Monopolies and Mergers Commission report of three years ago, when the brewers had to sell off pubs, last year was the first year since 1960 that the number of licensed premises fell? There are now 2,000 fewer pubs than there were in 1989, and there is a greater concentration of ownership.

Does the Home Secretary agree that the practical consequences of his proposals should be their test? Will he comment specifically on recent reports from Australia that deregulation has led to lower standards and a spate of liquidations? If regulations on the numbers of pubs are relaxed and families use pubs more often, as many want to do, is there not a powerful case for that to be balanced by a much stronger and better defined criterion of a fit and proper person to hold a licence? Is it not high time that some form of structured training and qualifications were demanded along with the licence?

These important proposals can dramatically affect the leisure of our people and the culture of our country. Will the Home Secretary ensure that they are subject to genuine and open consultation, going far wider than the vested interests simply of the industry concerned, so that the right decisions in the public interest are taken?

Mr. Clarke: I agree with the hon. Gentleman about under-age drinking. Our proposals must be accompanied by continued stringency to avoid under-age drinking. We are talking about encouraging families to have access to premises in suitable circumstances, where the licensed justices agree that the environment is a suitable one for families to gather in. It could be argued that we could help to tackle the problem of alcohol abuse by introducing children to the moderate consumption of alcohol in civilised settings and more up-to-date circumstances in the company of their families.

About 1,000 café-style licences have already been granted in Scotland, and the innovation appears to be a success. Many people in this country are accustomed, when abroad, to being able to consume alcohol in a variety of circumstances, not just British pubs. Many foreign visitors to this country are perplexed at the narrow range of premises where alcohol is available. It is worth looking to see whether we should follow the Scottish precedent.

I share the caution of the hon. Member for Sedgefield (Mr. Blair) about whether need should be taken into account when granting licences. I accept that we must canvass carefully and ensure that we protect any legitimate public interest when deciding whether to open new premises. We must be certain that the licence holder is a fit and suitable person, and I will consider the suggestion that we should define the role carefully.

We must ensure that the premises are suitable in every way—that includes considering the impact on the surrounding area of the premises to be licensed. Public

[Mr. Clarke]

order and safety are also important issues. We must consider whether, having considered all those aspects, need also constitutes a criterion.

It is true that some pubs have closed in recent years, but there are still 13,500 more licensed premises than there were 10 years ago. The recent changes are the result of the changing commercial pattern and changes in living habits. The proportion of the population who were accustomed to going to traditional pubs has fallen, and more people now consume alcohol at home within the family environment, and look to different forms of leisure and entertainment. It should help the licensed trade, the tourist industry and other sectors if we update the licensing laws, make them more flexible and allow alcohol to be consumed in a greater variety of premises.

The hon. Gentleman stressed the importance of undertaking the widest possible consultation, and I agree with him strongly about that. A weakness of public consultation in this country is that, all too often, the only responses that the Government receive are from predictable, often legitimate, vested interest lobbies. It is difficult to achieve a genuine consultation process that involves the general—the man and woman in the street. We need to receive the public response to our proposals, together with the responses of vested interest groups.

Several Hon. Members *rose*——

Madam Speaker: Before calling other hon. Members to speak, may I ask for brisk questions and answers, as the statement is eating into today's debate?

Mr. Harry Greenway (Ealing, North): I congratulate my right hon and learned Friend on his statement, which will help to resolve the problems of the serious increase in drinking by the under-nines that was highlighted in a recent report—the numbers have doubled in recent years.

Will my right hon. and learned Friend consider the important issue of public houses being able to stay open longer? Only three months into the single market, 10 per cent. of the drinks brought to this country by one means or another come from the European Community. There has been no prosecution, and there are no proper guidelines on that subject. What can be done about that? If we do nothing, there will be no pubs left.

Mr. Clarke: Customs and Excise should be enforcing the law against abuses of the single market provisions that have come into effect. I share my hon. Friend's concern about the impact that the changes are having, particularly on the south of England. My proposals should enable us to counter those effects to some extent if they enable the owners of English licensed premises to contemplate more attractive and up-to-date ways of offering alcohol for sale —undoubtedly, home-sold alcohol.

Mr. Paul Tyler (North Cornwall): While welcoming in principle the move to lay down criteria in statute, I share the caution already expressed and wish to make three specific points. First, will the Home Secretary look again at the complicated and confusing rules relating to types of drink? Secondly, does he propose to look again at the extension of licensing hours as a follow-on from today's statement? Thirdly, will he comment on the need to tighten up the measures relating to the provision of alcohol to drivers? Is it not time to consider incorporating into law some undertaking to enable the licensee to take away the car keys of a driver to whom he is selling alcohol?

Mr. Clarke: I am not sure what the hon. Gentleman means when he speaks of the confusion over types of alcohol. If he writes to me, I will give him a considered response.

I am not canvassing further changes in licensing hours in the consultation document, as the hours were changed only recently and I am not aware of any widespread demand to reconsider them. I anticipate that people will respond to many aspects of the licensing laws once the document goes out to consultation, and we will consider the responses.

There is far more respect now for the breathalyser and drink-driving laws, and there has been a welcome change in the public's attitude. We are always looking at ways to improve the enforcement of the law, and I shall certainly consider the hon. Gentleman's suggestions, although they are essentially matters for the Department of Transport.

Mr. Barry Field (Isle of Wight): My right hon. and learned Friend's announcement today will be warmly welcomed. As he probably appreciates, the Isle of Wight licensing bench is one of the largest in the country. I believe that its clerk has, from time to time, advised my right hon. and learned Friend's Department on regulations.

One of my constituents, Mrs. Sketcher, has had her licence refused only this week. Her premises are unusual, but highly popular with visiting yachtsmen from the East Cowes marina. The island attracts many overseas visitors to events such as Cowes week, and they can never understand the peculiar licensing laws affecting who can enter pubs in this country.

Is there any possibility of today's announcement dealing with the serious restriction on the off-licence trade imposed by the Sunday licensing hours operating only between 12 noon and 2 pm, which is a cause of great irritation to visiting yachtsmen to the Isle of Wight who cannot restock their victuals in time to catch the start of a race?

Mr. Clarke: I think that our licensing laws have been a source of bewilderment to most overseas visitors for many years, but they are improving and are less confusing than they were. I think that the Isle of Wight will undoubtedly benefit from the changes that we are canvassing. The proposals will make clear the grounds on which licences can be refused and, in some cases, will allow discretion to be exercised.

I would not presume to comment on the premises in the marina mentioned by my hon. Friend, about which I am sure the Isle of Wight licensing justices know more than I do. We are not canvassing further changes in the licensing hours, as the House discussed that subject only five years ago. If the response to the consultation document reveals a widespread feeling of the sort anticipated by my hon. Friend, we shall consider including that subject the next time the House considers legislation on licensing laws.

Mr. Dennis Skinner (Bolsover): Is there any truth in the rumour that today's statement should have been made yesterday, but the Home Secretary could not get to the House of Commons as he was stuck at Cheltenham guzzling ale?

Does the Home Secretary realise that some people in the House and many outside believe that, the last time the law was changed, it marked a retrograde step, and that the present proposals will make matters even worse? The idea of taking young kids into cafés and other places when they are 13 and 14 years of age and educating them on drinking is nonsense. The Government will be putting it on the national curriculum next—but that is about as much as we can expect from a Government who are concerned not about the social fabric of society but about putting money in the pockets of brewers, who then transfer it to the Tory party. What can we expect from this place, when there are 16 pubs in the Houses of Parliament?

Mr. Clarke: First of all, not a drop of ale passed my lips yesterday at Cheltenham, which seemed a suitable place in which to celebrate my right hon. Friend's Budget, which was being discussed in the House. It received a warm welcome among the crowds at Cheltenham and elsewhere, and I have returned to my duties today.

The hon. Member for Bolsover (Mr. Skinner) said that the reforms of five years ago were widely unpopular. As so often, he is completely out of touch with public opinion, and reactionary and out of date in his views, which are not in tune with modern society. His idea that we propose introducing children to traditional pubs shows a complete misunderstanding. Justices will not give children's certificates unless they are satisfied that the setting is suitable. But the hon. Gentleman must be one of the few people who defends the idea of families sitting on a sunny day in the garden of a public house in a perfectly civilised setting enjoying their day out and then, if it rains, not being allowed to take their children into the building even though there may be a perfectly suitable part of it in which children could be introduced to liquor in civilised surroundings or spend time with their families.

Consultation always gets more than one reaction, but I think that the hon. Gentleman's reaction is that of an embittered, left-wing and rather out-of-date reactionary.

Mr. Simon Coombs (Swindon): I welcome my right hon. and learned Friend's recognition of the needs of families with two parents and children who can be introduced with no danger to public houses and other places where liquor is available. May I draw to his attention the real problems resulting from older teenagers, perhaps from broken families, who tend to drink in pubs until late at night and then go out into communities smashing shop windows, urinating in gardens and causing a hullabaloo that disturbs the peace of law-abiding citizens? Will the consultation exercise consider such problems? If not, we shall be failing our electors.

Mr. Clarke: I agree with my hon. Friend that the problem of alcohol abuse of all kinds is closely connected with a great deal of crime, with large numbers of social problems, and with quite a bit of disorder. Traditionally, the licensed house was a pub—often a pleasant and civilised place of the sort to which many of us doubtless go. But the tradition was also one of male heavy drinking, rushing towards early closing time. Nowadays, there is the additional complication of teenagers drinking strong lagers in the kind of setting that my hon. Friend describes.

The consultation document does offer the prospect of a more civilised approach. The sort of premises encouraged by what we are canvassing are those where families will be present—that is, people of all sexes, and children—and where their children, only if accompanied, will be able to enter settings which the licence justices have been satisfied are the right sort, where families can have a meal, snack or other refreshment together. In itself, the exercise will not tackle the real problems that my hon. Friend describes, but it is certainly a step in the right direction, towards introducing more civilised drinking habits to this country.

Mr. John D. Taylor (Strangford): Northern Ireland is often considered here to be a restrictive society, but in many ways we have always been ahead of England and Wales in our licensing legislation. I had the honour as a Minister to introduce a major reform of licensing more than 20 years ago in Stormont. One of the provisions was to allow drinking in public houses from 11 am right through to 11 pm.

The Minister referred to café-style licences. Will alcohol be sold in these cafés to people who are not having a meal? If so, will not that be a retrograde form of unfair competition with public houses, which make a major contribution to local government finance and which have to fulfil strict criteria to be given a licence? It seems that these cafés will be able to sell alcohol and be, in effect, public houses without a bar.

Mr. Clarke: I acknowledge the right hon. Gentleman's first point. In the mid-1970s, I tried to introduce a private Member's Bill on licensing—it included the idea of children's certificates and café-style licences—and it was greeted by huge opposition, on the ground that we were about to take the nation's children to alcoholic ruin. Since then, Northern Ireland has had the experience of licensing reform. Scotland led the way with licensing reform, but it took the English many years to discover that reform had led to improvements in the social climate surrounding licensed premises in Northern Ireland and in Scotland. So we are catching up slightly.

Experience in Scotland of children's certificates and of café-style licences has generally been regarded as beneficial. I was wrong to refer earlier to 1,000 café-style licences. I should have referred to about 1,000 children's certificates being issued in Scotland. Rather fewer café-style licences have been granted. We shall have to look into what difficulties there may have been.

Café-style licences will involve alcohol being sold with or without meals. For such licences, it is necessary that food and non-alcoholic drinks should be available as well, making such cafes like tearooms or continental cafes, in which some people will be having food, others drink, others non-alcoholic drinks, and so on. Children can be brought in, and there will be competition, although it will not be unfair competition. This will widen consumer choice and increase the number of outlets. Such outlets will be particularly attractive in areas frequented by tourists.

Lady Olga Maitland (Sutton and Cheam): I warmly congratulate my right hon. and learned Friend on updating a very outdated system. That will be welcomed especially by families. I hope that the idea of parents leaving their children at home is now a thing of the past.

I should like to ask the Home Secretary to clarify his answer to the hon. Member for Cornwall, North (Mr. Tyler). Will both wines and spirits be served in family areas, or will only wine be served, bearing in mind that children will be present?

Mr. Clarke: No, children's areas will sell the same range of alcohols as are sold in the rest of licensed premises. The children's certificate will allow accompanied younger children to go to these areas, because the licensing justice is satisfied that they are suitable parts of pubs or restaurants for children to be taken to. There is no question of a children's certificate restricting the sort of alcohol that adults can consume in these areas.

Mr. Tony Banks (Newham, North-West): May I take the Home Secretary back to the question directed to him by his hon. Friend the Member for Ealing, North (Mr. Greenway)—about the vast amount of alcohol coming into this country through cross-border shopping? He said that that could be dealt with by making premises more attractive, but the fact is that it is the price that attracts the booze, not the circumstances in which it is drunk. We have a bootlegging industry in this country; it is of concern to the licensed trade and to everyone else, because much of the drink is being sold on. What will the right hon. and learned Gentleman do about this thriving bootlegging industry which has sprung up, especially in the south of the country?

Mr. Clarke: Customs and Excise will enforce the law against imports of liquor which break regulations and go beyond the single market arrangements which allow people to bring in drink for their own consumption. Operating a single market within which there is differing taxation on various goods will always promote scope for smuggling. That is what the Customs and Excise are for: to take action against such smuggling.

Because there is such a wide discrepancy in the duty on spirits, my right hon. Friend the Chancellor felt restricted when it came to raising duty on spirits. The country could have done with the revenue, but we have to be alert to the need to reduce the incentive for smuggling, which will certainly be tackled with all vigour by the Customs and Excise.

Mr. Robert Banks (Harrogate): I also warmly welcome today's statement. Can my right hon. and learned Friend confirm that one of the lessons of the relaxation of licensing laws in Scotland has been that fewer cases of drunkenness have been reported? Will he further agree that many visitors to this country find that London and our other great cities close down at 11 o'clock, which inconveniences them? Will he elaborate on the flexibility of hours and on the possibility of extending drinking times in pubs?

Mr. Clarke: Certainly the impact of Scottish licensing reform in the 1970s was wholly beneficial when it came to directly drink-related offences. In the light of that, we introduced the reforms in England five years ago. I am not sure how much further measurable improvement has resulted from café licences and children's licences, but I think that the general reaction in Scotland is that they were a further beneficial step which improved Scottish drinking habits—as I hope they will eventually improve English drinking habits as well.

We will consider representations about the 11 o'clock factor, if we receive any, although we are not canvassing further views on hours. There are plenty of licensed clubs available after 11 o'clock, and I am sure that my hon. Friend would like us to consider whether there may be undesirable effects arising out of the fact that only certain types of premises stay open after 11 pm, attracting large numbers of young people, whereas ordinary premises close then.

We are moving step by step. At the moment, changes in the hours are not a further step that we are contemplating.

Mr. Harry Barnes (Derbyshire, North-East): When pub landlords decide what facilities to provide, they do not have to consider just the state of the law and the market. They also have to consider the considerable pressure that the brewers place upon them. Will the consultations take into account the link between brewers and landlords and the considerable pressures that landlords are under?

Mr. Clarke: There will be nothing in my consultation document about that. The complex relationship between brewers and landlords is affected more by the changes to the landlord and tenant law, the effect of the untying of premises and so on. That is changing considerably the world of the licensed premises. However, it is not for me to intervene in the relationship between brewers and their tenants. I hope that the changes that we are canvassing will benefit customers by producing an ever-wider range of choice and type of premises available.

Mr. Gyles Brandreth (City of Chester): My right hon. and learned Friend's statement will be welcomed by the tourist industry. In the context of this morning's debate, we have been talking about product development. Café bars and children's certificates will be particularly relevant. Can my right hon. and learned Friend reassure me that the tourist industry will be involved in the consultation process, and that its input will be very much taken into consideration?

Mr. Clarke: I hope that the tourist industry will respond strongly. I share my hon. Friend's views. The growth of the tourist industry is extremely important to this country. As a result of the devaluation of the exchange rate, we need to see a very considerable surge in tourism, which is potentially one of the major sources of new employment that we can hope to see.

I shall be amazed if the tourist industry does not welcome my proposals. I hope that it will respond with vigour to counter any doubting voices. If we implement these proposals, I see great potential for expanding employment and for improving the attractiveness of those places that bring in foreign visitors.

Tourism

11.31 am

Questioned again proposed, That this House do now adjourn.

Dr. Lynne Jones: Like many of those hon. Members who have spoken during the last half hour, I agree that the Home Secretary's proposals will help our tourist industry. Furthermore, as the mother of two young sons, I welcome them. During the 10 years that I have been a parent, it has become obvious to me that families with children are made much more welcome abroad when they visit cafés and restaurants than they are in this country. Anything that encourages families to spend more of their leisure time together is an excellent idea.

There can be no greater pleasure than seeing a parent playing snooker or darts with his or her 10, 11 or 12-year-old child. That is far better than children being left on their own on the streets, and being bored, while the parent goes off to drink with other adults. We in this country seem not to like children very much. Adults appear to think that, to get the most enjoyment out of life, their leisure time should be spent away from, rather than with, their children. Therefore, I welcome these proposals, which I hope will encourage families to spend more time together.

We all agree that tourism is important to our economy. Although that is not the main burden of my speech this morning, even a city such as Birmingham is conscious of the need to attract visitors.

My hon. Friends and I are, however, concerned about the low rates of pay that many workers in the service industries have to put up with. We do not agree that the introduction of a minimum wage would be harmful. As my hon. Friend the Member for Stalybridge and Hyde (Mr. Pendry) said, countries such as France that have a minimum wage are the most popular tourist destinations. According to the Organisation for Economic Co-operation and Development, France attracts the largest amount of foreign investment. Growth in foreign investment there in recent years has outstripped growth in this country.

Therefore, we do not accept the pronouncements of those who sit on the Treasury Bench. The Department of Employment published information that linked minimum wages and employment and provided 26 references, of which only 10 established a link between minimum wages and unemployment. Most of the information showed that the opposite was the case. It suggested that, provided that minimum wages were not out of step with other wage rates in the economy, they could promote employment.

It is about time we knocked on the head the idea that our policies on the social chapter and a minimum wage are detrimental to the economy and employment. If some of the low-paid workers in my constituency were paid a little more, they might be able to buy some of the goods and services that their fellow citizens are producing and thus help to ensure that they keep their jobs.

I want to take this opportunity—something which has delayed my return to my children this morning—to refer to holiday insurance, particularly the insurance cover provided when British tourists fall ill or sustain injuries while abroad. Hon. Members may, like me, have been on package holidays abroad, for which they have taken out insurance. We often do so without thinking. We accept the insurance policy that is offered by the travel agent, or which comes as part of the holiday package, without thinking too much of the consequences. The experiences of some of my constituents and others who have contacted me suggest that we should take more care.

Last year, 12 million people took out holiday insurance cover, and 800,000 of them made a claim—a quarter of them for medical bills. According to a survey carried out by the magazine *Which?*, of over 56,000 of their readers, 18 per cent. suffered illness or accident while abroad.

Many of us, when we go abroad, also heed the advice in the Department of Health booklet "Health Advice for Travellers". It explains the reciprocal arrangements, under form E111, for mainly European Community countries and also Gibraltar. The booklet refers to a range of medical care that is available under the reciprocal arrangements and says that, outside EC countries, the health services that are likely to be provided will be less than those we can expect under the national health service and that only urgent treatment is likely to be provided.

Quite rightly, that booklet encourages tourists to take out insurance. It says:

> "No matter where you are travelling, the cost of medical treatment may not be fully covered by any existing reciprocal health care agreements—make sure you have adequate private medical insurance."

Furthermore, it advises people to check the small print. The booklet gives the impression that to take out medical insurance is all one has to do for peace of mind.

Unfortunately, as my constituent, Dorothy Savage, found to her cost, that was not the case. This lady went to Malta for a Christmas holiday. While she was there, she unfortunately contracted gastro-enteritis. Apparently, there was an epidemic in the island at the time, about which she had not been warned. She was taken to St. Luke's hospital in Malta. In hospitals such as St. Luke's the standard of care that is available even to people who have taken out insurance is, unfortunately, far less that that which we might expect here.

I have seen photographs taken by Mrs. Savage's daughter of the conditions in that hospital. They were far from hygienic. The linen was torn and not in a very good state. Most important of all, the majority of nursing care in such hospitals has to be carried out by friends and relatives of the patient.

One evening, after Mrs. Savage's daughter had had an exhausting day looking after her mother and had decided that her mother was well settled and that she could go back to her hotel to get some rest, some problems unfortunately arose. Mrs. Savage was left without any attention. After she had called for a bed pan, she waited for six hours; she hoped for some assistance, but none came. Eventually, she tried to get out of bed on her own. Unfortunately, she slipped and broke her leg. When her daughter returned early next morning, she found that her mother was not in the usual place, and that she had undergone emergency treatment.

Miss Savage immediately contacted the tourist representative, who put her in touch with the medical insurance representative. Seven or eight days later, that representative contacted her, during which time her mother had been kept in quite appalling conditions without adequate care. She was left without a catheter in urine-soaked sheets, which would not have been changed

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if her daughter had not changed them. When Mrs. Savage was provided with a catheter, it was not changed throughout her three-week stay.

Insurance policies often claim that air ambulance repatriation is available, which Miss Savage tried to arrange for her mother. It was not available, but Mrs. Savage was taken home on a scheduled flight on a stretcher across three seats that had been booked for the purpose. Unfortunately, when she arrived at the airport, Mrs. Savage started haemorrhaging and the pilot would not allow the necessary drip on to the plane. The medical adviser, Dr. Angel—unfortunately, he did not administer angelic treatment for Mrs. Savage—advised that she should not travel without a drip, which, I am sure hon. Members will agree, is fairly basic medical epuipment.

Mrs. Savage was flown home two weeks after the incident. Despite her broken leg, she was forced to sit upright, the medical adviser having instructed that her plaster be removed above the knee. Sadly, when she returned to the United Kingdom, her condition deteriorated rapidly and she died.

Mrs. Savage's family had expected their family holiday insurance to cover them for treatment in a better hospital and better transport home. Mrs. Savage is not alive—directly, in my view, as a result of the unfortunate events that took place during her holiday.

A couple from Perry Barr in Birmingham were on holiday in Malta. The lady was knocked down by a Maltese driver and admitted to the same hospital as Mrs. Savage. Nursing care, again, was non-existent. She suffered multiple fractures to her leg, which was operated on and put in plaster. She experienced severe pain following the operation due to excessive swelling. The stitches burst as a result and her leg became ulcerated.

Unfortunately, the insurance agent was not helpful. He tried to return the lady home more quickly than he should have, because he was worried that the couple might sue the driver who knocked them down, for which his company would have had to pay. That couple had to return on a scheduled flight, with the lady's leg in plaster. She still suffers problems as a result of the medical treatment that she received in Malta.

Vera Willey was admitted to Clinica Benidorm with a chest infection. Her companion was not allowed to stay with her and had to return to Britain. She was left alone for 13 days as her daughter, who was in the United Kingdom, was unable to arrange a flight home. She was finally flown home in a Swiss air ambulance 13 days later and admitted to Dudley road hospital. Her treatment was delayed because the only documentation that she had with her was in Spanish. Having seen a translation, the medical adviser recommended that Mrs. Willey should be transported by air ambulance, which took 13 days to arrange.

Again, sadly, that lady died a day after she returned to the United Kingdom. her bed sores were down to her bones, and her chest area and arms were bruised from flooded intravenous drips and injections. She had been very frightened during her stay, and had received no bilingual assistance.

Molly and Frank Hudman were on holiday in Sorrento when a wall collapsed on them. Mrs. Hudman was badly injured and had several broken ribs. Fortunately, her husband received only superficial injuries. When they were in hospital in Sorrento, they had to rely on the relatives of other patients for basic medical care—to watch them during the night and to provide bed pans and drinks. They were able to communicate only because one of the patients in the ward spoke good English.

I have discovered that, in countries such as Malta, Italy and Greece, it is normal for nursing care to be provided by relatives and friends rather than by the hospital.

In other countries, it seems that people who are taken ill are almost forced to have unnecessary treatment. "Watchdog" recently broadcast cases in which people who had been on holiday in Tenerife and Spain were forced to undergo unnecessary medical treatment.

Ann Caldwell, a nurse, was admitted to Clinic San Eugenio in Tenerife suffering from a stomach infection. She was given an electrocardiograph and an abdominal X-ray without checking to see whether she was pregnant. She was an infectious patient, yet she was put in a ward next to a girl recovering from surgery.

George Deeley from Leamington Spa was admitted to the same clinic with a cut nose. He was put on a drip, confined to hospital for several days and given surgery against his will. Unfortunately, he had handed over his flight tickets and pasport to hospital officials, as requested, who refused to return them until he had complied with the treatment. He and his wife were frightened by the experience.

Another hospital in Spain sought permission from the medical assistance company to carry out a complicated operation for which the surgeon had received no training and had seen only a video tape. Spain has two types of hospital—the public hospitals, which generally offer high standards of medical care but perhaps less comfortable surroundings, and private clinics. It seems that British tourists who have medical insurance are encouraged to undergo private treatment, whereas they would probably receive better treatment under the normal reciprocal health care arrangements.

I have taken up those cases with the insurance industry, and would like to comment on some of the information that it has provided. The Association of British Insurers says that it is well known that medical facilities in some parts of the world may not always be of a standard that we have come to expect in this country. That is accepted, but, according to the advice issued by the Department of Health, it is the very reason why people take out medical insurance.

The association says that, although insurers will do all they can to ensure that the medical treatment arranged is of the highest standards available in the locality, it is not in a position to guarantee or influence the standard of health care available. It would be useful if it included that advice in the information that it gives its customers. The same applies to other aspects of the policies.

In responding to my questions about the use of air ambulances, Commercial Union said that there was a great deal of misunderstanding among the general public —including general practitioners—about exactly what an air ambulance is. The perceived impression of the policy holder is of an aircraft fitted with emergency medical equipment and constantly on standby, similar to road ambulances. In fact, that is not the case.

Air ambulances tend to be executive jets with the seats removed. The medical equipment taken on board the plane is exactly the same as if repatriation were to occur by

scheduled or even chartered air liners. Commercial Union also said that air ambulances should perhaps more correctly be termed "air taxis".

Mr. Barry Field (Isle of Wight): The hon. Lady makes an important point about repatriation from overseas. I have an interest in this issue, as declared in the Register of Members' Interests. She might be interested to know that the Foreign Office recommends only two companies for the repatriation of remains from overseas, which gives rise to a considerable increase in the costs to insurance companies. That is one reason why holiday insurance is becoming so expensive.

Despite the endeavours of myself and others to try to expand the information issued by consulates and embassies across the world, the Foreign Office has been quite difficult about allowing the information to be expanded to include other companies within the United Kingdom.

Dr. Jones: I thank the hon. Member for his intervention. However, the Department of Health makes no recommendations about insurance companies. There are a number of policies available, and I shall refer later to the practice of companies when selling those policies.

A company called Home and Overseas Insurance also responded to my questions. It said that air ambulances are usually used only in life or death cases, and that patients can be transported on life support machines with the plane equipped as a mini-intensive care unit. I contacted one of the companies that provides such a service and was finally convinced that air ambulances really exist. The company in question runs three, which are executive turbo-props. About 150 cases a year are flown home using that service. That is rather different from the impression given about the availability of such a service.

The company states that air ambulance planes are usually very small and cramped and, for European journeys, often do not have even toilet facilities. It believes that some members of the public may have a "glamour vision" of what an air ambulance is, but such planes are less comfortable than scheduled flights and often have to make a couple of stops for refuelling, which can be unhelpful and perhaps even a matter of life and death in itself when transporting urgent cases. Other insurance companies to which we wrote responded in similar terms.

Why has that information, which the industry has made available to me, not been made more widely available? Why is it not contained in the brochures? Other services offered in many insurance policies and in many brochures include multi-language assistance and co-ordination. The cases that have been drawn to my attention suggest that such a service is not widely available, or, if it is, is used only in very rare cases or is available to a limited extent.

Under the package tour regulations, brochures are required to contain information about health formalities, including optional travel insurance, but those requirements need to be strengthened if the reality of the services available in the countries to which I have referred is to be brought home to people who, in the words of the insurance policies, believe that they have peace of mind when they pay their premium. It would also be welcome if the Government would consider providing local authorities with additional resources to enforce the regulations.

Only the day before yesterday, the Office of Fair Trading highlighted the malpractice occurring in the sale of insurance policies. As I have done in the past, people often buy the insurance policy that comes with their package, not knowing that the tour organisation is getting up to 40 per cent. commission for arranging the policy. The travel agent may seem disinclined to point out that cheaper, and perhaps even more comprehensive, policies are available which really offer an air ambulance service.

There are also exclusions in many policies, which are not drawn to people's attention or which are in very small print. Under the Jetset comprehensive travel insurance, the definition of an injury is one which occurs fortuitously but does not include an injury caused by, or which results from, sickness, disease or a gradually degenerating illness. People with medical problems should have such exclusion clauses drawn to their attention, but, judging from the cases pointed out to me, that does not happen.

The hon. Member for Isle of Wight (Mr. Field) said that cheaper policies were available. A reader of *The Times* wrote from London to say that, if she had booked her holiday insurance with her package, she would have been charged £29, plus £12 for an over-65 surcharge, but that, by shopping around, she was able to get insurance cover for £15·50. That individual was shopping around for a better price, not to find out exactly what cover would be provided if she were unfortunately to fall ill or have an accident.

Another letter that I received from a lady in Cheshire states that an insurance company refused to pay back a deposit of more than £300. She had unfortunately had to cancel her holiday because her husband was unwell after heart surgery. She had tried to complain to the insurance ombudsman, but the company was not a member of the insurance ombudsman's bureau, so she was unable to get help from that source. Perhaps the Government should reconsider their decision not to make an arbitration scheme similar to that run by the insurance ombudsman compulsory, so that citizens such as that lady receive a proper service.

I have attempted to draw attention to the problems that can occur when people go abroad. I have drawn attention to the fact that many hospitals abroad rely heavily on patients, family and friends for basic care such as washing or even feeding patients, for providing and changing bedpans and even for the provision of basic items such as toilet paper. I have mentioned the misleading and—to use the industry's word—"glamour" image created by the brochures of the availability of air ambulances. I hope that, as a result, the public at large will be more aware of the problems and that the industry itself will take note and provide better information.

I should like to encourage the Government to review the booklet containing information about travelling abroad and to ensure that it gives more information about the health services available abroad. The Government should also correct the impression given by the booklet that, by taking out medical insurance, a holidaymaker is not dependent on the medical care available for the rest of the population at their holiday destination.

Some of the issues that I have raised, especially about the way in which descriptions give misleading impressions and about the way in which insurance is sold—sometimes by agents who do not even have copies of the policy available—suggest that the Government should consider the operation of the holiday insurance industry. I hope that the Government will take note of those points and that they will take whatever action is needed to ensure

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that, when British citizens go abroad, they get the treatment they would expect in this country, or, if that is not available, that they are flown back to the United Kingdom in suitable aircraft and in a way that is not detrimental to their health.

11.59 pm

Mr. Harold Elletson (Blackpool, North): As the representative of Britain's, if not Europe's, leading tourist resort, I feel today rather like the king of the jungle. I am surrounded by hon. Friends and hon. Members who represent lesser tourist resorts. I feel like a lion surrounded by alley cats—*[Interruption.]*

Mr. Pendry: That went down well.

Mr. Elletson: I thought that it would. My comment went down well with the hon. Member for Stalybridge and Hyde (Mr. Pendry) who made kind remarks about the great resort of Blackpool. I know that he has often visited the town and I was especially grateful for what he said about the partnership between the local authority and the private sector. He mentioned a number of examples, especially the development of the new football super stadium. I know that the hon. Gentleman has visited Blackpool football club when the team have played somewhat better than has been the case recently.

As the hon. Member for Stalybridge and Hyde said, this is the first tourism debate in the House for five years. I and some of my hon. Friends are a little disappointed that the hon. Member for Birmingham, Selly Oak (Dr. Jones) should have spoken for almost half an hour on overseas tourism. That may be of great concern to many of her constituents, but her speech frustrated the opportunity for many of my hon. Friends to raise subjects relating to the far more important issue of the state of the British tourism industry.

Mr. Jessel: Is not the answer that the hon. Member for Selly Oak should tell her constituents to take their holidays in Britain? They could, thereby, if they fell ill, take advantage of our excellent national health service and boost the tourism industry in Britain, which is what we are supposed to be doing today.

Mr. Elletson: I entirely agree with my hon. Friend. It would have been more appropriate for the hon. Member for Selly Oak to raise the topic in an Adjournment debate.

Dr. Lynne Jones: By raising the issue, I may encourage more people to stay in this country, which would be welcome. However, many people choose to take their holidays abroad and it is important that when they do so, potential problems should be drawn to their attention. The information provided in booklets, such as that produced by the Government, should be adequate. The Government have a responsibility in the matter.

Mr. Elletson: I am sure that the hon. Lady has a point, but I believe that there are more appropriate occasions for making it than a debate on British tourism and the problems faced by the industry.

Mr. Deputy Speaker (Mr. Geoffrey Lofthouse): Order. I draw to the hon. Gentleman's attention the fact that the debate is not purely on British tourism.

Mr. Elletson: I understand that, Mr. Deputy Speaker. I am sure that the hon. Member for Selly Oak raised her concerns absolutely legitimately. None the less, the British tourist industry faces severe problems. It is a highly important industry and it is appropriate today that we should discuss those problems with the Minister, in the first debate on the subject in the House for five years.

I greatly welcome the Minister's statement that there will be a tourism debate once a year from now on. That will be greatly welcomed throughout the tourism industry and will do a great deal to dispel some of the increasingly widely felt disillusion in the industry, as will the Minister's undoubted enthusiasm for the subject. He gave us today a highly enthusiastic performance. So great was his enthusiasm that it seemed almost to conjure the Home Secretary out of the ether like some latter-day Ariel to give us a bit more good news. What the Home Secretary said about licensing regulations is good news for the tourism industry. What could be better than that people should be able to drink with greater freedom in an attractive tourist resort such as Blackpool, Eastbourne or even the Isle of Wight?

I mentioned that there were problems of which we were all aware in the tourism industry. Many of my hon. Friends have sought, and continue to seek, to raise them with the Minister, so I shall not delay the House unnecessarily. I shall refer to some of the problems, but I shall not be over-critical, because I do not want to dent the Minister's enthusiasm and because I know that he is aware of many of the problems. We must focus on those problems and on the opportunities that tourism provides for curing some of our greater economic ills.

People feel that there is a lack of leadership and that we do not quite know where the tourism industry is going. That feeling is reinforced by many people's concern about the fact that we do not now have a Minister for tourism. We have had such a Minister in the past and I hope that we shall have a dedicated Minister for tourism in the future.

Mr. Key: There are two.

Mr. Elletson: My hon. Friend says that there are two. It is true that tourism has a voice in the Cabinet through the Secretary of State for National Heritage. However, I believe that the Department of National Heritage should have a Minister for tourism. I know that my hon. Friend has a great work load. He is clearly able to cope with that, because he is a man who displays great enthusiasm and I have no doubt that his enthusiasm carries him through his work load on a great tide. None the less, people are concerned that tourism does not have its own dedicated Minister.

There is also concern about the way in which tourism has been shuffled from Department to Department over the years. It has moved from the Department of Employment to the Department of Trade and Industry. It has ended up in the Department of National Heritage. Who knows, next year it may be in the Department of the Environment or even in the Department for Education. I feel that the most appropriate place, in which we could really get to grips with the problems of the tourism industry, would be the Treasury. The Treasury could then see the problems that the tourism industry faces and the opportunities that it provides for increasing the Treasury's share of national economic receipts.

The other main reason for disillusion in the industry is the reduction in the grant to the English tourist board, to which the Minister and others have referred, and the fact that we have still not appointed a chairman for the British Tourist Authority and the ETB. I know that the Minister referred to the need not to look at the question of the ETB reductions in isolation, but to see it as part of a bigger picture. People do not see the matter like that. People who run small businesses are extremely worried about the cuts in the ETB and they are even more worried about the possibility of those cuts being passed on to the regional tourist boards. I am grateful for my hon. Friend's reassurance that the cuts will not be passed on to the regional tourist boards. That will go some way towards reassuring many of my constituents who are deeply upset about the ETB's grant being cut.

I shall quote from a letter about the cuts in the ETB's budget, written by a constituent, Mrs. Lawrence, who runs a hotel on the Queen's promenade in Blackpool. She says:

"Recently we hear that the Government intends to cut funds to the English Tourist Board which in turn will affect the regional north-west offices. Many businesses, large and small, benefit from their membership of such tourist boards by way of advice, co-operative buying and advertising as well as many other services they provide. All this supports our survival and we cannot afford to lose any of it."

That lady has a point, and I hope that my hon. Friend the Minister will take note of her remarks. The cuts in the English tourist board budget will cause problems for businesses like Mrs. Lawrence's and constituencies like mine, not least because it may affect the seaside resorts campaign, to which the Minister referred. The other week, we were told by the chief executive of the English tourist board that that campaign may well be a victim of the cuts in the English tourist board budget. I certainly hope that it will not, because the campaign has done an enormous amount of good for coastal resorts, which have seen a growth in business and significant job creation as a result.

Mr. Waterson: Is my hon. Friend aware of the considerable success in my constituency of the partnership between the ETB, the public sector and the private sector, which is mainly led by the excellent work of the Eastbourne marketing group?

Mr. Elletson: I was not aware of that, but I am sure that the campaign is especially valuable to Eastbourne. My hon. Friend further illustrates my point.

Conservative Members are concerned about high unemployment in many tourist resorts—particularly coastal resorts—and their apparent continuing ability to act as magnets for unemployment and other social problems. That is a significant problem in my constituency. At least four wards in the borough of Blackpool now have over 20 per cent. unemployment and over 30 per cent. male unemployment. The problem is worse in some other areas. I know that my hon. Friend the Member for Morecambe and Lunesdale (Mr. Lennox-Boyd), the Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs, wanted me to draw the Minister's attention to the problem in his constituency, where many guest houses and hotels act as a magnet for the unemployed from all over the north-west. That has a highly deleterious effect on the quality of the town.

The solution lies not merely in financial investment but in the way in which we structure our response to the problem in those areas. Much could be done, not necessarily by the Department of National Heritage but by the Department of the Environment, particularly in respect of the change of use order. It should not be nearly so easy for a hotel or guest house to change its use to a Department of Social Security hostel, for example. Action on that matter would go some way to ensure that towns such as Blackpool, Morecambe and Eastbourne—our coastal resorts—maintained their high quality rather than simply turning into a dumping ground for social problems from all over the country.

Other problems continue to perplex tourist resorts—the strains on businesses caused by the attitude of unsympathetic banks and the over-regulation which threatens them at a local level, to name but two. I know that my hon. Friends will be delighted by many of the measures announced in the Budget—especially the Government's crusade to reduce bureaucracy. I am delighted by what the Minister said earlier about the establishment of the special task force to look at reducing bureaucracy in the tourism sector. That will be popular with small businesses, which are continually hampered by over-zealous local authority officials who make what comes out of Brussels look quite insignificant.

The fundamental problem that tourist resorts face, particularly in a recession—this applies both to small hotels and guest houses and to organisations and local authorities—is that they simply do not have the capital to reinvest in upgrading facilities. That has happened at a time when Britain's tourist industry faces more competition than ever before.

Take an organisation such as Blackpool Pleasure Beach, for example. That competitive, well-run private company now faces significant opposition from companies such as EuroDisney in northern France, which are not competing on a level playing field and which do not have to compete with the same sort of VAT burdens. EuroDisney is being charged a reduced rate of VAT by the French Government and that makes the competition all the stronger. I should be grateful if the Minister would consider that and take the matter up with the Treasury. At least if we can offer our domestic industry the possibility of competing on a level playing field with other businesses elsewhere in Europe, we may go some way towards alleviating the problem.

Despite all its problems, tourism presents significant opportunities. We have heard this morning of the scale of the British industry and its importance in the economy as a whole. It now accounts for some 4 per cent. of gross domestic product and creates £25 billion-worth of revenue each year. It is not a smokestack industry that has been gradually run down. It is one of the most important growth sectors in the economy of western Europe as a whole.

Within the European Community, expenditure and revenue from international tourism increased more than sixfold between 1970 and 1984 and continue to grow. The internal European Community market now has an estimated 180 million tourists—they are sitting on our doorstep. As we heard, after the financial services industry, tourism is the second biggest industry in the United Kingdom.

Much more significant, however, is the fact that tourism is a highly labour-intensive industry. If we support and develop tourism, we shall inevitably create jobs. It is entirely wrong that we should support industries that are being run down—which are essentially loss-making, no-hope industries. I do not believe in pumping public

[Mr. Elletson]

money into industries that will lose it, simply as a means of saving jobs. I accept that the Government have a role to play and that it is entirely right to co-ordinate investment and develop a strategy of support for an industry that is capable of justifying such investment and support. I believe that tourism is such an industry. Indeed, we have seen that that is so, because the support that still exists in Wales and Scotland, but which, shamefully, England does not have, has been thoroughly justified. The gearing ratio of investment on the Welsh tourist industry is something like 1:5, which means that for every £1 invested, £5 is returned. That is pretty good, and we could do just the same with English tourism, precisely because it is a successful industry.

The argument that has traditionally been advanced for the removal of section 4 grant simply does not apply. The argument was that section 4 grant should no longer apply in England because the English industry was mature. It may well be approaching maturity, although what should concern us is not whether it is mature but whether it is successful and whether it continues to grow and to create jobs.

Faced with those problems and with the opportunities that tourism clearly presents for economic growth and job creation, what should we do? The Department of National Heritage should focus on a number of matters. The Minister should consider providing the leadership and clear strategic thinking that tourism requires to enable us to take advantage of the opportunities that tourism presents. He should develop the role of tourism and of his Department across the rest of the Government. We want to see a tourism Minister with wide-ranging powers across other Departments to co-ordinate a proper tourism strategy.

More importantly, tourism requires investment if we are to make the most of the opportunities. Some form of section 4 development grant must be reintroduced, particularly in view of the cuts in the ETB's budget and the severe discrimination against England. The only equitable way to balance the situation and to seize the opportunity for job creation and economic growth presented by tourism is for a return to section 4 development grants, but not in the comprehensive way in which they previously applied. Clearly, mistakes were made. Development grant money was snapped up by large organisations and it was not targeted effectively.

We need clear and effective targeting of development grants so that they provide development finance for projects specifically in areas of high unemployment or specifically to develop projects such as tourism for the disabled or tourism in areas where it is not self-evidently a mature part of the industry.

If we can provide a clear, targeted reintroduction of even a limited form of finance, even a paltry sum of £10 million, there would be a significant job creation and economic growth. My resort of Blackpool does not have assisted area status and it receives no outside assistance from the Government or from the EC because tourism has not yet been granted objective 2 status. If we can provide some form of limited assistance, and clearly money can now be found as a result of the savings being made in respect of the ETB budget, we shall go a long way towards solving some of the problems that we face.

Finance might also be found from the national lottery. I hope that the Minister will ensure that receipts from the national lottery will be used substantially to invest in our tourism infrastructure. I hope that the receipts will not simply be eaten up by the arts and sport, although they certainly have an important role to play in attracting tourists.

The Minister should carefully consider tourist-related projects such as the Blackpool illuminations, the Blackpool tram system and, even more importantly, the centenary of Blackpool tower which will be celebrated next year. That will be a very important event in the calendar of the north of England. Two or three years ago, when the far less significant Eiffel tower celebrated its centenary, the French Government managed to come up with something like £7 million or £8 million for a great jamboree to celebrate the event. We are not asking for anything like that sum. The mere presence of my hon. Friend the Minister at one of our humble celebrations would suffice.

Mr. Barry Field: Will my hon. Friend confirm that, unlike the constructor of the Eiffel tower, the constructor of the Blackpool tower did not throw himself off it when he completed it?

Mr. Elletson: It does not surprise me that the constructor of the Eiffel tower threw himself off it. The constructor of the Blackpool tower, as he looked out across the swathes of beautiful Lancashire countryside up to the Pennines, to the Welsh hills and to the Lake district and to Scotland, would have descended from the tower reinvigorated by all that he had seen. He would have understood that Blackpool was a magnificent tourist resort.

Those are some of the projects that I would like the Minister to consider when he decides where to spend the receipts from the national lottery. Those projects concern me and my constituency, which is an important tourist resort. People in other tourist resorts clearly have other priorities. However, I urge my hon. Friend the Minister to remember and then to fight for tourism infrastructure projects, because that will pay enormous dividends for him.

We have seen great successes in our tourism industry. The Government have done much to encourage the development of tourism, most recently through the Budget. However, much more can be done for very little extra investment, at very little extra cost. I urge the Minister to give that some thought.

Mr. Jopling: On a point of order, Mr. Deputy Speaker. Do you agree that it is a very long-standing courtesy of this House that when one has made a speech, one sits and listens to the speech made by the hon. Member who follows? The hon. Member for Birmingham, Selly Oak (Dr. Jones) who, to be fair, is a new Member of the House, walked out very soon after my hon. Friend the Member for Blackpool, North (Mr. Elletson) began his speech. That is a growing and very unattractive habit which is creeping into the House. Would you be kind enough to point out gently to the hon. Lady, or any other hon. Member who may act in that way, that it is against a long-standing courtesy of the House as we have all understood it?

Mr. Deputy Speaker (Mr. Michael Morris): I am grateful to the right hon. Gentleman for his intervention and I confirm what he has said. I imagine that all hon. Members will read *Hansard.*

12.26 pm

Mr. John D. Taylor (Strangford): We have had a most interesting debate, which has taken us through the tourist delights of the whole of the United Kingdom. I congratulate the Minister on the enthusiasm that he displayed when he opened our debate. As he said, it is regrettable that we have not had a debate on tourism since 1988, almost five years ago. Many hon. Members have referred to the Northern Ireland tourist board and I wish to restrict my remarks to the tourism industry in Northern Ireland.

The news from Northern Ireland is very good with regard to tourism. I have heard some hon. Members complain about their tourism industry today and I listened to them with interest. However, I can be very upbeat about the progress of tourism in Northern Ireland.

Northern Ireland is well known for its many attractive places such as the Giant's Causeway, for fishing and for the lakes of Fermanagh, the Mourne mountains and, I am glad to say, for Strangford lough, which is one of the most attractive areas in the whole island of Ireland. However, those places are not all that Northern Ireland provides. I want to give the House some facts and figures about how the tourist industry has progressed in the Province.

In Great Britain and across the world, one only hears of Northern Ireland from the occasional incidents of terrorism which are shown on television screens. One does not hear of the great progress that has been made in education, agriculture, industry—and tourism. Many people may find it suprising that tourism is advancing so well in Northern Ireland with the backcloth of terrorism. Of course, one must remember that terrorism is restricted to specific areas in Northern Ireland and is not widespread.

We have the figures for tourism in Northern Ireland up to March 1992. For the third consecutive year, our tourist industry has increased. Visits were made to the Province by 1·2 million people in 1992. When one considers that our population is only 1·6 million people, one can see that that is a fantastic number coming to visit Northern Ireland in a year. Many of those visits would have been family and business trips from Great Britain, but the number of purely holiday visitors was up by 18 per cent. to 263,000.

The Northern Ireland tourist board is well on target to achieve its 1994 figure of 1·6 million visitors, including 425,000 purely holiday visitors. It is interesting to see the source of those visitors. Recently, we have commenced, in co-operation between the Northern Ireland tourist board and the southern Irish tourist board, Bord Failte, to promote Ireland as a whole in Europe and North America as well as in London and Great Britain.

It is good to see that, in 1992, Northern Ireland got 380,000 visitors from the Republic of Ireland, which is an increase of 11 per cent. I welcome that increase because one of the problems in the whole island of Ireland is the lack of knowledge that many southern Irish people have of Northern Ireland. Only a small percentage of southern Irish people have ever visited northern Ireland; many others judge it by what they read in the newspapers. During the debate, hon. Members from the north of England complained that many people from the south of England had never visited the north and, likewise, are ignorant of the tremendous tourist delights in northern England.

Despite those 380,000 visitors from the Republic of Ireland in 1992, Britain remains our main market. We had 650,000 visitors from Scotland, England and Wales, of which 75,000 came for holidays. That was an increase of 7 per cent. On the continent of Europe, we are advancing strongly, with people from Germany, France, Holland and Italy—in that order—being the main holidaymakers in Northern Ireland. Germany sent 23,000 holiday visitors to Northern Ireland in 1992, which was an increase of 10 per cent. Holland sent 7,600 holiday visitors and Italy, 6,700.

The North American market is important to Northern Ireland. There are 44 million people in the United States who claim Irish background. More than 50 per cent. of them claim Scots-Irish background which, of course, is Northern Ireland. A minority of the Irish claim Gaelic-Irish background—a fact which is sometimes overlooked. Traffic between Belfast and Canada is greater than that between Dublin and Canada. That shows the strength of the Ulster-Scot connection in Canada. In 1991, we had 51,000 visitors from North America, which was an increase of 9 per cent. on the previous year.

One can see that the news on tourism is good for Northern Ireland. We are attracting more tourists from the Republic of Ireland, Great Britain, Europe and North America. Much of that is the result of something to which the Minister referred—the reorganisation of the Northern Ireland tourist board. That reorganisation has taken effect and is in place. Much of the credit must go to the former Minister, the hon. Member for Wiltshire, North (Mr. Needham), for his enthusiasm in developing the tourist industry and reorganising the tourist board.

Today, the tourist board is chaired by the hon. Hugh O'Neill, who comes from a well-known Ulster family which has served the Province for hundreds of years. He carries on that tradition of service to the community with enthusiasm to develop our tourist industry. The recently appointed chief executive of the tourist board is Mr. Ian Henderson. He was employed by the board in other positions and, therefore, has been an important contributor to the development of the work of the tourist board and the growth of the tourist industry in the Province.

The tourist board is important in advertising tourism and giving grants to tourist projects in Northern Ireland. However, there is more to tourism than simply media coverage and grants. Transport and access to the area are important. Support and interest from the European Community, which is involved in the subject of our debate, is important, as is a special fund for Northern Ireland called the International Fund for Ireland. We benefit from that fund which does not exist elsewhere in the United Kingdom.

Major projects are being developed across the Province at present. I think of the European Community scheme for the visitors' park at Millisle in my constituency which was aided under the cross-border tourist project. Unfortunately, I understand that the Community has ended that scheme. The scheme resulted in a £1 million project in the small village of Millisle. That was welcome investment.

European Community support has been given to the new St. Patrick's trian project in the ancient city of

[Mr. John D. Taylor]

Armagh. It is right in the centre of that city below the old St. Patrick's Church of Ireland cathedral. Armagh is the Canterbury and Durham combined of Northern Ireland. It is the ecclesiastical capital of all Ireland and a beautiful old city. The project will be a tremendous source of tourism for the city when it is completed at the end of this year.

The old Navan fort just outside the city of Armagh is being restored. *[Interruption.]* The Minister has been there. That is fairly impressive. The fort was the seat of the ancient kings and queens of Ireland, based once again at the city of Armagh. The project is being funded to a considerable extent by the International Fund for Ireland. The IFI and the EC are important sources of finance and have contributed to an impressive growth of tourism in the Province in recent years.

Mr. Key: I wish to put it on the record that I was saying that I am assured by my right hon. Friend the Secretary of State for National Heritage that I must not fail to visit the Navan fort because of its importance and excellence.

Mr. Taylor: I hope that the Minister will visit it. I look forward to meeting him there, because I live not far from the location.

The growth of tourism contributed £217 million in 1991—the last year for which figures are available to me—to the economy of Northern Ireland; hon. Members can see how important it is to a small Province of 1·5 million people that our tourist industry provides more than £200 million.

As I said, transport is important. It is no good advertising a place and obtaining IFI and EC grants if people cannot travel to the Province. The Government have a role to play in the various transport systems. I accept that the Government may not have a role to play in the ferry services by private operators, but they have a role in the development of the road and rail systems that lead to ferry ports.

The Larne-Stranraer ferry is the busiest ferry between the island of Ireland and Great Britain. We also now have an excellent Sea Cat and hovercraft service between Belfast and Stranraer. We hope that there will be a service between Belfast and Liverpool later this year. It is also important that we have road systems to service those ports. That is where the Government could help us more, by, for example, improving the road to Larne. The road to that major port—the largest in the island of Ireland—is still not dualled all the way to Larne. We need the Government to submit a programme to the European Community to upgrade that road so that we can benefit from European regional development fund finance.

Equally, it is no use having a good road to Larne and the best ferry service between Ireland and Great Britain, if there are not good roads to and from Stranraer in the west of Scotland. The main road is the A75. We hope that the Scottish Office will do its utmost to improve the roads in western Scotland because we find them a disappointment.

Many Northern Ireland people go to Scotland for their holidays. Probably more people go to Scotland than anywhere else. The roads and ferries in the west of Scotland are chock-a-block with Ulster motor cars and caravans. But the roads are not good and we need an improvement.

We also need an improvement of the road from Dublin to Belfast. That is not mainly the responsibility of the British Government. It is the responsibility of the Dublin Government. But the United Kingdom Government should make every effort to encourage Dublin to upgrade the road system from Dublin to the border and to apply for grants from the European Community to do so. Under the provisions of the Maastricht treaty, the Dublin Government will be able to benefit from EC funds as no one else can—through the cohesion fund. The Dublin Government should use that to improve the road system to Northern Ireland.

Railways are also important. I am glad to say that the Belfast-Dublin railway is being upgraded and will be a first-class communication system between the two cities. Likewise, the Northern Ireland Office is investing £75 million in a project, already under construction, for an impressive cross-city rail link in Belfast city to link the two railway systems of the north and south of the Province. Thereby, one will be able to travel by rail direct from Larne harbour to the centre of Belfast, which is to be commended and is a great step forward.

One worry is the Government's proposal for upgrading the railways in Great Britain and I again appeal for further consideration to be given to upgrading the railway system in the west of Britain up to Glasgow. Only when that is upgraded can we in the western part of Scotland and in Northern Ireland advance our tourist industry.

Aldergrove airport in Belfast is the sixth busiest airport in the United Kingdom and is advancing every year, reflecting the growth in the tourist industry. We now have international flights to France and the Netherlands and for about five years we have had direct flights to Amsterdam. I went there last weekend with the Round Table from my constituency and I was interested to see that the plane was packed—there was not an empty seat on the flight to Amsterdam and I could see only two empty seats on the way back, although I do not think that we lost any members of our party.

It is good to see a new service of that nature—operated by KLM through City Hopper—doing so well. I should like more European connections to be developed between Belfast and the continental mainland.

There has also been further growth in flights from Belfast to North America. Globespan has moved into the city and operates direct charter flights between Belfast and Toronto. Interestingly, one can fly from Belfast to Toronto for £160 return, but the return flight from Belfast to London costs up to £206. It is therefore cheaper to go on holiday to Toronto than to London, which is not good news for the British tourist industry.

Flights from the United States to the Republic of Ireland are important to North American tourism in Ireland. In these days of a single market, what happens in the Republic of Ireland is a legitimate concern of this House and of Europe. In Northern Ireland, we co-operate with the Republic to promote tourism. As I said, 44 million people in the United States of America have connections with Ireland, mostly with Northern Ireland.

Flights from America to Dublin are an important gateway for tourists coming to Northern Ireland, but the Dublin Government have rigidly refused permission for direct flights from the United States to Dublin and still make it a condition that no flight can come from America to Dublin unless it first stops at Shannon airport, which is

not what people want. People want to get to Dublin, and if they get there they will come to Northern Ireland, and assist our tourist industry.

A fortnight ago, I was in Washington and I met many prominent Irish Americans, including some senators and congressmen. Everywhere I went in the capital I promoted the idea of direct flights. In that respect, I am helping the Americans, as they want access to Dublin airport without having to stop elsewhere. Since we have an interest, and we have the Anglo-Irish Agreement, that is a matter on which the British Government could make representations to Dublin to ease restrictions on flights from North America to the Republic and especially to Dublin airport.

I have one somewhat critical comment on the International Fund for Ireland. I praised it earlier and its money has been most useful to Northern Ireland. I know many of the projects that it has assisted and have read in detail its annual reports for the six years that it has been in operation. I have also discussed those reports with members of the IFI board, who represent the Canadian and United States Governments. As the House knows the European Community also helps to finance the International Fund for Ireland.

Having placed on record the fact that the IFI does good work, I should like to mention a problem that is special to Northern Ireland. I must be careful about how I phrase this. Northern Ireland has a divided society. Some villages are predominantly Protestant while others are predominantly Catholic. It is always important for the Government and their agencies and for public authorities financed by the United States, Canada and the EC to ensure that the agencies and those who distribute the funds act in an even-handed manner.

The International Fund for Ireland recently proceeded with a scheme to regenerate 20 villages in Northern Ireland. That involves the provision of heritage centres or small museums or the improvement of buildings that have fallen into decay. One of the problems is that, although the majority community in Northern Ireland is Protestant, the IFI selected 20 villages that were all Catholic. That decision may have been made in all innocence, but it creates the wrong perception in Northern Ireland. It creates resentment, and that breeds other things that are bad for the Province.

I am using this occasion to appeal to the board of the International Fund for Ireland to look more carefully at how it selects villages in Northern Ireland and to ascertain how it ended up financing only villages that are lived in by one section of the overall community. The Governments of the United States and Canada and the European Community would be greatly embarrassed if an independent inquiry into the allocation of funds by the International Fund for Ireland concluded that they had been allocated on a sectarian basis.

12.46 pm

Mr. Simon Coombs (Swindon): I welcome the first debate in the House on tourism for five years. I join the right hon. Member for Strangford (Mr. Taylor) in recognising the fine work of the Northern Ireland tourist board.

We are debating an industry which is worth £25 billion to the British economy. It is a successful industry, which employs 1·4 million people and competes fiercely with other countries. It is massively fragmented, with hotels, heritage and leisure attractions, historic towns and houses, retail outlets and country and seaside resorts—to name but some of its constituent parts. The tourist industry is good for Britain and, with a little more help from its friends it could be even better. It is to be admired and should be discussed regularly in the House. In that context, I welcome my hon. Friend the Minister's willingness to try to persuade the authorities to arrange for an annual debate on tourism.

The report on tourism produced by the Select Committee on Employment in July 1990 contained 25 recommendations to the Government and to bodies in the industry about how to improve the quality of tourism. It would be instructive for the House to dwell for a few moments on what has happened to those recommendations. I shall not refer to all of them, but I urge the Minister, if he has not already done so, to look at them and to weigh up the progress made in implementing some of those suggestions.

The first recommendation was that there should be no change in the structure of the tourist industry. There has been no change in that structure, but what will be the effect of cutting by one third the grant to the English tourist board? What will be left of the board?

Hon. Members have already mentioned the reduction in grant to the English tourist board. It is hard to see how a fragmented industry such as tourism can do as well when it needs co-ordination, organisation and a English tourist board that is strong and proactive, not emasculated, as I fear it will be if the grant is reduced by a third or more in years to come.

The Select Committee's second recommendation was that there should be no change in departmental responsibility. That was the consensus in 1990, and in 1992 the Department of Tourism was set up—sorry, the Department of National Heritage. It was interesting that the Minister referred to the golden thread of tourism running through the work of his Department. Some of us felt that it could have easily been called the Department of Tourism, but that was not to be. The Committee's recommendation in 1990 was borne out of the belief that inertia was inevitable. We were wrong, and the new Department is to be welcomed if it believes in the value of tourism to this country.

The Committee warned of the dangers of competitive subsidies for tourism. We were thinking of the need to keep up with the support given to tourist industries in other European countries and elsewhere in the world. In the past three years, support for our industry has declined in cash and real terms, while in other countries the support given to their industries has substantially increased.

Mr. Brandreth: Does my hon. Friend realise that what he is saying is not universally true? I think that I am right in saying that Canada and Australia, which also have mature tourist markets, concentrate on overseas promotion. When internal promotion is being considered, the need changes.

Mr. Coombs: If my hon. Friend will allow me to develop my argument, he will see that I am referring not only to the ETB, but to the BTA. I have an important point to make in that context, which will, I think, deal with my hon. Friend's observation.

We have seen a decline in cash and real terms. The grant to the ETB has been substantially reduced, while the BTA

[Mr. Coombs]

has suffered a reduction in its grant in real terms, brought about by the decline in the value of the pound over the past six months. That means that the BTA's ability to spend in overseas markets to tell people in other countries about the glories of Britain has been reduced.

That issue should be directly addressed by the Department of National Heritage. I urge my hon. Friend the Minister to consider that matter to see whether he can find a means of restoring the value of the contribution made to the BTA by public funds to enable it to continue its vital work.

The Committee mentioned the tourism information centres, which have already been referred to in the debate. They make a tremendous contribution to the tourism infrastructure of this country. They need resources if they are to be an effective shop window for tourism in localities throughout the United Kingdom.

There is a danger that, as a result of the recession, those tourism information centres are having to bear financial pressures. It is important that all of us who admire the work of the industry recognise the tremendous contribution made by the tourist information centres and urge all those involved—whether the private sector, local authorities or the Government—to ensure that TICs survive and continue to do the excellent work made possible by their many dedicated staff.

The Committee tackled the thorny subject of section 4 grants. In this instance only, it may be helpful if I read to the House the recommendation we made, as nothing has changed since 1990:

"Circumstances in some areas of England are so similar to those in Wales and Scotland that no case could be mounted that would prove that section 4 offered a proper use of public funds in job creation and raising of standards for tourist facilities in Wales and Scotland, but nowhere in England. Therefore, we recommend that section 4 equity partnerships and revolving loan funds be offered on a trial basis to the tourist boards in disadvantaged parts of England. If funds could be made available for this purpose, and boards were required to make no loss on their use, profitability of projects entered into would make the funds grow without more Government input. It is our firm view that public support of tourism targeted to areas of high unemployment and tourist attraction, through judicious expenditure as outlined in these proposals, brings real jobs and lasting prosperity to areas of Britain where other industries find difficulty in flourishing". Nothing has changed since we made that recommendation to the Government.

We are told today that assisted area status could be conferred on some parts of England particularly associated with tourism—seaside resorts, for instance. It could be helpful if grants were provided for improving boarding houses and small hotels—installing ensuite bathrooms, better facilities and so on—but why cannot the Department of National Heritage take the initiative on this, since it is responsible for tourism? After all, it has a £1 billion budget, as the Minister said in his excellent speech, so surely a few million pounds could be found to assist in these areas.

The Committee report also dealt with the need to streamline the planning processes in rural areas. There has been no sign of that happening, although many local authorities have been more responsive.

I hope that my hon. Friend will allow me to welcome the project at Longleat in Wiltshire, where Center Parcs will be shortly embarking on the construction of its third holiday village in the United Kingdom. Thanks to the excellent work of my hon. Friend the Member for Westbury (Mr. Faber) and the positive approach to planning adopted by the district council, this exciting project is to go ahead.

The Committee went on to discuss the BTA and ETB campaign to lengthen the holiday season. It is crucial to do everything we can to tell the outside world that the British holiday season does not run just from the first gleam of sun in May to the last gleam in September. It is now an all-weather, all-season holiday package, and it is being promoted with vigour. I welcome the progress that has been made with the provision of wet weather activities and attractions—for example, Rock Circus at Piccadilly and the Center Parcs holiday villages which I have already mentioned. Such places do a spendid job and are well known here, but they need to be more widely known overseas.

Many people come to London during the summer; more would come in the winter if they knew about attractions such as Rock Circus, Madame Tussaud's and other places that provide against the wet weather with which we are occasionally blessed in this part of the world.

The Committee also called for a more even distribution of bank holidays. I am delighted that the Department of Employment, which was responsible for tourism until only a short while ago, is consulting on the possibility of moving the May day bank holiday to October. There are differing views in the industry about that proposal. I recognise the concern of my hon. Friend the Member for Blackpool, North (Mr. Elletson) and of Blackpool pleasure beach operators, who think that it would be advantageous to keep the holiday where it is, but many others in the industry believe that the chance to extend the season with a late October bank holiday would be beneficial. I hope that that will be the outcome of the consultations.

We called on the English tourist board to promote the dispersal of tourists outside London. That is not to say that we did not recognise the excellent work done by the London tourist board, now to be taken over by London Forum. In the past few years, the LTB has been enormously successful in boosting London's attractions, but the Committee wanted tourists to visit other parts of the United Kingdom, and I hope that the Government will continue to help with the infrastructure. Like the right hon. Member for Strangford, I believe that it is crucial to the well-being of the tourism industry.

I hope that my hon. Friend will also think carefully about the report "Tourism and the Environment" which was published a couple of years ago. If we are successful in dispersing tourists out of London, we shall inevitably send them to some of the historic towns of England—York, Canterbury, Oxford, Cambridge and so on—which already attract large numbers of tourists and which undoubtedly, if faced with more, will experience difficulties in managing them. When we talk about dispersal, therefore, it is important to look at the whole package.

As for accessibility for the disabled, I welcome very much the tourism for all campaign, which is bringing real benefits to the disabled, who represent one of the most important growth markets—both disabled people coming to this country and those who live here.

As for the Committee's recommendation about the need to encourage multilingualism among tourist industry

employees, I pay tribute to the British Tourist Authority for its "Winning Words" campaign, which has been enormously successful in the last two or three years.

I turn now to the need for resources for the British Tourist Authority and the English tourist board. The ETB's case has already been made in the debate by a number of hon. Members. However, I wish to expand on what I said in answer to the intervention of my hon. Friend the Member for City of Chester (Mr. Brandreth).

The BTA needs to spend substantial sums, raised from both the private sector—which, of course, we welcome—and public funds, if we are to compete in an increasingly ferocious and competitive international market for tourists. In the last six to nine months, the BTA has effectively been shorn of 15p in every pound of the money that it has available to it for below-the-line promotion of the English and United Kingdom tourist industry. That has created a very serious problem for the BTA.

My hon. Friend the Minister really must address this issue. If it was right and proper for the BTA to have a full pound last September to spend on overseas promotion, how can it now be right for it to have only 85p? I do not see the logic of not tackling that problem, if we believe that the BTA's overseas promotion work is good and worth while. I know that my hon. Friend believes that to be the case, so he must now address the question of where to find the missing 15p in every pound. The Committee was at pains to stress the importance of the BTA'S work overseas. Its importance has not diminished as the competition from other countries has grown fiercer and fiercer.

Implicit in many of the suggestions that I have made and in those to which I have referred in the Select Committee's report is the need for a strong and active ETB and BTA. We spend £2·5 billion a year on training. According to the Budget, a welcome £230 million is to be spent on the long-term unemployed. Nevertheless, the relatively small sums needed to make the ETB and the BTA effective in promoting the tourist industry have not been made available.

If we look back to the Committee's recommendations, I have in mind an additional £5 million for the BTA to spend overseas on tourist promotion. I have also in mind a sum of £5 million to restore the cut in grant that the ETB suffered recently, and also a small contribution to a revolving fund to replace the old section 4 scheme. That would be much more effective than the money that has been allocated in the last few days to training and the long-term unemployed.

Tourism is an industry which is highly geared to employment and to the use of small sums of money to generate large returns. If the Department of National Heritage is not prepared to take action to help the tourist industry in areas of high unemployment where the industry could, with marginal support and encouragement, do extremely well, we shall miss a great opportunity.

I conclude with one salient point about the tourist industry, which is facing tough times. This morning, I received a copy of this month's *Holiday Which?* Its contents page is revealing. On page 74, we are invited to read about Paris—

"A city that's ideal for a Spring weekend. Use our guide to plan your time and make your money go further—plus plenty of good hotels".

Page 82 asks:

"How much for a room? Find out how much you'll pay for a hotel room this summer, and read why British hotels are so expensive."

Page 90 is on

"Washington and Virginia. Visit the home of American presidents and tour through Civil War battlefields and countryside where European colonists settled."

Page 96:

"Britain's top sites. Our inspections reveal that you could be getting a raw deal."

I recognise that the Consumers Association and *Holiday Which?* have the interests of consumers at heart, but who speaks for the British tourist industry? Who is prepared to say that we are one of the best in the world, and that we are in the top six? The industry has done marvellously in the past and has gone through hard times in the past two or three years, but it will return to greatness with a little help from its friends. I know that my hon. Friend the Minister speaks up for the industry, but words are not always enough; it needs wholehearted encouragement and selective financial assistance.

I invite the Minister to consider some of the points that have been made, to see whether we can find a way of ensuring that British tourism not only keeps pace with that in other countries but moves ahead, of reducing the imbalance between inward and outward tourism potential, and of establishing the British industry at the top of the tree.

1.7 pm

Mr. Paul Tyler (North Cornwall): It is apparent from the debate that a number of Conservative Members do not share the Minister's hollow complacency. The hon. Members for Swindon (Mr. Coombs) and for Blackpool, North (Mr. Elletson) and the right hon. Member for Westmorland and Lonsdale (Mr. Jopling) showed that they share the concern of many Opposition Members.

The Minister has been invited to Cornwall, but has not yet been able to come. Fortunately, the Prime Minister visited Cornwall in recent weeks, recognising that the Cornish spring comes earlier than the Paris spring. He said:

"The West Country in a sense is its own best advertisement for tourism; we do not need to tell people about the West Country as a tourist centre, it is instinctively there. When people think about holidays, they will instinctively think of the West Country among other places as somewhere to go."

That was the rationale of the Prime Minister, who was seeking to explain to one of Britain's premier holiday destinations why he and his Government had decided to cut the promotional budget of the English tourist board and the British Tourist Authority. I believe that that cut is a grave mistake.

I agreed with much of what the hon. Member for Blackpool, North said, but he was wrong in one regard. He said that the current contribution of the tourism industry to our GDP was about 4 per cent. It is not. It was almost 4 per cent. in 1989, but it has now slipped to 3·4 per cent. It is precisely because it appears that we shall lose our position in the top five or six international tourist economies that we should be so concerned.

The Organisation for Economic Co-operation and Development forecasts that, by the turn of the century, tourism will be the biggest single industry in the world. Britain, which founded or invented tourism, looks as if it will slip. It is an extremely important industry at the moment and makes a contribution to the United Kingdom economy three times the size of that of the motor industry. It is bigger than the food, drink and tobacco industries put together, but, let us be clear, we could slip.

[Mr. Paul Tyler]

Three major structural factors are causing that slip. First, as many hon. Members have said, we suffer from an uneven playing field in comparison with our competitors in the European Community. The holidaymaker reading *Holiday Which?* is faced with a simple fact. If he chooses an ordinary hotel in Greece, he will be charged 8 per cent. value added tax, in Spain 6 per cent., in France—our most immediate competitor—only 5·5 per cent., while in England our hotels are struggling with a rate of 17·5 per cent.

With the imminent opening of the channel tunnel and the nascent single market, the VAT rate differentials distort the picture. They will encourage the traditional short-break tourist to travel to France and the continent rather than to stay at home. The differentials are a distortion of the single market, which is unacceptable. If the industry had half the political muscle of the motor industry, it would be knocking on the door of No. 10 to make a change. It is a subject for derogation—it is open to Ministers to decide whether to assist the industry by changing VAT.

A second major structural problem facing the industry is the huge discrepancy in the application of fire, health, food and hygiene regulations in some other European Community countries and in Britain. Our competitors find it much easier to circumvent or modify those regulations. An example is the recently introduced regulation on kitchen utensils. To make a traditional club sandwich in a pub, hotel, restaurant or cafe in this country, one must have at least three knives and at least three chopping blocks. Such precautions are not only impractical but extremely costly. The Minister asked to hear about specific problems, and I am sure that the industry will supply him with many.

It is not enough for the Government to set up their own internal task forces to deal with the problem of regulation. Employing poachers to rewrite the game laws has never been a satisfactory basis for changing legislation. Why should there not be an independent commission to take evidence from the industry and others to ensure that there is practical scrutiny?

The third factor is the uniform business rate, to which a number of hon. Members have already referred. I am sorry that the right hon. Member for Westmorland and Lonsdale is no longer here. I raised the issue with the Treasury months ago when it become apparent that the Inland Revenue valuation regulations are paying little regard to the peculiar and special nature of the industry, and the changing and cyclical nature of its business. A business that is effectively open for only four months of the year—perhaps even only six weeks—pays the UBR on a valuation that takes account of a full 12 months' operation. That is inequitable and unfair. The Government need to consider urgently not only the specific questions asked by the right hon. Member for Westmorland and Lonsdale but the general basis for valuation.

There are one or two other incredibly important factors for the industry which, although within the Government's purview, are perhaps not so much structural as tactical. For example, a number of the areas that have traditionally relied on the holiday industry are affected by disproportionately high water charges. The north-west and the south-west come first to mind. Since privatisation, in the south-west 2 per cent. of the population are now paying for 10 per cent. of the coastline to be cleaned up. The effect has been a huge rise in water charges—16 per cent. in the current year—which are likely to double by the end of the century. The absence since privatisation of any effective national equalisation element and the reduced eligibility for European Community help have compounded the inequality. To some extent, such high charges are also charged for electricity, as many areas in the south-west are far away from the main sources of power generation.

Another issue that has been very much in the mind of the industry in recent months—I had a call from Bath last night which highlighted the matter—is that holiday businesses face the problem of bank costs. I am talking not just about bank charges and interest rates, but about bank costs generally. Since the late 1980s, when many businesses were encouraged by the Government and by the tourist industry's own boards to invest heavily both in property and in improvements, the industry has found itself heavily burdened by bank costs. Many businesses are now in severe financial trouble. It is estimated that the biggest single operator of hotel beds at present is a liquidator. Bank managers and business advisers fell over themselves to encourage wanton increases in indebtedness in the 1980s, yet those who were so ready to provide money then have been only too ready to pull the rug out since.

The industry now faces the threat of rail privatisation. As other hon. Members have said, the railways are extremely important, especially to the far-flung resorts that many of us here represent. British Rail has told me that in 1991-92, 100,000 British Rail passes were sold internationally. After privatisation, who will undertake such a function? The sales of passes doubled in Germany in 1991-92 and British Rail international sales grossed £89 million in that year. Bringing people to this country is precisely the sort of objective that one would think that the Government would have in mind. InterCity services have improved in a number of directions, although sadly, with the threat of privatisation, British Rail has already had to look at some of the through services to major resorts such as Newquay, the most famous, important and beautiful seaside holiday resort in the United Kingdom, and to other resorts that might try to vie with it, such as Blackpool.

There are other ways in which British Rail's activities to encourage the use of trains by holidaymakers have been extremely effective in taking pressure off the roads. A particular example are the park-and-ride schemes in operation for St. Ives, for Looe, in the Yorkshire Dales national park, and on the Settle to Carlisle line.

The tourist industry will be one of the first victims of the disintegration of the national railway system. Hon. Members of all parties, especially in the south-west, know that that is the case.

In that context, I hope that the Minister has listened carefully to the representations of hon. Members from all parties about the cuts in the English tourist board. It is not only the centralised board that is being massacred; the regional boards are also affected.

As other hon. Members have said, more than 70 jobs will go as a result of the cuts. Who will be left in the ETB to undertake the important examination to which the Minister referred? What skills will be left for that examination? The seaside resorts initiative, which is extremely important and valuable in a number of areas, is

likely to be downgraded. We already have a £4 billion trade deficit in tourism, which is damaging to the national economy as well as to the industry itself, yet the Department of National Heritage appears to be so obsessed with the national lottery that it is ignoring the developments that the industry so desperately needs.

It is in that context, too, that, without in any way criticising the support that the Secretaries of State for Scotland, for Northern Ireland and for Wales give to their tourist industries, we must view the extraordinary discrepancy between their enthusiasm for intervention and investment and the attitude that prevails in England. The right hon. Member for Westmorland and Lonsdale gave some figures. I am sorry that he is not now in his place, because I should like to give him some additional figures, which the Minister was kind enough to pass to me earlier in the year. Expenditure on tourism per head of population is £6·26 in Northern Ireland; £5·06 in Wales and £3·20 in Scotland.

I do not criticise those figures because tourism is a proper priority. But for England—and in this context, I include the Duchy of Cornwall, even though Cornwall is a separate celtic country—we are talking about the princely sum of 42p.

That is bad enough, but matters are to get worse. By 1995-96, the figures will have increased to £8·60 in Northern Ireland and to £5·39 in Wales. In Scotland, there will be a modest reduction of 6p to £3·14. England and Cornwall, the biggest destinations for holidaymakers, will have the princely sum of 21p per head of population—precisely half the present figure. That is what the Prime Minister meant when he came to Cornwall and told the *The Western Morning News* that we did not need any promotion because everyone knew instinctively that we were there. How can we compete nationally, let alone internationally, on that basis?

Some 85 per cent. of tourism to the United Kingdom is to England. Nearly half the nights spent away from home by United Kingdom residents are spent in England. That is as high a figure as those for Scotland, Wales and Northern Ireland put together, yet we do not have a Department, a Minister or a Cabinet who are committed to the promotion of this vital industry.

The hon. Member for Swindon talked about the Select Committee report. I do not believe that we paid enough attention to its recommendations—in particular to the passage that the hon. Gentleman quoted concerning ways of adapting section 4 grants and making them into effective roll-over grants that did not cost a great deal of money. Rural economies such as Cumbria, Devon, Cornwall, Northumberland and North Yorkshire would benefit enormously from that targeted investment. I hope that the Minister will take that on board and give a firm assurance to all hon. Members that he will look at the matter again.

Tourism is still very vulnerable to the general state of the economy. The Minister himself said that survivors of the recession would be in a better state to take advantage of the new situation. Many people have not survived the recession, however, and we are vulnerable to any squeeze on disposable incomes. Expenditure on tourism is peculiarly subject to such pressures. If we have a national economic revival and if employment improves, it is in tourism that we can gain the most.

It is a sad fact that 11 of the top 20 unemployment black spots identified by the Department of Employment are in areas that predominantly rely on the holiday industry. It is extraordinary that more work is not done to invest in those areas. I have a list, which includes Clacton, Newquay in my constituency, Skegness, Penzance, Torbay, Bideford, Hastings and the Isle of Wight. Those are areas where limited, targeted investment of Government funds would make the most tremendous difference to the local economy and the employment situation.

A number of matters need to be addressed urgently. In addition to the harmonisation of tax, regulations and controls in the European Community, which, sad to say, were totally neglected while the British Government were in the driving seat, we must do something about the inadequacy and inflexibility of the uniform business rate.

We must do something about the inequity of water charges and the way in which they cast especially great burdens on areas of low income and those affected by the tourism industry. In a reply to my hon. Friend the Member for Truro (Mr. Taylor), the Prime Minister seemed to give that assurance. However, we have yet to see what the Prime Minister will do about that problem.

We need an emergency package, similar to that negotiated with the lending institutions by the Government on behalf of home owners, to help businesses in a similar position that face repossession at the worst possible moment in the cycle of the property value slump. Most importantly, in order to give new confidence to the industry, the question of funding the boards and the section 4 grants, or their modernised equivalents, is critical if we are to extend the season, to modernise facilities and to ensure that promotional budgets can stand up to international competition.

Even on a Friday, when most hon. Members who represent the more far flung holiday resorts find it difficult to cancel engagements in order to be present in the Chamber, it is clear that there is a groundswell of concern on both sides of the House about what is happening to one of our premier industries. It is vital that we have an annual debate and a Minister prepared to take on board the recommendations of the Select Committee. In addition, we must find another vehicle or mechanism to consider these extremely important issues.

During business questions last week, I suggested to the Leader of the House that tourism was an ideal and important subject in respect of which he could reconstitute for England the Standing Committee on Regional Affairs. A rather long-forgotten Standing Order, No. 100, on which dust seems to have settled, has prevented us from having that Standing Committee.

If we are to harness the all-party enthusiasm and concern for the industry, that Standing Committee would be a very important mechanism for achieving that. I invite the Minister to endorse that request so that we can have more discussion and more effective action on behalf of the industry.

1.26 pm

Mr. Barry Field (Isle of Wight): I also welcome the Minister's recommendation that we should have an annual debate on tourism. I believe that the Department of National Heritage was born from my political loins. John Lee, who gave such distinguished service to the House and to tourism, my hon. Friend the Member for Bournemouth, West (Mr. Butterfill) and I went to see my right hon. Friend the Prime Minister before the last general election.

[Mr. Barry Field]

We asked him to combine the arts, tourism and our national heritage into one Department, so that we would have a great package for selling Great Britain. I am delighted that that suggestion fell on fertile ground and that the Minister is with us today.

I am very pleased that the Minister mentioned his visit to the Isle of Wight. I am certain that he will not have forgotten the great problem we have with the international sign for a zoo, which is an elephant. He will recall the difficulties that that has caused us when we have tried to use it to advertise a flamingo park.

However, it was of considerable comfort to me to see in today's *Times* that English Heritage is dealing with a very serious case of tooth decay in a unicorn. I am pleased to see that it is repairing the unicorn using funds from the Department of National Heritage. However, if English Heritage can get the unicorn to open wide to repair its tooth decay, I wonder why I have not been successful in getting English Heritage to open Osbourne house all year round so that our winter tourism can benefit from that wonderful attraction on the Isle of Wight.

As has already been said, tourism employs more than 1·4 million people in the United Kingdom. Of those, 1,115,000 are to be found in England, 185,000 in Scotland and 95,000 in Wales. Tourism accounts for more employment than construction and transport put together. I must also refer—as others have done today—to the fact that Scotland and Wales continue to receive section 4 grants. Scotland, which has only 9 per cent. of the nation's unemployment, gets a third of all taxpayers' assistance in the United Kingdom. That shows the imbalance. This was well alluded to by my right hon. Friend the Member for Westmorland and Lonsdale (Mr. Jopling) in his remarks about the English tourist board.

I recall when I made my contribution to a previous tourism review. In this debate, it has been said that tourism has moved from Department to Department. I also point out to my hon. Friend the Minister that tourism has had many reviews. The previous review was started by my right hon. Friend the party chairman when he was involved in employment. I asked him whether we would examine section 4 grants, and the answer was that they should follow unemployment. That was a much better, more scientific and more logical approach to the whole thing than simply peppering them around the countryside generally.

I think that the fact that section 4 grants were not always seen to be as wisely spent as they might have been was the reason why there was some denigration of the system. If they had followed unemployment, that would have met the point.

The party chairman and the Secretary of State for Health are two protagonists. They are leading members of our party, who take their annual holidays in the United Kingdom. Perhaps, when I greet them on the Isle of Wight in the future, I shall be wearing a kilt and eating a leek. Perhaps I shall have a piece of shamrock in my turban and a heavily nailed shillelagh in my hand to get my point across: does anybody still speak for England?

We must find niches in the holiday market. One has been well found by our tourism office on the island. I pay special tribute to Peter Holyoak and Hal Matthews for producing an excellent brochure only this week on conference opportunities for the island. We have already had the social services conference at which my right hon. Friend the Secretary of State for Health announced the ring fencing for new community care. That was a great success, which went down well in local government.

The conference of the Society of Local Authority Chief Executives is coming up later this year. We have the inter-island games which her Royal Highness Princess Anne will open for us. Every year, we have the round-the-island race—the biggest yacht race in the world—and we have Cowes week, which, alternately, is Admiral's cup year. We have the opportunity of attracting more business to fill us up during the shoulder months and to get conference business on to the Isle of Wight because it is profitable.

I have had a letter, as have many other hon. Members who have taken part in the debate, about the English tourist board, its finances and so on. Martin Humphrey, the chairman of the commercial members group, makes a specific point which has perhaps not come out strongly in the debate—that the tourism industry has had put on it the EC travel package directive. My hon. Friend knows that the island's Euro Member and I went to see the Department of Trade and Industry. We met the solicitors to get the most difficult parts of the package ironed out.

I believe that Brussels never intended the package to apply to domestic tourism. It certainly was not meant to apply to a hotelier or guest house proprietor on the Isle of Wight who provides a ferry fare with the bedroom charge. We were not successful in that, but I think that we got some of the knobs knocked off it. They have the fire safety furniture regulations in self-catering accommodation—I see the Minister nodding because he knows about the problem—and food hygiene, to which reference has already been made.

I think that my hon. Friend has missed a trick today. We have heard about the VAT threshold being raised in the Budget and the fact that customs officers can now have discretion in misdirected penalties. That will be widely welcomed throughout the tourist industry. Of course, the business rate has been frozen for another year. I know that my hon. Friend, having been a local government finance Minister in the Department of the Environment, will know just how popular that will be with small business which predominate in the tourist industry.

My hon. Friend has missed a trick—the extension of VAT to the bloodstock industry. The bloodstock industry in the United Kingdom is a tremendous tourist attraction. When the Home Secretary came to the House this morning to make an announcement, he was challenged about where he was yesterday. He was at Cheltenham surrounded by Irish people who had come to England to watch the most excellent horse racing in the world. I am sure that that will make a major contribution to our tourism.

As the Minister will be aware, England attracted three quarters of all United Kingdom residents' spending on hotel and residential accommodation when staying away from home. The Isle of Wight has the greatest percentage of repeat holidays of any resort in the United Kingdom. I am sure that you will agree, Mr. Deputy Speaker, that these days product loyalty—perhaps a little like party loyalty—is rather rarer than dodo manure, but the high level of repeat holidays shows the opportunity for increasing residential United Kingdom tourism. Some £4 billion was spent last year on going overseas. If that

money was spent on the Isle of Wight, every pound would be a pound saved from our balance of payments and a help for our balance of trade.

The Minister, a former teacher, mentioned education. I am sure that he will want me to remind the House that, when eventually hon. Members get their lunch today, it may be served by a waiter from the Isle of Wight. As a result of project initiated by me, and of the excellence of the Isle of Wight college of training and technology, five waiters who were trained in silver service on the Isle of Wight obtained jobs in the House. My initiative was in conjunction with Sir Charles Irving, who has given such distinguished service to the House.

When I first set out in politics to become a Member of Parliament, people on the Isle of Wight were displaying in the back of their motor cars a most miserable and nasty sticker which said, "Don't blame me, I'm not a tourist —I live here". I thought that it was awful. We spend a great deal of money attracting people to the island. The Isle of Wight has a great reputation for friendliness in England, Scotland and Wales and internationally. Everyone knows how friendly the Isle of Wight is.

I set out to alter the perception of tourism which that miserable sticker represented. In those days, my campaign was not perceived as a vote winner. My political opponents, the Liberal Democrats, did not see a natural parish for the ballot box, so my campaign was denigrated.

I started an initiative called the "island smile competition". The first prize was lunch at the House of Commons. The second prize was two lunches at the House of Commons. I gave a prize out of my own pocket so that we could find the person who had the most welcoming smile on the Isle of Wight and contributed most to the tourist industry. The competition has been revamped as the "courtesy awards". The tourism industry sponsors it, and it is a great opportunity to find the individual on the Isle of Wight who contributes most to people's enjoyment of their holiday.

One of the leading protagonists in tourism on the Isle of Wight and in changing perceptions is the Conservative-controlled Medina borough council. It has gone out of its way to show that things can be done on the island. It has ignored its detractors and the criticism of the Liberal Democrats to such an extent that the other authorities on the island are trying to follow suit. They are not nearly so successful as the Conservative-controlled Medina borough council. It has tarted up the sea front at Ryde and throughout the borough and built a new complex with a bowling alley and ice rink. Now South Wight council is following suit to some extent.

The hon. Member for North Cornwall (Mr. Tyler) made his usual carping criticism. He made a point about water charges in the south-west. The other day, when the matter was raised with my right hon. Friend the Prime Minister in the Chamber, he should have replied that the hon. Gentleman's colleagues took part in demonstrations with "Surfers Against Sewage", the very organisation which has been the protagonist in the campaign throughout Cornwall to improve the water quality of the beaches. Now that the water industry is spending money to improve the quality of bathing water, it is typical of the Liberal Democrats to criticise it. They always want to have their cake and eat it.

Mr. Tyler: Is the hon. Gentleman saying that the Prime Minister should not review water charges in the south-west? If so, many members of the Conservative party who currently represent seats there will be interested to hear it because they know that they are vulnerable to the Liberal Democrat advance.

Mr. Field: The hon. Gentleman heard precisely what I said, but, as he did not get the point, I shall repeat it. His colleagues have taken part in demonstrations with Surfers Against Sewage about the quality of bathing waters in Cornwall and have made a lot of publicity and noise about it. Now that the water industry is improving bathing water quality and recouping the capital costs, as always, the hon. Gentleman is the first on his feet to complain about it.

Finally, I must tell the House about a marvellous new Liberal Democrat policy for tourism on the Isle of Wight. They are so in love with cracked pavements that the Isle of Wight county council has spent £160,000 to buy a swimming pool with a crack so large that it is just like a Liberal Democrat policy—it will not hold water. We now have a dry and irreparable swimming pool, at a cost of £160,000. I hope that that will be my hon. Friend's answer to the hon. Member for Cornwall, North (Mr. Tyler) when he says, "We want more funds". If that is what Liberal Democrats would do with it, God help us.

Several hon. Members *rose*——

Mr. Deputy Speaker (Mr. Michael Morris): Order. There are 50 minutes left and six hon. Members wish to catch my eye, so I appeal for some brevity.

1.40 pm

Mr. Tom Cox (Tooting): I note your suggestion, Mr. Deputy Speaker, and I shall try to follow it, but, with respect, it is a bit much when hon. Members on both sides of the Chamber have spent the whole morning here, but others, who have taken part in the debate, have already departed. I think that that should be noted.

The debate has been interesting and we have heard from many hon. Members about the great advantages, in both revenue and employment, brought to this country by the tourist industry. I accept that argument and I am pleased that we have got away from the traditional tourist spots. Although I accept that London, Stratford and Edinburgh are still popular, other parts of the country equally offer a great deal to tourists from overseas or from this country.

I am the first Member representing a London constituency to take part in the debate; I hope that other colleagues will be able to participate. London is possibly the most popular tourist centre in the United Kingdom, so some aspects of London should be mentioned, because, with great respect to the Minister, he did not refer to them.

I have been an MP for some time, and I question the amount of planning and co-operation on tourism between the London boroughs. How does one borough interrelate with another? How do they decide to spend the money that the London boroughs contribute to tourism? I understand that the Minister will not reply to the debate, but perhaps he will find time to rise to answer some of my queries, as —to his credit—he has done when leading from the Front Bench in the past.

I understand that soon the London Forum and London First are to be established, to promote the affairs of London. One gets the feeling, however, that they will follow their own plans and policies. The London Forum and the London tourist board are certainly not flavour of

[Mr. Tom Cox]

the month to many London boroughs. The London boroughs grants committee provides a large sum of money —something in the region of £300,000 a year—to the London tourist board to help to meet its running costs, yet I understand that neither that committee nor the local authorities were consulted about the establishment of the London Forum. It would be interesting to know what its exact role will be and whom it will consult as it starts to develop the function that we understand that it is to perform for London on tourism.

Many of our 32 London boroughs have a great deal to offer and could interrelate, but I wonder how much co-operation there has been within inner and outer London areas.

Hon. Members have spoken about Government Departments. The press handouts for the London Forum came from the Department of the Environment, and the Secretary of State for the Environment has loudly proclaimed the benefits that the forum will bring. The Department of Transport and the Department of National Heritage also have obvious roles. Does each of those Departments know what other Departments are doing?

Mr. Key: As always, there is no rancour between us on these issues. I am delighted to tell the hon. Gentleman that Departments know what other Departments are doing. One good reason for that is the establishment of the Cabinet Committee on London in which these issues, including relationships between the London boroughs, are co-ordinated and discussed in depth. The hon. Gentleman is right to raise the issue of relationships and I am glad to give him that assurance.

Mr. Cox: I am pleased to hear that reassurance. We shall watch to see what takes place.

Mr. Tony Banks: I thought that I had demonstrated during the Minister's speech that what he has just said in his intervention is not true. I asked why it was costing £15,000 of taxpayers' money to pay for the London Forum's breakfast launch. The Minister did not know anything about that. I do not know what his Department is talking about, but it is not talking about bacon and eggs.

Mr. Cox: The Minister will need to send a letter not only to me but to my hon. Friend the Member for Newham, North-West (Mr. Banks) on the matter that my hon. Friend has again raised.

In view of the request for brevity, I shall just touch on some issues. If there were more time, I should go into them in more detail. Coach parking presents inner London with enormous problems. One has only to walk along Millbank any day of the week to see enormous congestion. Extra parking facilities have been provided, but are they sufficient? Not only British but ever-increasing numbers of European coaches come to London. They need to be able to park without hassle to the tourists on the coaches or the drivers. They should be able to park for an hour or two so that passengers can get off and see the parts of London that they want to see.

Hon. Members spoke about transport deregulation. It is interesting to read the comments of Saga, a world-famous travel organisation catering not only for British people but for people in all parts of the world. It has expressed enormous concern about the proposed legislation on the privatisation of British Rail. Saga currently knows who it is trading with and can get good deals, but it is deeply concerned about the number of private operators it will be forced to deal with compared with the number that it deals with now. That issue must be considered.

Some Conservative Members have expressed concern about Government funding. I and other hon. Members have served on the Council of Europe. Places in Europe have twinning arrangements with places in this country and many others. Other European countries put a real effort into that and it brings life to twinned areas. However, British local authorities have a poor record on financing twinning arrangements. That also needs to be examined.

My hon. Friend the Member for Stalybridge and Hyde (Mr. Pendry) and other hon. Members spoke about hotel costs. The hon. Member for Eastbourne (Mr. Waterson) asked how my hon. Friend could relate those issues to the Labour party's commitment to the social chapter. When a comparison was made between a hotel in Birmingham and a hotel in Rouen, France—a comparison of like with like —it was found that the hotel room in Rouen was £24 a night cheaper than the hotel room in Birmingham.

We hear much talk about our commitment to the social chapter and the enormous disadvantages that it would bring to this country were we to subscribe to it and accept the conditions to which the other 11 members of the European Community adhere. The article in *Which?* clearly outlines the difference between the costs of hotel rooms and shows the myth of that argument. We should face up to reality, not to the myths that some Conservative Members try to create.

The report of the National Economic Development Council published in July last year was highly critical of many aspects of the tourist industry. It stated:

"1. Quality . . . The industry must achieve world-class standards, and concentrate on the management of quality.

2. Government and Industry. The industry must accept that it has much to do to make itself modern, efficient, competitive and attractive as a career."

The report says of tourist information centres:

"These make a vital contribution to the industry. Arrangements have to ensure: that there are enough of them in the places where they are needed; that they provide high quality and consistent service".

Sadly, we know that that is not the case.

The report continues:

"The uneven level of support by local authorities for tourism and its needs should be ended; they should be given a statutory duty to provide adequate, consistent tourism centres for their localities."

I could give more and more examples from the report, which was published nine months ago, and much of which is still extremely relevant to our debate.

I shall bear in mind your request, Mr. Deputy Speaker, as you have always been fair to me when I have sought to catch your eye, and I accept that other hon. Members want to participate in the debate. Therefore, I shall bring my speech to an end.

We have much to offer that could benefit us all. We must realise that we cannot just say, "The United Kingdom—what a great country." We face more and more competition from those countries that now call themselves central European—part of the old Russian empire of yesteryear. People are going to those countries in ever-increasing numbers, as there is much to be seen there.

Until last November when my term of office expired, I was treasurer of the Inter-Parliamentary Union. Delegations came to this country and I spent many hours inquiring about the costs of hotel rooms. Many of the medium grade—not top-quality—hotel rooms in London are an absolute rip-off. They used to offer bed and breakfast, but now they offer only the room, at a heavy cost. If people want breakfast, as many of them do, they are required to pay a substantial additional charge over and above the cost of the room. Will the Minister use his influence with hotel organisers in London to persuade them to consider how they manage their costs? I speak from the experience of having been the treasurer of one of the major all-party organisations in this country.

This debate has been superb. There has not been much Government bashing, as the subject is of interest to us all. I look to the Minister to reply to my points and, so that I may keep in the good books of my hon. Friend the Member for Newham, North-West, to my hon. Friend's comments as well.

1.53 pm

Mr. Toby Jessel (Twickenham): Not only the hon. Member for Newham, North-West (Mr. Banks) but some of us Conservative Members should express gratitude to the hon. Member for Tooting (Mr. Cox) for being so brief. We know that he would have liked to say a great deal more.

I begin by congratulating my hon. Friend the Under-Secretary of State for National Heritage on the tremendous record of the tourism industry that he set out —the work, the enterprise and the activity which, together, amount to an annual turnover of £25 billion in terms of firms' incomes, of employment and of expenditure by the public. I also congratulate him on the 50 per cent. increase in tourism in Britain in the past 10 years, reaching a record in 1992 despite the recession; and on the fact that 1·5 million people work in tourism.

The hon. Member for Stalybridge and Hyde (Mr. Pendry) disparaged the Budget in the context of tourism, but he did not mention the low tax announced by the Chancellor on the forthcoming national lottery. That relates to tourism, because the national lottery is designed to produce funds for sport, the arts, heritage, the millennium fund and charities. All those, with the possible exception of charities, help to generate tourism. By keeping the tax rate on the lottery low, the prospects for prizewinners will be increased and more money will be available for these good causes. There were fears a few months ago of a tax rate of 20 per cent. or even more, and it is a tremendous tribute to the Secretary of State for National Heritage and to the Under-Secretary, who have been making strong representations to the Treasury, that they have persuaded the Chancellor to keep the tax rate low, thereby making certain that the national lottery gets off to a good start. That will help the arts and other causes, and it will help to boost tourism.

It is remarkable that we are sixth in the world in terms of our income from tourism. Four of the first five have a lot more sunshine than we have; the fifth has a lot of alpine mountains—Austria—and a great deal of sunshine, too. People cannot count on fine weather in this country, but they do not come to Britain for our weather. They come for our heritage, arts, royal castles and palaces, museums, galleries, villages and towns. They come to see our opera, ballet and orchestral concerts. In all these, we have a great deal to offer—far more than most other countries.

The hon. Member for Tooting referred to London. I am glad to see the English tourist board preparing for a London festival next year to boost London as one of the arts capitals of the world.

We must protect our heritage. English Heritage does a first-class job. If we do not protect it, future generations will curse us, and they will be right to do so.

One aspect of all this has been largely left out of the debate: the monarchy. I believe that the monarchy and the Queen are tremendous tourist attractions—a great draw. We have the best Queen in the world; she is hugely respected and admired, and she is a great draw for tourists. It is important for tourism that we keep our monarchy as it is. Tourists, as well as the British people, would rather we had a grand and splendid monarchy than a bicycle-riding monarchy of the sort favoured by Opposition Members and such as one might find in Scandinavian or Benelux countries.

The British people do not want us to become a banana republic. We should keep our royal yacht, our royal train and the Royal Mail. We should keep our military bands, which are trained at the Royal Military school of music at Kneller Hall in Twickenham. It produces the finest Army bands, whose standards of excellence are the envy of the world. They lift the spirits of the nation. Who does not thrill to the sound of a British Army band?

Mr. Richard Spring (Bury St. Edmunds): My hon. Friend will agree, perhaps, that this House is a tourist attraction in itself. The messages that are taken back to many countries after people have listened to the speeches today will be a reflection of that fact. Does my hon. Friend agree that this House is itself a tourist attraction?

Mr. Jessel: Yes it is, and that should be fostered. Furthermore, this House should not hand any of its powers to any foreign body.

1.59 pm

Mr. Tony Banks (Newham, North-West): I should have loved to follow up many of the interesting strands in the speech of the hon. Member for Twickenham (Mr. Jessel). However, I do not have time to do so. All I would say is that if that speech does not get him a knighthood, I do not know what will.

I should also have liked to speak at some length about the attractions of the London borough of Newham to tourists. I remember people mocking me when I suggested that a long Sunday walk down the north London sewer outfall is a very pleasant occupation, but it is a very pleasant occupation for those who know it. Newham is an interesting part of London. It has a rich historic legacy. The area is steeped in Labour traditions. There are many things that are worth coming to Newham to see.

I jotted down some of our advantages. We have our own port on the Thames. We also have our own airport, football team—West Ham—a good motorway and railway links. Furthermore, the Greenwich meridian runs right through the constituency. When I come out of my constituency office I cross from the west to the eastern hemisphere. We are superbly poised to go for

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independence, to stake our claim in the United Nations and to arbitrate in the world between east and west. There are so many advantages going for us in Newham.

With Government assistance, through the money that they provide for the city challenge programme, we are developing our tourist attractions. Other Ministers have been to Newham. If the Minister with responsibility for tourism has not already stepped into Newham, I hope that he will come and have a look at the things that we have got which could extend the tourist industry of London away from the centre, with which we here are associated, and move it to the east.

Many things need to be done for London generally. Tourism is an enormous industry for this capital city. It earned an estimated £4·4 billion for London in 1991—£3·6 billion being spent by overseas visitors and £720 million by British visitors. I only wish that we could offer them more facilities—more reliable transport, for example—and much higher quality souvenirs. I despair of some of the trash, brought here from Hong Kong and Taiwan, that is being sold not a few yards from the Palace of Westminster. I should like tourists to go away with souvenirs of a far higher quality than some of the trash that is hawked on the streets of London at the moment.

The London tourist board has done an excellent job of promoting tourism in the capital city. It has listed a number of problems. Unfortunately, I shall be unable to do them justice. However, the London tourist board refers to the fact that one of the problems in London is the growth of touting for theatre tickets and other events and also for hotel rooms and, most recently, hackney carriages. The LTB says that touting is undesirable and that it damages London's reputation for fairness, honesty and value for money.

We do not want visitors to our capital city to be ripped off by predators. It does nothing for the reputation of London. All it does is to lower it. We want people to leave our capital city having enjoyed their time here and wanting to come back, knowing that there are things here that they can see and enjoy and that they will not be ripped off while they are here.

The London tourist board suggests that ticket agencies should be licensed by the local authority and that it should be a legal requirement to inform the customer at the moment of purchase of the face value of a ticket so that an informed choice can be made. It suggests also that the touting of tickets outside major events should be banned. I know that the Minister will not reply to these points, but the London tourist board has made them and I assume that the Minister will be sympathetic towards them.

Mr. Key: I am more than sympathetic; I am acting on all the points that the hon. Gentleman has made, in conjunction with my right hon. Friend the President of the Board of Trade. We are currently addressing these very important issues.

Mr. Banks: Splendid. I am glad to hear that in between dodging, ducking and diving around all these lunches, dinners and trips abroad, the Minister still has time to nail his feet for a little while in London and speak to the London tourist board.

I hope that the Minister is also doing something about another concern of the LTB: the need for fairly speedy decisions on the big transport infrastructure investments that will also mean a great deal to tourism. The channel tunnel fast link is not part of the Minister's brief, but it touches very much on it as he is the Minister with responsibility for tourism. Decisions are also needed speedily on crossrail, the Thames link and the London underground system.

The London tourist board—keep nodding, Minister—said that deregulation is not a good thing. I do not see the Minister nodding in agreement with that. Those who know realise that deregulation will make it more difficult for tourists, never mind those who live here, to understand how the bus system operates. He should listen carefully to the advice that is being proffered.

The Minister would describe my last point as somewhat more carping. My hon. Friend the Member for Tooting (Mr. Cox) mentioned the London Forum, about which I am becoming very worried. Under the current financial arrangements, the London tourist board receives more than £300,000 from the London boroughs. Representatives of the major local authority associations—Conservative and Labour—sit on the London tourist board. The London Forum has been set up by the Government and consists, essentially, of unelected business men and one business woman. I find that disturbing.

Why are the Government always so suspicious of local authority representation? Why do they not like elected people? It is strange that elected people in this place are so mistrustful of other elected people, including members of their own party, on local authorities.

London Forum has been charged with the promotion of London tourism. It is effectively taking to itself the functions of the London tourist board, but without the accountability that we require. I tabled a series of questions to an environment Minister about the functions, responsibilities and remit of the London Forum, what expenses its members will be paid, how they were selected, whether he would give details of its budget, what it will be doing, why the Government found it necessary to set it up and why there are no local authority representatives on it when a substantial amount of its finance will come indirectly from local authorities. The reply stated that London Forum

"will be a private sector company which will look to the private sector for its funding",

except that it will receive money indirectly from local authorities.

The Minister informed me today that the breakfast to launch the London Forum will cost £15,000—not private sector money but public money. I still want to know how £15,000 can be spent on a breakfast. That can buy an awful lot of eggs and bacon, and many people in London would like to go to a breakfast that cost £15,000. It will be champagne all the way and I shall see the Minister there. But if we are to have a body responsible for tourism in London, it should be accountable to the people of London.

2.7 pm

Mr. Robert Banks (Harrogate): If there is one thing that should emerge from this debate it is that the tourism industry is a front-line industry and is recognised as such. Let there be no doubt again about the role of tourism in our economy. It employs 1·5 million people and has grown by about 27 per cent. in the past 10 years, compared with

growth of only 2 per cent. in other industries. It is the most important industry we have. It employs legions of people whose livelihoods depend on it.

I pay tribute to the British Tourist Authority—the overseas marketing arm that has made tourism so successful in this country. For three years running, it has won the National Tourist Office award in New York, which is a great credit to it. My hon. Friend the Minister, who spoke so well and with such ebullience and enthusiasm, referred to its award in Dublin. It receives about 1·5 million inquiries each year, operates in 65 countries and runs 400 joint schemes. That combination has yielded the enormous benefits of growth in our tourism.

I should like to pay a brief tribute to William Davis, who is retiring as chairman of the BTA and the English tourist board. He has always been wholly committed to his work for the BTA and the ETB and has undertaken it with enthusiasm and efficiency. He has always worked extremely hard for tourism in this country.

Last night I received a report from Mr. John Trickett, a senior director of one of the largest United States tour operators, which was flown over especially from California. He drew my attention to a number of complaints about the way tours of this country are put together for American tourists. However, he also said:

"The UK continues to be the largest European destination for American tourism, there is however a great untapped potential. Were Britain able to more effectively present itself in the American market . . . I feel there is opportunity for a much greater number of American visitors each year".

That brings me to the shortfall in the BTA's budget because of the lower value of the pound, an issue which has already been mentioned. It affects our marketing offensive in the United States. With the £11 million highlighted for overseas marketing, coupled with £27 million raised in the private sector, the BTA has done a remarkable job, especially when one considers the £25 billion that the industry generates for this country. However, we need to put money into the marketing effort to take quick advantage of the lower exchange rate in order to get more visitors from America and elsewhere. We could achieve an immediate response if we went about it in the right way.

The Yorkshire and Humberside tourist board has an allocation of £500,000 a year. In addition, it raises £1 million a year, which is a great tribute to its director, Mr. Handley. It does a great job, but let us compare the money available to the English tourist board and, ultimately, to the regions, with that available to Wales, Scotland and Northern Ireland for 1994-95. On a per capita basis, Wales will receive £5·39, Scotland will receive £3·14, Northern Ireland £8·60 and England 21p. It is ridiculous that the Treasury allows such sums of money to go to Wales and Scotland, whereas the promotion funds for England, which has by far the largest tourist industry, are severely pruned. Let us remember that the Yorkshire and Humberside region itself is larger in population than Scotland.

Another issue that I believe should be reviewed is the number of tourist boards. On the map of the United Kingdom, there is a line through the centre, with boards to the left and to the right. There is a case for discussion to see whether we should amalgamate some of them, especially to draw the east and the west more closely together. I suggest that that issue should be considered in the consultations, which I was so delighted to hear my hon. Friend the Under-Secretary announce.

Industrial Heritage Year is of major importance to this country. It will, of course, highlight our historic manufacturing base, but, more important, it will also allow and encourage more firms to cater for tourists to this country to show how modern Britain operates. The modern element of Britain is as great a tourist attraction as our museums and heritage. I welcome the fact that Tetleys of Leeds is spending £6 million to upgrade its tourist arrangements so that people visiting the brewery will have a much better demonstration of its functions.

Our catering industry has done us proud. I pay tribute to the Restaurateurs Association of Great Britain and the Académie Culinaire de France. Those two organisations have worked miracles for food standards in restaurants the length and breadth of this country. The RAGB award schemes that they have introduced to encourage young chefs and waiters have been exceptionally well received. They have enhanced the standing of the catering industry and of the food that we enjoy. Let no one say that British food is not the best in the world.

2.14 pm

Mr. Nigel Waterson (Eastbourne): I express my gratitude to hon. Members who have made it possible for some of us to find a slot in this very good debate. I congratulate my hon. Friend the Minister and the business managers on finding time in which to have this debate, and I heartily endorse my hon. Friend's comment about making it a regular annual event. From the interest shown and the quality of speeches today, it is clear that tourism is of considerable interest to many hon. Members and to their constituents, so the more regularly we can have such debates the better.

There is great interest in tourism in all parties. The all-party group is ably led by my hon. Friend the Member for Harrogate (Mr. Banks) and there is also the Conservative Back-Bench tourism committee, of which I have the honour to be joint secretary. I am sure that there are equivalent bodies in other parties.

Tourism matters to our constituencies and to the country as a whole. In Eastbourne, which is a quality resort above all, tourism means £90 million a year and almost 6,000 jobs. Much has been and is being done by the Government and by others to help tourism. The hon. Member for Stalybridge and Hyde (Mr. Pendry) said that there was nothing in the Budget for tourism. He is wrong; there is much in the Budget for businesses, and especially for small businesses. About £1 billion-worth of burdens have been removed from businesses across the board, and many of the businesses affected are in the tourism sector.

I heartily endorse the abolition of the wages councils, which was mentioned earlier. For the first time—I mention this because a churlish note has crept into the debate at times—we have a Cabinet Minister with direct responsibility to speak for tourism.

I welcome the Minister's announcement about regional conferences. The change in the exchange rate has been advantageous and will continue to be so. Several of my hon. Friends have mentioned the exciting benefits of the English tourist board's seaside resorts campaign which, in its second year, involves 41 resorts, including Eastbourne. I draw attention to the partnership between the ETB and

[Mr. Nigel Waterson]

the public and private sectors in my constituency, and to the important and pivotal role of the Eastbourne Marketing Group. Local initiatives are often the best.

What more can be done? Like most hon. Members, I have a few suggestions. We need another Minister in the Department of National Heritage to build on the success of the new Department. We need to work at cutting bureaucracy and over-regulation, whether on working hours, on the social chapter, on the package holidays directive or whatever. My hon. Friend the Minister should talk to our right hon. and learned Friend the Secretary of State for the Environment to ensure that standard spending assessments for holiday resorts reflect more closely than they do now expenditure on promoting tourism and on providing facilities for tourists. The SSA should also take proper account, as I believe they may do in the coming year, of day visitor statistics.

Other hon. Members have mentioned assisted area status, which is also important. The ETB's review of assisted areas in Britain in September 1992 says:

"Coastal Resort TTWAs tend to suffer from higher than average unemployment rates but below average long-term unemployment".

It points out that such areas have a high reliance on seasonal employment. The redefining of the travel-to-work areas map for coastal resorts is long overdue; I hope that there will be some movement on that.

I do not intend to discuss the vexed question of section 4 grants at length. We have heard that 85 per cent. of United Kingdom tourism is in England. There is a need for something, perhaps a development beyond section 4 grants, to assist in upgrading hotels and the like. Perhaps we need a better funded alternative along the lines suggested by my hon. Friend the Member for Swindon (Mr. Coombs). From talking to local hoteliers and others, I find that they regard section 4 grants as a litmus test of the Government's concern for and interest in tourism. A more highly targeted and more selective means of aiding tourism, especially in England, would be helpful.

I very much endorse the comments of my hon. Friend the Member for Blackpool, North (Mr. Elletson) who spoke with great authority about the need to create more jobs in this important area. The tourism industry does not need handouts or long-term subsidy. It is not an industry with no future: it has a great past and an even greater future.

The tourism industry is labour-intensive. The ETB-BTA report on tourism and employment training pointed out that, between September 1985 and September 1991, the number of jobs in tourism-related industries increased on average by 17·8 per cent., with job opportunities in hotel and catering sectors rising by more than 40 and 25 per cent. respectively—and that at a time when the number of jobs in all other industries had increased by only 3·3 per cent. Tourism has the capacity to create jobs very fast as we start the economic recovery. Any investment now will be repaid many times over. It is a matter of pump priming. We also heard how, on the balance of payments, we still have a £4 billion tourism deficit.

I have no doubt whatever about the Minister's personal commitment to this vital sector of our economy and our national life. I have tried to suggest a few ways of developing that commitment and putting it to even better practical effect. I think that it was my hon. Friend the Member for City of Chester (Mr. Brandreth) who once memorably described tourism as the mortar that binds the bricks of the Department of National Heritage together; and the expression "the golden thread" has been used today.

I firmly believe that tourism encompasses all that is best in Britain. Despite the occasional attempt by Opposition Members to talk down tourism and other sectors of our national life and industry and commerce, I believe that that is still very much the case. Tourism is still vibrant and competitive. It has been coming through the recession better than many other sectors, even though it has had its problems. I believe very strongly that, with a Cabinet Minister, with a new Department, and given the personal commitment of my hon. Friend the Minister, we have nothing but good to look forward to in British tourism, both locally and nationally.

2.22 pm

Mr. Gyles Brandreth (City of Chester): I thank the occupants of the Front Benches for sacrificing their time to allow Back-Bench speeches to continue.

I must begin by revealing to you, Mr. Deputy Speaker, that I have two interests to declare. One is that I come from the city of Chester. Chester is to tourism what Maria Callas was to opera, what William Shakespeare was to language and what the Duke of Westminster is to the expression "comfortably well off". Chester is the ultimate, the acme, the jewel in the crown. This is not hyperbole; it is plain, unvarnished truth.

We have the lot—a splendid castle, a magnificent cathedral, just 900 years old, a matchless river. We have the Egon Ronay hotel of the year. This is for your information, Mr. Deputy Speaker, because I know that you will be looking forward to your visit. We have a racecourse that is a gem, a theatre that plays to capacity houses, a town crier who never loses his voice. We really have the lot. I imagine that is why the Secretary of State for National Heritage chose to come to Chester a fortnight ago: he felt that he was not properly briefed for his duties in his new Department until he had visited that great historic city—a city which is truly as modern as tomorrow, yet has a lot of time for yesterday.

I have a further interest to declare. I have the honour to be the recipient of a British Tourist Authority "come to Britain" award. I have worked in the tourism industry and I know the challenges it faces, not just in the abstract but hands on. That is why I may be bringing a slightly different perspective to our proceedings. It is also one reason why I applaud the changing balance that the Government are introducing between what they give the BTA and the English tourist board respectively. I know that the balance is very important, and I shall return to that if I get the opportunity.

I received the award from my right hon. Friend the Member for Sutton Coldfield (Sir N. Fowler), who was then Secretary of State for Employment. As we have made clear this morning, the tourist industry is one of the country's key employers. We have talked about how it employs 7 per cent. of those in employment in Great Britain. What was not mentioned today was the fact that the number of employees working in tourism has grown by 27 per cent. between 1982 and 1992.

That is the period during which the hon. Member for Stalybridge and Hyde (Mr. Pendry) told us that the ETB

was constantly attacked and the amount of money made available to it reduced. If that was the case, one would have thought that the number of people working in tourism would have fallen, but in fact the numbers have grown by 27 per cent.

I want to pay tribute to all the people who work in the industry at every level. They have, of course, been working recently in a very challenging environment. Although I have been singing the praises of my constituency, we too have our difficulties, particularly in relation to employment.

What does the tourism industry want from the Government? Above all, I believe that it wants the right economic climate. Low inflation, to which reference has not been made today, is critical. We now have low inflation. January's retail prices index was 1·7 per cent., which is the lowest since 1967.

When I began work in the tourism industry presenting son et lumiere, which I came to know as a history lesson in the rain—I had hoped to do one indoors, in Westminster Hall, but Mr. Speaker at the time did not think that that was a good idea for security reasons, although it may be a possibility during the summer months—when there was a Labour Government, inflation topped 26 per cent. That is quite a contrast with the present.

Mr. Pendry: What year was that?

Mr. Brandreth: I am talking about 1976.

We have also achieved low interest rates. Interest rates have declined from 15 to 6 per cent., saving the industry about £11 billion. We also have a competitive pound. Reference was made earlier to the disadvantage to the BTA of a competitive pound, but what about the advantage to the British tourist industry? Let us salute everyone in the tourist industry in general, and hoteliers in Chester in particular, for taking full advantage of a competitive pound to bring good business to Britain—and, of course, the best business to Chester.

We had a good Budget for tourism. We must welcome the fact that there will be no real increases in business rates for properties next year. We must also welcome the improvements to the loan guarantee scheme and the modification in the VAT regime. The Budget was a deregulating Budget, and that is welcome.

Of course we want the highest standards of safety and hygiene in our industry. However, we want as few pettifogging rules as possible. I am particularly delighted that the Minister responsible for deregulation, my hon. Friend the Member for Tatton (Mr. Hamilton) lives so close to Chester, because I am going to ring him about specifics. My hon. Friend the Minister was right. People should not just groan about the generalities: they should be specific. We must say, "This regulation is holding us up. Will you please do something about it?" It is very easy to maunder on about generalities. We want specific help for the industry.

There is, however, one specific area where I believe there should be more help from the Government. The Government acknowledge that the tourism element of the standard spending assessment should ideally take account of day visitors. I believe that I am right in saying that the Departments of National Heritage and of the Environmment have commissioned a team at Newcastle university to develop a model to generate estimates of day visitors at district level. If that model proves to be sufficiently accurate, we will make progress on that front.

Mr. Key *indicated assent.*

Mr. Brandreth: I am grateful to my hon. Friend for nodding so enthusiastically. I am also grateful to my hon. Friend the Minister for Local Government and Inner Cities for agreeing to see a delegation from Chester on that very issue.

What about money? We have millions of pounds of taxpayers' money——

Mr. Tony Banks: Give it back, then.

Mr. Brandreth: We are giving it back. We are investing it in tourism: in the Royal Opera house, the national theatre, the Royal Shakespeare Company—I am so relieved that the latest research has shown that it was Shakespeare who wrote those plays; there was talk that the author might have been Bacon. I feel that it would be very difficult to get people to work for the Royal Bacon Company. We have invested it in Windsor castle, English Heritage and the parks and galleries. I believe that the sum tops £1 billion.

What about the tricky question of the grants to the BTA and the ETB? I am clearly going to shock some of my friends inside and outside the House when I say that I am not so sure that the Government are not right to look afresh at such matters occasionally and to manage the change successfully. Despite what hon. Members have said, the funding of the BTA and the ETB has been constant in real terms over the past decade.

I think that I am right in saying that, in terms of funding spent in the European Community, the United Kingdom's spending is on a par as a proportion of tourist spend with any other country in the European Community. The marketing of tourism, in my experience—this is not theory; this is a practitioner speaking—must be led by those at the sharp end.

Recently, I had an interesting experience at the World Travel Market. I saw two counters. One was staffed by enthusiastic, well-meaning people from a local authority who sold professionally. The people staffing the next counter ran a hotel and a tourist attraction.

It being half-past Two o'clock, the motion for the Adjournment of the House lapsed, without Question put.

BUSINESS OF THE HOUSE

Ordered,

That, at the sitting on Tuesday 23rd March, the Speaker shall at Ten o'clock put the Questions on the Motions in the name of Mr. Secretary Rifkind relating to Estimates, 1993-94 (Navy), (Army) and (Air) Vote A, and in the name of Mr. Stephen Dorrell relating to Estimates, 1991-92 Excesses and Supplementary Estimates, 1992-93.—*[Mr. Arbuthnot.]*

ACCOMMODATION AND WORKS COMMITTEE

That Dame Jill Knight be discharged from the Accommodation and Works Committee and Dame Peggy Fenner be added to the Committee.—*[Mr. Arbuthnot.]*

Education Funding (Brent)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Arbuthnot.]*

2.30 pm

Mr. Ken Livingstone (Brent, East): I know that it is customary for the Minister to say nice things about how it has been good that an hon. Member has won the ballot. I shall reciprocate in advance by saying that I have every sympathy with any Minister who must defend the education policies of Brent council and that no one will hold it against him.

Brent council, which has a track record for absolutely abysmal mismanagement and incompetence, used to be under Labour control. I condemned the Labour council when it was incompetent. Therefore, I feel that the complaints that I now make about the Conservative-controlled council are not simply partisan. I was prepared to attack a Labour council when it was failing in the area. I should be failing in my duty to represent the views of parents and teachers in the area when we see devastating proposals for reductions in the education service if I did not speak out now.

I originally put my name forward in the ballot for Adjournment debates when the issue was narrower—simply a proposal to close Chamberlayne Wood primary school. That underlines what the matter is about. The Conservative-controlled council has only one objective—to get re-elected at the municipal elections next year. Therefore, it wishes to reduce spending in order to be able to go into the election saying that it has reduced council tax. Since the Conservative party gained control of Brent council, there has been a consistent pattern of reducing education provision to achieve this.

Undoubtedly, hon. Members will recall my Adjournment debate more than a year ago on the closure of one of the most popular secondary schools in Brent, William Gladstone school. Parents were happy to send their children to that school. Its academic standards were improving and more children were going to it every year. However, the local Conservative council decided that the site could be sold off. The site was pleasant and faced a park, and its sale would bring in a good return of money. Therefore, the opposition of parents was overridden and the school was closed.

In the correspondence that I had with the Secretary of State for Education, it eventually transpired that the advice given to the Secretary of State by Brent education authority was inaccurate. If we had had accurate figures, the Government would probably have rejected the closure proposals. But, as we discovered in the previous Adjournment debate, there is no way in which we can reverse the closure.

Brent council had barely got agreement for the closure of William Gladstone school when it proposed to close four primary schools. The council overlooked the fact that a general election was coming in a few weeks and, in the uproar from literally thousands of parents who saw popular local primary schools being closed all over the borough, it backed off. Once the election was out of the way, and having dropped the proposals before the election, the council came back with the proposal to close one of the schools, Chamberlayne Wood, in my constituency.

I strongly suspect that we have a rolling programme. The council decided that the proposal to close four schools at once would magnify the opposition four times. Rather than close four schools at once, the council has decided to close the schools one at a time in an annual rolling programme. It will flog off the sites and help to keep the council tax down. At any one time, the council can cope with an uproar in just one of the many wards in my constituency.

I wish to spend a few moments talking about Chamberlayne Wood school because I know that the decision is with the Minister. I hope that he will not rush to reach a decision before he has had chance to visit the school. Chamberlayne ward has the fastest increasing birth rate in the south of the borough. It has increased more than 25 per cent. in the past 10 years. The source of that information is the London Research Centre.

All the local primary schools show a bulge in rolls, with lower numbers at the upper end, reflecting a time when schools in Brent were less popular. The infant and nursery schools have full or almost full rolls. The alleged reason for closure was the number of access places in the borough. However, once the local parents and teachers began to campaign, the borough council was forced to admit that the figure was grossly inflated. It had to reduce the alleged number of access places by 32 per cent., after calculating them more accurately. Brent's figures always seem to be inadequate.

Most of the access places tend to be in the top years of the schools. As the birth rate bulge works through, we shall not have surplus places. Local parents like Chamberlayne Wood school. They continue to send their children there. There is a waiting list of children for September 1993. The nearest school in the catchment area is a Church of England voluntary-aided school. Yet the majority of the children at Chamberlayne Wood school are non-Christian. They would face a long walk across two main routes of traffic into central London. That is clearly not suitable or acceptable for primary school children.

Many of the families in the area do not have cars. They are not particularly well off. Therefore, it would be a particular problem for parents to send their children to more distant schools. My fear is that, like so many other parents such as those of children at the soon to be closed William Gladstone school, parents will end up sending their children outside the borough.

Chamberlayne Wood school is on Brent Conservative council's hit list because it intends to move another school to the site. But Manor day school is for special needs children. As everyone would agree, such children need a small, quiet and safe environment. Yet Chamberlayne Wood is surrounded by busy roads. It is large and noisy and has numerous stairs and passageways—a typical, old Victorian school. There is no safe vehicular access. No one in their right mind would wish to send special needs children to that school.

However, if Brent council can clear the Manor day school site, it could be one of the most desirable sites for private housing development in the borough. It would turn in a nice little profit which would once again undoubtedly help to keep the council tax down in the run-up to the election. That is the underlying reason for this rolling programme of school closures.

The farce of this year's council budget is even worse. There has been a major series of reductions in educational provision and many educational psychologists have been

dismissed. Only half the establishment is now available in Brent. The thing really began to take off when head teachers and chairs of governing bodies came together because it transpired that Brent council spent £12 million less on education than the Government recommended.

I am happy to abuse the Government, but here is a Conservative council spending less than the Government would prefer it to spend on education in the borough. That fact caused considerable uproar in the borough. It was magnified when it became apparent that the Conservative council proposed further education cuts in the coming year's budget. That led my hon. Friend the Member for Brent, South (Mr. Boateng) to ask the Government to step in to prevent what was happening. In reply to my hon. Friend on 27 January, the Government declined to take the opportunity to investigate how education was provided in Brent.

Lest anyone thinks that those dreadful old lefties the hon. Members for Brent, South and for Brent, East are complaining again, I should add that the right hon. Member for Brent, North (Sir R. Boyson), a well-respected Member of Parliament and in no sense a closet leftie, is responding to tremendous pressure and complaints from parents of children at schools in the north of the borough.

I shall read a letter from Kingsbury High School Guild —the parent-teachers association—to the leader of the council. The school is in the constituency of the right hon. Member for Brent, North and the letter reads:

"I write on behalf of the Committee of the Kingsbury High School Guild which met last evening to hear a report from the Headmaster, Mr. P. Snell concerning the prospect of an unbelievable cut of £320,000 from the Kingsbury High School budget from 1st April 1993 which is additional to the effects of the cuts in central services you announced last October. We are shocked that your Council seeks to withdraw funding from the Local Management of Schools formula which your administration championed as the salvation of Brent schools.

We are totally convinced that the cut of £160,000 from the 'split-site' factor after a majority of Kingsbury High School parents voted in favour of an application for Grant Maintained Status was a vindictive act—we call on you to reinstate this element. We remind councillors that, although Kingsbury High School may be given Grant Maintained Status, parents are aware that Brent Council largely decides the funding it will get and those same parents vote in local elections.

We entirely support the Kingsbury High School Governors in their refusal to consider redundancy of staff believing, as they do, that the school requires its full complement of staff to ensure the delivery of the curriculum. We are in sympathy with the Governors for the task they now face to curtail the planned and much needed maintenance and development programme of the school to cover the cut in revenue.

We are especially concerned that your administration has decided not to allocate the full amount of the Standard Spending Assessment share for Education and call on all Councillors to ensure that this is done for the benefit of all schools in Brent".

A campaign built up, because the decision was affecting all schools in the borough. A major and successful demonstration took place in Brent, with speeches from myself and my hon. Friend the Member for Brent, South and a message of support from the Conservative right hon. Member for Brent, North, who said that he was totally opposed to those policies and was on the side of the parents.

I must reiterate that Brent is spending £12 million a year less on education than it should do to comply with the standard spending assessment. In the run-up to the budget, Brent was proposing to slash another £5·5 million, which led to all governors in the borough meeting and discussing a mass resignation, on the ground that they no longer believed that they could carry out their lawful duties to provide a proper education service to conform to the national curriculum if the cuts went ahead.

I have endless letters here, which I do not have time to read, and which spell out how the cuts would affect different schools in my constituency, such as Anson and Salusbury road. The pattern is repeated across the borough. The letters are not merely from Labour-voting parents, because parents and teachers of all political persuasions have united against the council. The council's Labour opposition demanded a special meeting of Brent council to discuss the situation. It was remarkable that when the council should have met to discuss the issue, one particularly erratic Conservative councillor tabled a proposal for the reintroduction of female circumcision in Britain which managed to consume the entire evening with name-calling and some of the most vile accusations of a personal nature between members. The education cuts were agreed without debate after the guillotine had come down. Labour then demanded a special council meeting to discuss the cuts in detail, as there had been no discussion, and parents and teachers who had attended were disgusted with the way in which the matter had been handled.

The mayor told them that there would be a special council meeting, which would be held some time in the small hours after the council's annual budget meeting, at which it would set the council tax. That was a clever device which meant that people were not allowed to go along to see a proper debate. Effectively, no real debate took place because the financial decisions had been taken.

As I said, I have endless letters from school governors complaining about the proposals. At the last minute, the Conservative leader of the council, Councillor Bob Blackman reduced the scale of the cuts by £1 million, so the education cut was £3 million on top of the underspending that already takes place in Brent.

As the local paper reported, "Extra cash for schools still not enough". The *Willesden and Brent Chronicle* states:

"Parents and teachers fighting for the future of education in Brent describe the Tories' budget as a 'poorly contrived attempt to make less look like more'. They say nothing has changed and that schools are still facing a future with insufficient funds to maintain good standards. In announcing an extra £1m for schools, council leader Bob Blackman admitted that a delegation of headteachers . . . had persuaded him of the need for extra cash.

He says there is now no need for any of the threatened 140 teacher redundancies and promised that any teachers who are laid off will be found new jobs by the council.

But while the cash boost was the surprise element in Cllr Blackman's budget, it failed to put the smile back on the faces of school governors.

They say schools still face a budget cut of 7 per cent. per child".

As I have said, those are not just Labour governors but the totality of governors in Brent acting together. They are of all parties and many belong to no party. Alan Carter, the spokesman for the school governors, is quoted as saying:

"The council has failed to reinstate the £3m of cuts it has made. No allowance has been made for the 4·5 per cent. increase in school rolls or for inflation. Teachers will still lose their jobs."

To make matters worse, local day nurseries are being closed and some have the threat of closure hanging over them. That means increasing pressure on schools. There is an almost vindictive quality because not only are there cuts

[Mr. Ken Livingstone]

but disabled workers are being picked out by the council. Four out of five disabled workers have been sacked and some have been verbally abused by management. One of the four, Mr. Omar Osman, was told by senior management that he could not have a cup of tea in the morning because he had only one arm and therefore had to stop work every time he took a drink. Others were similarly abused. Brent has now been criticised for having less than 1 per cent. of disabled people on its work force when it is required by law to meet a 3 per cent. quota. Such cuts mean that the most vulnerable people often suffer first.

Nothing has changed in terms of the education cuts. School governors were meeting last night because they are still dissatisfied and want change. They want the Government to act. Although it may seem amazing, I am prepared for the Government to step in and administer education in Brent between now and the elections next year, because they could not do worse. A team of inspectors put in to administer the education department would be beneficial and would have massive support because the borough has completely lost confidence in the councillors' ability to manage education.

In case the Minister tells me that his belief in local democracy is such that local councillors must be left to manage these things, I can tell him that the council has no legitimacy. The Conservatives did not win control at the last election, which resulted in a hung council. The then Conservative leader, Councillor Bob Blackman, zeroed in on four of the more feeble-minded Labour members of the council and offered them deals that got them to cross the floor. That created an administration.

I shall spell out the deals. To Councillors Amalu Johnson and Poline Nyaga he gave a £1 million community centre as well as large personal allowances and their own office and support staff. That persuaded those two to cross the floor. To Harshad Barot, who was being investigated by the council about the disappearance of a council grant for a voluntary organisation for which he was responsible, Councillor Blackman offered that the investigation by the council would be dropped. Harshad Barot crossed the floor.

In the case of Judith Harper, a Labour member who had become homeless and had refused the traditional offer of a flat on an estate, Councillor Blackman intervened and said that she could have a nice house on a leafy road in Barnet. Lo and behold, she changed her political persuasion.

I have not the slightest doubt that a Labour party which selected idiots like those in the first place deserves to be taken to the cleaners. I have said that to many of my colleagues who are responsible for selecting such characters, but a Tory council that bribes people like that in order to win power and then devastates the education service that it has a duty to provide has lost all respect and support.

In Brent it is commonly known that Councillor Blackman is the municipal Robert Maxwell. There is nothing so venal that it will not be done. Last year they raided the pension fund. Those people are not fit to run education in Brent and I repeat that, as a Labour Member, I should prefer to see the Government take control of education in Brent and remove it from the hands of these idiots, some of whom should be inside for fraud. The Government could administer it via the inspectorate until the elections next year.

2.49 pm

The Parliamentary Under-Secretary of State for Schools (Mr. Eric Forth): It is traditional on such occasions to congratulate the hon. Member on obtaining the debate, but I am in two minds whether to do so today as I have been brought to the House at such a time on a Friday afternoon. I am sure that the hon. Member for Brent, East (Mr. Livingstone) will understand why I say that.

The hon. Gentleman has raised important issues. I am not sure whether it is for me, as a junior Education Minister, to respond to the hon. Gentleman's allegations about the murky dealings of the past and present in Brent council. I shall stick more closely to the education matters that he rightly mentioned.

I am forced to say that many of the provisions for which the hon. Gentleman asked in his last remarks can be found in the Education Bill that has just completed its stages in the House and has now gone to another place. That Bill provides a mechanism whereby schools that are failing, or have been allowed to fail, by a local education authority, can be taken over by a new, independent body—an education association—and improved. I hope that the hon. Gentleman will look again at the Bill to see whether he may be able to support it when it returns to the House later this year.

I will not attempt to condemn previous administrations in Brent, although it would be easy for me to do so. The hon. Gentleman charitably and generously acknowledged that there were serious difficulties in the administration of Brent before the change of control. Much as I should like to do so, it is not my job today to seek to defend the present administration in Brent. However, it is making serious efforts to deal with the accumulated problems of the past and restore an element of responsibility and viability to local government in that part of London.

It is important that we all bear in mind the fact that the responsibility for the delivery of education remains very much that of the elected local education authority. That authority will have to account to the electorate for the discharge of its responsibilities in relation to education and other matters at future elections. That will be the case in Brent, as everywhere else.

The local education authority decides on the number of school places that will be provided, and where they will be provided. It is in that context that the proposal relating to Chamberlayne Wood school, mentioned by the hon. Gentleman, is being considered by my Department at present. We will carefully examine the representations and objections, as well as the points raised by the hon. Gentleman today, before deciding what to do.

It must be for a locally accountable local education authority to make its judgments on what provisions should be made in its area, and in different parts of its area. It must decide whether schools should be enlarged or closed —as they occasionally must be—and whether new schools should be opened. Those are rightly decisions for the local authority, which must account to the electorate for those decisions.

The hon. Gentleman graphically described how he moves in a world of protests, angry meetings and representations—as he and I know, they are all part of the

democratic warp and weft of local and central Government. In the knowledge of all the circumstances, the local education authority—in Brent and elsewhere—must take responsible decisions on the right and best way to deliver education locally.

The hon. Gentleman mentioned standard spending assessments—the formula whereby local authorities are funded, largely by central Government. Brent's SSA for all services has increased by more than 28 per cent. over the past three financial years. The education SSA—that element which is designed to indicate the amount that might be spent on education—has increased by more than 24 per cent. in that period.

The hon. Gentleman made great play of his claim that the authority was underspending on its education SSA. I have looked at the figures for Brent for the past few years. In 1990-91, the spend was 2 per cent. below the education SSA; in 1991-92, the spend was 1 per cent. above the SSA; in 1992-93—the year just finishing—the figure was 6 per cent. below it. However, the planned or budgeted expenditure for 1993-94 brings Brent's expenditure on education back in line with the education SSA.

Therefore, although there have been ups and downs in the past, the current figures show that Brent intends to spend on education the amount that it is estimated it should spend. It does the authority less than justice to claim that its plans for next year show a shortfall of the kind that the hon. Gentleman suggested. It must be given credit for what it is doing.

We can look at a number of comparisons. For instance, Brent will be getting 30 per cent. more per pupil in 1993-94 than the national average. Its "per-pupil allowances" are about 17 per cent. higher than the average for outer London boroughs. The overall picture suggests, contrary to what the hon. Gentleman said, that Brent's difficult problems and its needs, which many would say are greater than those in other parts of the country, are recognised in its funding arrangements, generally and for education. Brent is responding by making proper allowance for its education spend.

I hasten to add that this is a global picture. What the authority chooses to do within these global arrangements —for particular schools, for primary and secondary education, or for post-16 provision—is for it to decide. That is what happens in the rest of the country, and the same goes for Brent.

The hon. Gentleman seemed to imply that there was something sinful about a local authority trying to make sure that the council tax it would levy on its electorate was as low as possible. He is wrong. An education authority must strike a balance between the taxes it will levy on its populace and the money it will spend.

Given past activities in Brent—to do with expenditure, tax levels and so on—and given the incubus of the past that the administration of Brent has to deal with, it is fair to say that Brent is doing remarkably well. It is bringing the finances back to something approaching a balance, and it is exercising its judgment in respect of educational need in Brent.

Brent is examining the local management of schools formula, determining whether it is useful and how it will affect different sorts of schools, and how far provision can be made within it. Given the exigencies of the present, the problems of the past, the countervailing pressures of the level of the council tax and of justified educational expenditure, I am sure that Brent council would say that it was getting the balance about right.

It was wrong of the hon. Gentleman to suggest that central Government should step in when local people express dissatisfaction and take over the administration of local government generally or of education. That would fly in the face of all that I—and, I am sure, the hon. Gentleman—believe in. We should not try to get around local accountability by deciding that, if an authority fails to discharge its responsibilities to the electorate, central Government should step in and take over.

There is no proper mechanism for that, and the Education Bill provides for a more specific approach—a much more fruitful approach. The inspectorate judges whether schools are failing their pupils and their parents. If they are, the LEA or the school governors will be given an opportunity to correct the problems. If that does not work, the Bill, if agreed to by Parliament, would provide that an education association be appointed to sort out the problems in a school or group of schools.

One should not condemn an entire authority and then argue that central Government should step in to run the service better. We hope to provide the mechanism to deal with schools and groups of schools. The independent inspectorate would judge whether they were being properly run or were failing; if the latter, the mechanism for which the Bill provides would be used.

Although I listened carefully to what the hon. Gentleman said, and although we shall continue to look carefully at the individual school cases that he raised, I cannot agree with what he said today—that we should condemn wholesale what this local education authority is doing, that we should ignore its valiant efforts to deal with the accumulated problems of the past and that we should give no credit to it for what is being done.

The one thing about which I think the hon. Gentleman and I will agree is that it will be the electors of Brent who decide at the next election whether the council has properly discharged its responsibilities. I just hope for his sake that, when that election comes, the candidates of his party who are put up to fight it are a sight more impressive than the ones he so graphically described today.

Question put and agreed to.

Adjourned accordingly at Three o'clock.

House of Commons

Monday 22 March 1993

The House met at half-past Two o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Oral Answers to Questions

NATIONAL HERITAGE

Granada Television

1. **Mr. Sedgemore:** To ask the Secretary of State for National Heritage what plans he has to meet the chairman of the Independent Television Commission to discuss the licence of Granada Television.

The Secretary of State for National Heritage (Mr. Peter Brooke): None. That is a matter for the Independent Television Commission.

Mr. Sedgemore: Can the Minister explain why Sir George Russell, the chairman of the Independent Television Commission seems determined to give in to Granada Television's slippery and disingenuous response to the meticulously researched document produced by my hon. Friend the Member for Cynon Valley (Mrs. Clwyd), which outlines breaches in its licence? Is he aware that Granada has expressed an interest in buying into Yorkshire Television? Will he halt all developments in that sphere, pending an inquiry into the reasons why Sir George Russell granted that company a licence when his staff presented him with a document questioning Yorkshire Television's viability?

Mr. Brooke: In the context of the hon. Gentleman's extravagant language, the phrase "give in" is irrelevant, not least since the Independent Television Commission is fulfilling a quasi-judicial function. The second part of the hon. Gentleman's question is also a matter for the ITC.

Mr. Sumberg: Instead of listening to those hon. Members who have no connection with the north-west of England, which is the area served by Granada Television——

Mr. Sedgemore: I worked for the company.

Mr. Sumberg: Will my right hon. Friend take it from me that I have not received one word of criticism about the quality of Granada Television from my constituents in Bury, South who, like me, will warmly welcome the fact that the ITC has roundly and completely rejected the unfounded criticism from the hon. Member for Hackney, South and Shoreditch (Mr. Sedgemore) and other Opposition Members?

Mr. Brooke: The hon. Member for Hackney, South and Shoreditch (Mr. Sedgemore) has declared his interest in the matter in his own inimitable way. I am grateful for the endorsement that my hon. Friend gave in his question.

Mrs. Clwyd: When very senior Granada personnel come to me and detail breaches of the company's licence, and when those same people are totally unconvinced by Granada's response, surely the ITC has a statutory duty to act rather than to accept wholesale misleading information? Why does the Secretary of State not admit that the Government and the ITC have made a complete mess of the licence applications, so that there are serious problems at Granada Television, Yorkshire Television and Tyne Tees Television? If there is a secret and explosive document —I know that there is, and that it relates to the financial viability of those companies—should it not be published so that we can see for ourselves whether the ITC has acted lawfully and with integrity? Or is there something to hide?

Mr. Brooke: The hon. Lady referred to the ITC's statutory duty to act. She submitted a series of charges to the ITC, to which it responded and effectively disagreed with her. In that respect, the ITC has fulfilled its statutory duty.

National Lottery

2. **Mr. Amess:** To ask the Secretary of State for National Heritage what recent representations he has received about the site for the headquarters of the national lottery.

The Parliamentary Under-Secretary of State for National Heritage (Mr. Robert Key): My right hon. Friend and I have received a number of representations about the siting of the headquarters for the proposed national lottery. Recent representations have been received on behalf of Penwith district council, Liverpool city council, Princess Dock Development Co. Ltd., Craven council, Clacton-on-Sea, Devizes and East Cheam.

Mr. Amess: If my hon. Friend shares my desire for our national lottery to be the biggest, best and most exciting in the world, will he take my advice and have a word with the people responsible for the siting of its headquarters to encourage them to place it in Basildon—a town for a gamble and a town for winners?

Mr. Key: My hon. Friend is absolutely right and he is, of course, such a winner. We shall see where the headquarters go. It will not be for Ministers to decide their location, although companies may wish to consider favourable schemes which may be on offer under the Government's assisted areas programme.

Rugby Football

3. **Mr. Hain:** To ask the Secretary of State for National Heritage when he next intends to meet the authorities of the rugby football unions to discuss public funding for that sport.

Mr. Key: It is for the Sports Councils to decide how much, if any, financial support they wish to give to the rugby football unions. I have no immediate plans to meet the English Rugby Football Union.

Mr. Hain: Will the Minister consider changing those plans in order to meet the rugby union authorities? When he does so, will he discuss not only funding, but lifting the ban on the Neath player, Stuart Evans, a former Welsh rugby international whose rugby league contract with St. Helens expired two years ago? Is the Minister aware that France and Australia interpret the rules more flexibly than our own authorities? Moreover, to end the hypocrisy of shamateurism and to avoid the likely humiliation of the rugby authorities, should Mr. Evans take his case to the European Court, will the Government press for changes in the rules so that rugby players can play rugby union and the oppressive and anachronistic bans may be ended?

Mr. Key: I am grateful to the hon. Gentleman for giving me notice of his intention to raise this issue. It is, of course, for the rugby authorities to set and apply their own regulations and for players to decide which code they wish to play by and ensure that they are fully acquainted with those regulations. Only the courts can decide whether any breach of the law has occurred and it must be for the individual to decide whether to pursue the matter. The chairman of the Sports Council, Sir Peter Yarranton, has expressed his disappointment at this. He is a distinguished former English international and the immediate past president of the Rugby Football Union.

Mr. Harry Greenway: Does my hon. Friend agree that national rugby football unions should be self-funded? With respect, Wales would be better able to fund itself if it played better rugby and won more matches. Does my hon. Friend also agree that those authorities have a function in helping school children into the game more widely through the clubs and should be funded to that end?

Mr. Key: My hon. Friend is absolutely right about the importance of sport for young people, both rugby union and rugby league. That is why a number of programmes of the Sports Council and other bodies fund such schemes.

Mr. Hinchliffe: Is the Minister aware of the contents of my early-day motion 1342, which has attracted 130 signatures from hon. Members of various parties, relating to the case of Mr. Steve Pilgrim, the Wasps rugby union player who was banned for a year by the rugby union for having an amateur trial with Leeds? He has not been signed by Leeds and now finds himself in a sporting no-man's-land. Is such an attitude appropriate for a sport which receives extensive public funding and in which players are already paid for playing rugby union, and rightly so? There are people in the Chamber now who have been paid for playing rugby union football.

Mr. Key: The latter point is a matter for dispute. The Rugby Football Union and the other rugby organisations are responsible for their own rules, but I accept the general tone of the hon. Gentleman's remark and I, too, am disappointed about that particular case.

Windsor Castle

4. **Mr. Mudie:** To ask the Secretary of State for National Heritage when he expects the final decision on the form of restoration of Windsor castle to be made.

Mr. Brooke: I hope to make a statement of progress on this shortly.

Mr. Mudie: Does the Minister think it makes good sense to spend millions of pounds of public money on this scheme when the nation was told last week that it is so poor that pensioners' fuel bills must be taxed? Can the Minister defend that order of priorities?

Mr. Brooke: As the hon. Gentleman knows, matters of public expenditure across the whole range are looked at individually. The commitment to Windsor castle goes back to an obligation undertaken by the state in 1831.

Mr. Robert Banks: I hope that a decision to start the restoration work will be made as soon as possible. Might not the Queen decide on the form of that restoration as she has to live there?

Mr. Brooke: I join my hon. Friend in hoping that we shall be able to make an early start. The decisions on restoration would be taken by Her Majesty the Queen on advice from the Government.

Mrs. Clwyd: The Secretary of State has confirmed that the taxpayer will have to find between £30 million and £40 million towards the cost of restoration. Where is that money to come from? Will it really come from the hard-pressed national heritage budget? Is it to come from increases in value added tax which the poor and the old will be paying? How much money has come into the trust fund that the Secretary of State set up when taxpayers objected to the large blank cheque that he was signing on their behalf? Why did the Minister say to me in his letter of last week that

"no representations have been made to the Royal Household about a contribution towards the costs"?

If the taxpayers are having to fork out, why should not the Queen?

Mr. Brooke: The immediate emergency expenditure on the castle, which runs to about £1·5 million in the current year, has been met from my departmental budget. I am discussing with colleagues how we would fund the subsequent restoration. Contrary to what the hon. Lady has said, the trust fund was not set up by the Government. It is run by independent trustees, to whom she should address her questions. As for the answer that I gave when the hon. Lady raised the issue with me on 11 March—when she appeared to be ignorant of the fact that a public inquiry had been set up—the reason why I gave her that answer was that it was true.

Mr. Jacques Arnold: Will not the restoration of Windsor castle provide thousands of hours of employment for some of the best artisans in the world?

Mr. Brooke: My hon. Friend is right in terms of the skills that will be required from craftsmen of every sort in the restoration of the castle.

Mr. Maclennan: Does the Secretary of State realise that some of the greatest British architects have constructed important public buildings abroad, but have not been recognised in this country? In the context of the new opportunities for the display of the royal collection of paintings and other art works, will the Secretary of State give particular attention to the possibility of combining those challenges to provide an exciting new building at Windsor which would be representative of the best in Britain today?

Mr. Brooke: I join the hon. Gentleman in saluting the achievements of British architects abroad, and I am delighted to say that those same British architects also design buildings in this country. The substance of his question forms part of the general debate on restoration, on which I hope to make an announcement shortly.

West Coast Main Line

5. **Mrs. Jane Kennedy:** To ask the Secretary of State for National Heritage what assessment he has made of the effect on the tourist industry in the north-west of the level of service on the west coast main line.

Mr. Key: According to latest available figures, 13 per cent. of visitors to the north-west staying one night or more travelled by train. Improvements to the west coast main line will encourage greater use by everyone, including tourists.

Mrs. Kennedy: I am grateful to the Minister for that answer, but what plans does he have for talks with his colleague the Secretary of State for Transport to ensure that such improvements actually take place so that day trippers and overseas visitors using the channel tunnel, other forms of transport and the west coast main line can visit exhibitions such as the Beatles exhibition and the Tate of the north in Liverpool?

Mr. Key: The hon. Lady is right to say that it is important that the improvements take place. As my right hon. Friend the Secretary of State for Transport has announced, those improvements will take place as soon as resources allow.

Mr. Hawkins: Does my hon. Friend agree that the announcement last week that the main channel tunnel terminus for routes to the north will be at St. Pancras will be of enormous benefit to tourism in the north-west, including my constituency and that of the hon. Member for Liverpool, Broadgreen (Mrs. Kennedy)? That is because the links between the north-west main line into Euston and the line from St. Pancras already exist, as was confirmed to me at a meeting as recently as this morning by the senior manager in charge of InterCity services for the north-west.

Mr. Key: I know of no one—apart, perhaps, from my hon. Friend the Member for Blackpool, North (Mr. Elletson)—who is as well informed about Blackpool as my hon. Friend. He has hit the nail on the head. Of course it is true that a night service will run from Paris and Brussels up the west coast main line to Glasgow. There will also be daytime services from Paris and Brussels to Manchester, and a service between Paris and Birmingham. These trains are due to start towards the end of 1995. I understand that British Rail intends to run a connecting service between Manchester and Waterloo, to begin when regular train services commence from London in mid-1994.

Libraries

6. **Mr. Gerrard:** To ask the Secretary of State for National Heritage what assessment his Department has made of the impact of the current year's revenue support grant on public library provision; and if he will make a statement.

Mr. Key: I collect information annually from English library authorities about their expenditure plans for the coming financial year and their actual expenditure in the previous year. This year's planned spending total was higher than the previous year's outturn.

Mr. Gerrard: Does the Minister accept that public library services are declining and that closures of libraries and reductions in opening hours are becoming commonplace under local authorities of all political persuasions? Is that not the inevitable result of the Government's financial pressure on local authorities to cut spending? What does the Minister intend to do to help local authorities to deliver efficient library services?

Mr. Key: No, I do not agree with the hon. Gentleman. Total gross expenditure on public libraries in England rose by 17 per cent. in real terms over the past 10 years. I have looked carefully at actual and proposed cuts and there is no current evidence of a breach of statutory duty. Book issues were up 3 per cent. in the last year for which figures are available, issues of children's books were up by 8 per cent., and a staggering 489 million books were issued that year.

Mrs. Angela Knight: Is my hon. Friend aware that some local authorities such as Derbyshire see libaries as a soft target and will propose to close them or to curtail opening hours rather than trying to control expenditure in other areas? Will he undertake to keep such matters under careful scrutiny so that constituents such as mine in Erewash get the services that they require and pay for?

Mr. Key: Yes, and I am grateful to my hon. Friend, and to the Conservative county councillors on her council, for keeping me so well informed about the situation in Derbyshire. I have looked at it carefully and I am confident that there is no breach of statutory duty. I will not, therefore, be setting up a public inquiry, but I assure my hon. Friend that we are keeping the situation under careful review, especially in Derbyshire, and if there is any such evidence my chief library adviser will, of course, advise me accordingly.

Mr. Skinner: If the Minister intends to keep library services in Derbyshire under review, why does he not also guarantee that Derbyshire county council—which has had a mandate from the people against the Tory party, including the hon. Member for Erewash (Mrs. Knight), since 1981—has returned to it the £40 million of cuts in Government grant? Then no library in Derbyshire will be affected and the community education system will prosper. Let us have less hypocrisy from the Dispatch Box and from Tory Members about what is happening in Derbyshire, given that the Conservative Government are responsible for all the cuts.

Mr. Key: It is always a pleasure to be questioned by the hon. Member for Bolsover (Mr. Skinner), although I wish he would change the record once a year or so. I recall a similar exchange with him before. Standard spending assessments are set to take account of library services. Derbyshire, along with other authorities, has one problem: it contains a lot of reactionary people who seem to think that libraries should not change to match the changing requirements, aspirations and demands of their people.

When libraries do change, they flourish—as has happened in the past few years, with more books and more expenditure on public libraries.

Mr. Peter Bottomley: May I refer my hon. Friend to the good interview on LBC this morning, in which the non-statutory service offered by Westminster city council—the Westminster music library—was discussed? Will he consider the possibility of a national music library which might take over some of the funding responsibilities from Westminster, which currently provides a service—scores, compositions and other printed music—for most of the country's amateur and semi-professional orchestras?

Mr. Key: Not for the first time, my hon. Friend has come up with an interesting idea. I should like time to think about it.

Coarse Fishing

7. **Mr. Eric Clarke:** To ask the Secretary of State for National Heritage what support his Department gives to the sport of coarse fishing.

Mr. Brooke: Most Government funding of sport is made through the Sports Council. In 1991, the Sports Council paid grant of £20,000 to the National Federation of Anglers, the governing body for course fishing. The grant paid so far for 1992 is £15,000, but final levels of grant for that year and this are likely to be decided in May.

Mr. Clarke: The Secretary of State will be aware that his right hon. and learned Friend the Secretary of State for the Environment is setting up the Environment Protection Agency—[HON. MEMBERS: "Reading."] Yes, I am.

Madam Speaker: Order. That is just the sort of confession for which I have been waiting. The hon. Gentleman knows that during Question Time hon. Members do not read.

Mr. Clarke: Will the Secretary of State ask his right hon. and learned Friend to confer with the 4 million anglers—it is the most popular sport in Britain—about the work of the proposed agency so that we can ensure that it benefits both the environment and the anglers who enjoy that most popular sport?

Mr. Brooke: The hon. Gentleman makes what appears to be a wholly unexceptionable request. I will certainly talk to my right hon. and learned Friend.

Mr. John Marshall: Does my right hon. Friend not find it slightly ironic that the cheers in favour of angling and fishing come from those who, on every other occasion, are against any form of blood sport?

Mr. Brooke: That particular contradiction has been remarked on by others. I am grateful to my hon. Friend for mentioning it again.

Children's Play

8. **Mr. Hardy:** To ask the Secretary of State for National Heritage what action he is taking to support or promote children's play and recreation other than in regard to direct and organised sporting activity; and what steps are being taken towards the fulfilment of the United Kingdom's obligations in respect of the United Nations convention on the rights of the child.

Mr. Key: We recognise the importance of play to children's development and are fully committed to providing appropriate funding and other support for it. From April 1993, the Sports Council will take over the play unit's responsibilities for the national play information centre and playwork education and training along with seven of the unit's current staff. Our obligations under the United Nations convention on the rights of the child are also being met through the work that both the Arts Council and the Sports Council are doing to promote wider leisure opportunities for young people, and through the policies of the Departments of the Environment and of Employment.

Mr. Hardy: In the light of that answer, and following the recent and not unhelpful meeting held with hon. Members from both sides of the House, may we take it that the Under-Secretary of State is confirming that the Sports Council fully recognises the importance of children's play and that no lesser dedication of resources will be provided than under the previous arrangements?

Mr. Key: I am grateful to the hon. Gentleman, who rightly said that the all-party group had a constructive meeting. I assure him that the Sports Council takes its commitment seriously. It has already earmarked £220,000 as a base figure. It is also considering further funding for the four national centres for playwork education and the National Voluntary Council for Children's Play.

I should point out that this year the Great Britain Sports Council will be replaced by the United Kingdom Sports Commission and the Sports Council for England. We shall consider with them how their policy areas should develop.

Dame Elaine Kellett-Bowman: Does my hon. Friend agree that the right of a child to recreation is preceded by the right to life? Does he therefore regret the fact that 4 million children have been murdered under the Abortion Act 1967, introduced by the right hon. Member for Tweeddale, Ettrick and Lauderdale (Sir D. Steel)?

Mr. Key: No.

Mr. Pendry: How can the Under-Secretary of State be satisfied that adequate resources will be made available to local play providers by the Sports Council at a time when that body is undergoing a major restructuring exercise following the Atkins review? Surely this is not the time to put at risk the good work of the play unit by merging it with the Sports Council—an organisation, incidentally, with no history of involvement in children's play other than that of accounting officer.

In the light of recent tragic events in Liverpool and elsewhere, does the hon. Gentleman agree that it is vital that young children are offered stimulating alternatives to wandering the streets aimlessly? Even at this late stage, will he think again about the particular exercise that he is undertaking, because the play unit is the only agency dedicated to children's recreational needs?

Mr. Key: If that were true, I should be inclined to think again, but I can reassure the hon. Gentleman that the decision was reached after substantial consultation over many weeks. I recognise our responsibilities under article 31 of the United Nations convention on the rights of the child, on which the Children Act 1989 is based. The Government's commitment is underlined not just by the

public money spent by the Sports Council, but through the Department of Employment. Its out-of-school care grant, paid via the training and enterprise councils, will be £45 million over three years and will give rise to 50,000 child care places.

National Lottery

9. **Mr. Kilfoyle:** To ask the Secretary of State for National Heritage what estimate he has made of the likely proceeds from the proposed national lottery which will be available for distribution to the arts, sport, heritage, charities and the millennium fund.

Mr. Key: That will depend on the total turnover of the lottery and the amounts devoted to prizes, expenses and taxation.

Mr. Kilfoyle: What does the Minister say to the many people who have high expectations of the national lottery, and who now realise that the Chancellor will take nearly three times as much of the proceeds as charities—and, indeed, any other beneficiaries? What will he tell those people, who realise that when—as is inevitable—the Chancellor raises the rate of taxation on the lottery, more money will go to the Exchequer than to all the other beneficiaries combined?

Mr. Key: The latter part of the hon. Gentleman's question is pure speculation. In answer to the earlier part, let me say first that it was always thought right for some taxation to apply, as it was always envisaged that some expenditure would be displaced from other goods and services bearing tax. Secondly, let me say that I am delighted that the level of tax has been set at only 12 per cent., although the hon. Gentleman and other Opposition Members have been telling us for some weeks in Committee that it would be between 20 and 30 per cent.

Mr. Tracey: I trust that my hon. Friend, and my right hon. Friend the Chancellor, will note that once the lottery's proceeds are distributed, the Treasury will make a considerable amount from VAT on capital projects and the like.

Are my hon. Friend's officials taking the earliest possible steps to appoint a director general and to produce the tender documents for promoters? We hope that those documents will be as simple as possible, thereby encouraging innovation.

Mr. Key: We are making progress as rapidly as we can, but we can make little further progress until the House has agreed to the legislation. We hope very much that we shall be able to do so before too long: following Royal Assent, which we hope will take place by the summer, we shall be in a position to make the appointments to which my hon. Friend has referred.

Mr. Corbett: Given what the National Council for Voluntary Organisations has called the Chancellor's "sheer greed" in taking 12p off the top of every £1 ticket, will not the five good causes have to share a maximum of between 25p and 26p? As was pointed out by my hon. Friend the Member for Liverpool, Walton (Mr. Kilfoyle), that will leave the charities with 5p between them. Will the Minister join me in recognising that we made a mistake in Committee—that we should have nailed down a minimum of 35 per cent. for good causes on the face of the Bill? Will he now undertake to table an amendment to that effect on Report?

Mr. Key: No—for the very good reason that we debated that precise point at some length in Committee. I well recall explaining that putting a fixed figure on the amount to go to good causes would not necessarily be in the interests of those good causes, among whom the overall amount raised would then be distributed.

Mr. Alan Howarth: I know that my hon. Friend wants to be helpful to charities. Will he give an undertaking to monitor any displacement of charitable giving that may result from the national lottery, and also to monitor the net impact of the lottery on charitable giving?

Mr. Key: Yes, of course. That is precisely why we have laid down on the face of the Bill that the 20 per cent. to be received by each of the five categories of good cause should be reviewed by the House of Commons in the lifetime of each Parliament.

Mr. Barry Jones: Will the Minister confirm that regional orchestras will receive money from the lottery's proceeds?

Mr. Key: Fortunately, that will not be for Ministers to decide; it will be decided by the committees of the arts councils responsible. That is why I think that the establishment of a separate arts council for Wales will benefit Welsh orchestras.

Mr. John Carlisle: If the proceeds of the national lottery are as generous as my hon. Friend and many other hon. Members hope, will my hon. Friend consider adjusting the ring fence that he has placed around it? It might then be possible for the money received to replace taxpayers' funding of the arts, sport and so forth. Public expenditure would be saved and sport would benefit, because, on that calculation, it would receive more than it receives now.

Mr. Key: I think that my hon. Friend must have had lunch with my hon. Friend the Financial Secretary to the Treasury.

10. **Mr. Mackinlay:** To ask the Secretary of State for National Heritage what examination his Department has made of the impact of the proposed national lottery on fund raising for non-league soccer clubs, rugby union and other sports clubs; and what representations he has had by or on behalf of such clubs.

Mr. Brooke: We received a number of representations from sports clubs and have amended the Bill. We do not anticipate that the national lottery will have any demonstrable impact on the fund-raising activities of football or sports clubs. Participation in those activities is primarily motivated by an interest in or association with the organisation concerned.

Mr. Mackinlay: Is the Secretary of State aware that thousands upon thousands of people enjoy and benefit from watching soccer at the level below the Football League—the Vauxhall conference, and the Diadora Isthmian, Beazer Homes and HFS Loans leagues? The clubs who play in those leagues, and other non-league clubs, are very much dependent on local lotteries and scratch cards. Will the right hon. Gentleman give an

assurance that those clubs will not be prejudiced in their fund raising by the impact of the lottery Bill and may continue to raise funds by a combination of scratch cards and their own lotteries, as well as benefiting from the spot-the-ball competitions that fund some of the clubs' activities?

Mr. Brooke: The National Lottery Etc. Bill contains measures to increase the maximum proceeds in any one society or local authority lottery, to increase the maximum prize, and to amend existing registration requirements for lotteries. All those measures will make small lotteries more attractive. My hon. Friend the Minister and I listened to constructive criticism in Committee and have sought to make those changes more attractive.

Mr. Alton: Will the Secretary of State introduce further amendments on Report? Is he not aware that many small football clubs, from Tranmere to Rochdale, and many small charities are concerned about the national lottery's effects on them? Does the right hon. Gentleman intend to use proceeds from the national lottery to finance Olympic projects in the Manchester bid? If so, is that not money which otherwise might have been used for sport and the arts?

Mr. Brooke: My hon. Friend the Parliamentary Under-Secretary and I will look at observations that were made in Committee before the Bill reaches Report stage. When I watched Bolton Wanderers score a notable victory over Leyton Orient, Bolton Wanderers took the opportunity to make representations to me. I have not yet replied to them. In the context of the Olympic bid, it is important first to secure the nomination of Manchester in September.

Libraries

11. **Ms Glenda Jackson:** To ask the Secretary of State for National Heritage what assessment his Department has made of changes in public library opening hours.

Mr. Key: I continue to assess the provision of public library services in England, including opening hours, by analysing statistics and by listening to users and providers of the service.

Ms Jackson: Is the Minister aware that public libraries provide a great deal more than books, music and pictures for borrowing? They provide a safe, warm environment for many elderly people. As the Government have imposed value added tax on fuel, which will preclude the elderly and those on low incomes heating their own homes in future winters, will the Minister ensure that local authorities are encouraged to expand and extend public library opening hours, and are funded accordingly?

Mr. Key: I should love to, but the hon. Lady ought to have a word with her own Labour council in Camden. It was Camden's misfortune to have to take a vote on whether its libraries remained open. It was a close-run thing. They remained open on the casting vote of the chairman, with the Conservatives in favour, but the Labour party voting against the libraries remaining open.

Mr. Matthew Banks: Does my hon. Friend agree that flexibility is the most important factor in library opening hours? Rather than having simply nine-to-five opening hours, libraries should open when it is sensible for them to open and when the public want them to be open.

Mr. Key: My hon. Friend is absolutely right. That is as true of rural areas as of urban areas. The flexibility shown in rural areas by the use of mobile public libraries proves just how much library professionals are moving ahead of some who seek to govern them.

Sports Commission and Sports Council

12. **Mr. Barnes:** To ask the Secretary of State for National Heritage what consultations he has held with staff at the Sports Council concerning the creation of the United Kingdom Sports Commission and the Sports Council for England.

Mr. Brooke: I have had no such discussions. The Sports Council is responsible for its own day-to-day management, including employee relations, and I understand that it is currently discussing the implications of the reorganisation with its staff.

Mr. Barnes: When will the Sports Council be given the go-ahead to engage in the reorganisation that it proposed, which involves staff restructuring? The Secretary of State's answer was disgraceful. He should be involved in the discussions. Some people do not want to dither and dodge, as the Secretary of State's Department does, so the Sports Council should be allowed to go ahead with the reorganisation.

Mr. Brooke: I received broad proposals regarding the functions and resources of the successor bodies towards the end of last year, and the detailed staffing proposals in support of them during January. My officials have been involved in detailed discussions with the Sports Council to ensure that the proposed package provides the best value for money. In the light of these discussions, I expect shortly to receive revised proposals from the Sports Council.

ATTORNEY-GENERAL

Police Officers (False Evidence)

30. **Mr. Peter Bottomley:** To ask the Attorney-General if it is his practice to review other similar cases involving any police officer convicted of concocting or giving false evidence.

The Attorney-General (Sir Nicholas Lyell): Whenever a police officer is convicted of such an offence, the Crown prosecution service reviews all pending prosecutions and appeals, of which it is aware, in which that officer is involved.

Mr. Bottomley: The House will be glad to have heard my right hon. and learned Friend's answer. He will not know that one of my first cases 17 years ago was that of a young man who had been wrongly convicted on the false evidence of a detective constable. It was only by chance, five years later, when the detective constable had become a detective sergeant in a different police service, that we saw a newspaper report about his conviction, which led to the quashing of an unsafe conviction some time before. Will my right hon. and learned Friend consider consulting

the prosecuting authorities and the chief constables to find out whether it would be possible to re-examine concluded cases, sometimes going back over many years, in order to ascertain whether there have been miscarriages of justice which might be detected?

The Attorney-General: It is not necessarily easy to trace back in every case to find out exactly which officer gave evidence. However, in any case where the Crown prosecution service has reason to believe that such an officer's evidence may have adversely affected the safety of a conviction, the Crown prosecution service will take steps to ensure proper disclosure to the defendant so that he may take such action, by way of appeal, albeit out of time, as he thinks fit.

Convictions (Magistrates Courts)

31. **Mr. Ian Taylor:** To ask the Attorney-General what proportion of cases pursued by the Crown prosecution service in the magistrates courts in 1991-92 resulted in a conviction.

The Solicitor-General (Sir Derek Spencer): Of the 1,068,750 defendants tried in the magistrates courts during the year 1991-92, 1,040,997 were convicted or pleaded guilty, representing a conviction rate of 97·4 per cent.

Mr. Taylor: Is my hon. and learned Friend aware of the increasing anxiety among police officers that attacks and assaults on them during the course of their duty are not being prosecuted with the necessary severity by the Crown prosecution service, which often downgrades the charges made, or even drops them altogether? Given that 239 officers in Surrey were assaulted in 1992 alone, is that not an outrage and should not people who assault police officers in the course of their duties automatically be locked up?

The Solicitor-General: I hope that I can reassure my hon. Friend that things are not as gloomy as the picture that he has just painted. Whenever offences are reduced in gravity, it is always done consistent with the interests of justice. There is a wide range of penalties to deal with assaults and obstructing the police. My hon. Friend may be interested to know that, as compared with assaults on other victims, the use of custody as a penalty for police assaults is consistently higher—nearly twice as high for a section 20 assault, three times as high for a section 47 assault and five times as high for common assault.

Mr. John Morris: In view of the appalling and worsening crime wave, what is the explanation for the apparent reduction in the number of cases coming before magistrates courts? Have any instructions been given that there should be greater use of cautioning and, if so, by whom? And is that connected with the Government's attempt to limit costs in the courts?

The Solicitor-General: The Crown prosecution service is not responsible for the number of people charged or arrested. Last year, the discontinuance rate in the magistrates court was 13·3 per cent. and in the Crown court it was 7·8 per cent. Those rates were not gravely different from those of the preceding year. The purpose of the Crown prosecution service is to weed out weak cases. There is absolutely no point in the Crown prosecution service conducting cases that are going to result in an acquittal. I assure the right hon. and learned Gentleman that discontinuance does not take place on ground of cost.

Convictions (Fraud)

32. **Mr. Rowe:** To ask the Attorney-General how many cases have been brought to trial by the Serious Fraud Office since its inception; and how many defendants have been convicted.

The Solicitor-General: The Serious Fraud Office has brought 103 cases to trial, involving 221 defendants of whom 139 were convicted.

Mr. Rowe: Is my hon. and learned Friend aware that that is some comfort? Is it not the case that, by concentrating so heavily on a small number of very well-publicised cases in which defendants have been acquitted, we are receiving a wholly distorted view of the important work of this office?

The Solicitor-General: My hon. Friend is quite right. The SFO prosecutes cases that previously would not have been prosecuted because they were too complex and unmanageable. It is at the leading edge of criminal jurisprudence. A disproportionate amount of publicity is given to a few isolated acquittals. In the last year, 43 defendants were tried and 29 were convicted. That gives a conviction rate of 67 per cent.

Ms Abbott: Is the Minister aware of public dissatisfaction with the work of the Serious Fraud Office, especially in the Guinness trial, when all manner of crooks and spivs were able to walk free? Why should there be one law for rich people who swindle millions of pounds of other people's money and another law for the poor?

The Solicitor-General: The hon. Lady seems to have lost contact with reality. In the case that she quoted, a number of defendants were convicted. In fact, the argument that we hear about the powers of the Serious Fraud Office is that they should be extended to the fraud investigation group.

Mr. John Marshall: Does my hon. and learned Friend accept that many believe that there are a few very lucky men in this country, and some people would like the Roskill report's recommendations on fraud trials to be brought into operation?

The Solicitor-General: Most of the recommendations of the Roskill commission were brought into effect. One that was not brought into effect was the replacement of trial by jury with trial in some other way. That was a very serious step which the House decided not to take. Most people take the view that we should perfect existing means of trial before considering a trial other than by jury.

Mr. Alan Moses QC

33. **Mr. Dalyell:** To ask the Attorney-General on how many occasions Mr. Alan Moses QC has appeared as counsel to Her Majesty's Government.

The Attorney-General: Alan Moses QC has appeared frequently for the Crown in civil and criminal proceedings. From 1985 until 1990, he was Standing Counsel for the Inland Revenue.

Mr. Dalyell: Why did he say that he had read the relevant documents and did not consider them to be of any use to the defence for the foreseeable future? What explanation can there be, other than that so able and experienced a lawyer was trying, quite improperly, to protect Ministers, even though it meant that directors of Matrix Churchill could land up in prison? And, please, do not hide behind the skirts of Lord Justice Scott.

The Attorney-General: Alan Moses is independent counsel of high standing and integrity. Instead of casting aspersions in his own way, the hon. Gentleman should await the outcome of the careful and independent inquiry being conducted by Lord Justice Scott.

Sir Ivan Lawrence: Is not it the case that the defence counsel in the Matrix trial wrote to *The Times* and stated specifically that Mr. Alan Moses for the Crown had behaved perfectly properly in every way and had performed in accordance with decided cases? Is not it, therefore, an appalling slur on Mr. Moses that the hon. Member for Linlithgow (Mr. Dalyell) has totally refused to consult the defence counsel before making his allegation?

The Attorney-General: My hon. and learned Friend draws attention to a letter which is in the public domain and which could well be consulted by the House generally. I suggest that it gives a more balanced view than that of earlier questioners.

Mr. Dalyell: In view of the totally unsatisfactory reply, I should like to raise the matter on the Adjournment.

Right to Silence

34. **Mr. Brazier:** To ask the Attorney-General what submission his Department has made to the Royal Commission on criminal justice on changes to the right to silence; and if he will make a statement.

The Attorney-General: I discussed this issue with the royal commission at a meeting at which it sought my views on a range of issues. My personal thoughts on the ability of the court to draw inferences from silence in appropriate cases were set out in my speech last October to the Howard League for Penal Reform, a copy of which is in the Library.

Mr. Brazier: I thank my right hon. and learned Friend for that answer and I welcome his views, as far as they go, set out in that speech. Many people would like the Government to go further and to remove altogether the right to silence in cases in which people have been killed, such as cases in which children have been killed at home. The country looks to the Government and not to the liberal consciences of the Runciman commission to take the ultimate view on the matter.

The Attorney-General: We should not anticipate the advice of the royal commission. I draw my hon. Friend's attention to the Murray case, a recent case in the House of Lords, which shows the proper balance to be considered when discussing the right to silence. It points to the fact that inferences can be drawn only in a case in which there is already a prima facie case and in circumstances in which it is proper, in the legal sense of that word, to do so.

OVERSEAS DEVELOPMENT

Russia

39. **Mr. Mandelson:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on British and EC aid to Russia.

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr. Mark Lennox-Boyd): Since 1991, the United Kingdom has committed almost £400 million in bilateral help for Russia to support political and economic reform. We have also contributed one sixth of the EC's assistance programmes.

Mr. Mandelson : As I recently visited Russia in the company of Lord Healey, will the Minister accept from me that the reports of Russia's economic crisis are certainly not exaggerated and that the crisis is considerably worsened by the political paralysis there? Does he agree with the view of the German Foreign Minister, Klaus Kinkel, that international aid needs to be increased radically if Russia's economic reforms are to have any chance of success? Will the Minister accept the view of the French Government that an emergency meeting of the G7 countries should take place to organise that effort?

Mr. Lennox-Boyd: The Government strongly support President Yeltsin's economic and political reforms, which are going through an extremely difficult period. The G7 countries are urgently considering how best to demonstrate support for President Yeltsin, both politically and substantially, and that includes consideration of meetings at some stage in the early future.

Mr. Garnier: What assistance, other than technical assistance, is this country giving to the Russians?

Mr. Lennox-Boyd: Russia will, for example, receive the lion's share of our know-how fund, worth £100 million over the next six years, £13 million of which has been used in Russia so far with many projects now in the pipeline.

Mr. Meacher: Will the Minister accept that whatever the needs of Russia are, the need of sub-Saharan Africa, which contains two thirds of the world's poorest 50 countries, is far greater? Why, then, does he propose a large real-terms increase in British aid to Russia and to eastern Europe at the expense of a large real-terms cut in British aid to Africa? Why does he also propose to triple the proportion of British aid that is channelled through the European Community over the next five years when EC aid policy does not concentrate on the poorest countries, but prioritises eastern Europe and when Commissioner Marin, the Spanish EC aid Commissioner, is now downgrading Africa in favour of Spanish-speaking Latin American countries?

Mr. Lennox-Boyd: The hon. Gentleman should accept —as he never will—that the increase this year in aid generally to the poor world is 1 per cent. in real terms. Our contributions to European Community aid are determined by our share of European Community aid and are not for decision by the British Government in the first instance.

Tools for Self Reliance

40. **Mr. Colvin:** To ask the Secretary of State for Foreign and Commonwealth Affairs what assistance he will give Tools for Self Reliance in providing practical help to poorer countries.

Mr. Lennox-Boyd: Tools for Self Reliance is welcome to apply to us for assistance.

Mr. Colvin: Will my hon. Friend take this opportunity to congratulate Tools for Self Reliance, which has its headquarters in my constituency and runs some 165 centres for the collection and refurbishment of tools for export to third-world countries? As the Government's philosophy is that the intention of overseas aid should be to assist other countries in helping themselves, will my hon. Friend give favourable consideration to an application, if received, in respect of assistance for the refurbishment and export of tools to make tools, such as lathes and blacksmiths' equipment? If my hon. Friend has seen early-day motion 1050, which has all-party support, will he get the message across to other Departments of State—particularly the Ministry of Defence, which is unfortunately likely to have a large number of spare tools available in the near future?

Mr. Lennox-Boyd: As I have suggested to my hon. Friend privately, I think that it would be a good idea if Tools for Self Reliance contacted the Overseas Development Administration and entered into discussion with it. Of course, British non-governmental organisations such as the one to which my hon. Friend refers have received strong Government support under the joint funding scheme, whose budget has increased rapidly over the past few years—indeed, it has more than doubled over the past four years. We do, indeed, help such projects, although we should clearly have to discuss what was proposed.

Mr. Olner: Did the Minister see the exhibition in the Jubilee Room about tools for third-world countries? I agree absolutely that those countries need tools, but does the Minister agree that the reference made at that meeting to the young people of African countries gaining dignity through being able to work could apply equally to the young people of Birmingham, Nuneaton and the west midlands, or anywhere else in Britain, and that we should really be giving the young people of this country some dignity through work?

Mr. Lennox-Boyd: As regards Tools for Self Reliance and other similar organisations, the Overseas Development Administration gives significant help and certainly helps through grants in support of appropriate technology projects that help underdeveloped countries in Africa with tools. We certainly make a large contribution in that respect.

Bosnian Orphans

41. **Mr. Thurnham:** To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has received about the fate of Bosnian orphans; and if he will make a statement.

Mr. Lennox-Boyd: We have received a number of representations and share the deep concern felt by many in this country about the fate of children who have been orphaned in the tragic conflict in Bosnia.

Mr. Thurnham: Will my hon. Friend bear in mind the concerns of British couples who are prepared to adopt orphans abandoned by mothers who have been raped by Serbian soldiers? Will he confirm that up to 20,000 women were so violated?

Mr. Lennox-Boyd: I cannot confirm the figures that my hon. Friend cites, but I can say that my hon. Friend the Under-Secretary of State for Health has taken a close interest in this particular tragic matter and has made it clear that, in appropriate cases, his Department will help with the adoption of children who have been conceived as a result of rape.

Mr. Tony Banks: Does the Minister recall the suggestion of His Holiness the Pope that Bosnian Muslim women who had been raped should bear their children? Given that many of us found that offensive, what steps do the Government propose to take now to counsel those women who decide to take the Pope's advice?

Mr. Lennox-Boyd: As the hon. Gentleman is aware, a report was carried out by Dame Anne Warburton into that dreadful area. The ODA has commissioned Marie Stopes International to examine the practical problems of managing and implementing the recommendations made by the Warburton mission in Bosnia.

Somalia

42. **Mr. Fabricant:** To ask the Secretary of State Foreign and Commonwealth Affairs if he will make a statement regarding the present level of British aid being sent to Somalia.

Mr. Lennox-Boyd: Britain has pledged almost £43 million worth of emergency relief assistance for Somalia since January 1992, including its share of European Community aid.

Mr. Fabricant: Is my hon. Friend aware that the United Nations has stated that British aid is the most effective in the western world? Is he further aware that Britain has peculiar and special expertise in the sourcing and finding of fresh water supplies in villages in Africa? What are we doing in Somalia?

Mr. Lennox-Boyd: Britain is the third largest bilateral donor to the relief effort in Somalia: some £43 million has been pledged in the past 15 months. I would add that there is £5·5 million worth available immediately on the table for suitable non-governmental organisations and United Nations projects that may apply for it. The British Government have also given substantial money to the north of Somalia which includes, as my hon. Friend referred to it, rehabilitation of water supply projects.

BEST COPY AVAILABLE

Channel Tunnel Rail Link

3.30 pm

The Secretary of State for Transport (Mr. John MacGregor): With permission, I should like to make a statement about the proposed new railway line between the channel tunnel and London, and about the Ashford international passenger station.

I have today given the go-ahead for the Ashford international passenger station. I have given British Rail both a full approval and the funding it needs to carry out immediately all the track, signalling and platform works, totalling £30 million. In parallel, my Department and British Rail will explore urgently with the private sector ways of involving its expertise and capital in the construction of the station buildings. The Government are fully committed to having the station completed as soon as possible, so that Kent and other parts of the south-east can gain the full benefits from the channel tunnel.

Turning to the channel tunnel rail link, the House will recall that my predecessor announced in October 1991 the route corridor preferred by the Government, which approaches London from the east via Stratford and terminates at King's Cross; and he invited British Rail to refine the route. For this work, British Rail formed a subsidiary, Union Railways, which draws on the skills of both the public and private sectors. Its work has been thorough and professional.

Great effort has gone into achieving a route with proper environmental standards which largely follows existing transport corridors and at the same time reduces the costs substantially. As a result of this work, the line is now estimated to cost between £2 billion and £3 billion—considerably less than before, without any loss in the overall benefits, environmental or otherwise, of the route, and with some gain.

The Union Railways report offers a series of options on the precise route, and does not make recommendations between them. The Government have concluded that the route which should now be put to public consultation is as follows.

Between the channel tunnel and Detling, north of Maidstone, the route would largely follow the previously safeguarded route. However, at Ashford the route would run to the north of the town, with a tunnel under the M20 and then running parallel to the motorway. This route is environmentally superior to the former safeguarded route. It is also £86 million less expensive, and it would have less impact on existing and potential development within the town.

For the section of the route crossing the Medway valley, we prefer an option in the report which, from the east, would diverge from the M20 corridor, passing through a 4 km tunnel under Blue Bell hill, before crossing the Medway alongside the existing M2 bridge and following the corridor of the M2 and A2 on the surface. This is not the cheapest option, but it has substantial environmental advantages, at a modest additional cost.

South of Gravesend, there is provision for a connection to Waterloo. The main route would run along the Ebbsfleet valley then tunnel under the Thames, to run alongside the existing London, Tilbury and Southend railway from north of Purfleet to east of Barking. From there it would enter a tunnel to Stratford, where there remains an option for a station. This route overcomes a number of engineering and environmental difficulties associated with the more southerly route published in 1991.

West of Stratford, there are two options. One option is for a tunnel all the way to the proposed King's Cross low-level station. The alternative is for a tunnel from Stratford to a point on the north London line railway west of Dalston Kingsland station, then continuing alongside the north London line by reinstating the original four-track alignment within the existing railway boundaries, before finally swinging south over railway lands into St. Pancras station.

The tunnel route to King's Cross has significantly more impact on property settlement and noise levels than the route via the north London line, which is an important consideration from the environmental point of view. The St. Pancras option also appears to be less expensive than the King's Cross low-level proposal, and that is important in terms of practical feasibility, in relation both to public expenditure and private capital.

As my right hon. Friend the Chancellor of the Exchequer announced in his Budget speech, the Government's preference is for the St. Pancras option. We recognise that, before we come to the final view, futher work will be needed on the environmental, planning, regeneration, safety and engineering aspects of the proposal, and on exploring the options for developing the Thameslink services. I have asked Union Railways to carry this forward as a matter of urgency.

The new railway will bring great benefits. It will reduce journey times for international passengers, compared to what will be available in the early years following the opening of the channel tunnel, by at least 33 minutes, and by more in the commuter peaks, to 2 hours 27 minutes from London to Paris and 2 hours 7 minutes to Brussels.

The railway will transform commuting from many parts of Kent, with a large increase in capacity, enhanced reliability and dramatic reductions in journey times. Construction of the railway will create about 15,000 jobs. The railway will also contribute substantially to the regeneration of the east Thames corridor and more widely. The Union Railways report also sets out ideas for related rail projects which could stimulate further regeneration.

The Government consider that the benefits of this project are such that it should now go forward as a joint venture between the public and private sectors. The Government are prepared in principle to provide substantial public sector support in recognition of the domestic transport benefits from the new line.

The next stage is to consult on the proposals. I want the consultation to be thorough and well informed. It will be led by Union Railways, and I should like it to be completed by mid-October. Only then will we take the final decisions on the route, and I shall then safeguard it. In the meantime, I am releasing the safeguarding from the two sections of route which have been superseded by that which I have just announced. The Union Railways report and the independent review of Union Railways' work undertaken by my advisers Samuel Montagu and W. S. Atkins are available in the Vote Office.

In parallel with the public consultation, my Department, with Samuel Montagu and Union Railways, will be discussing with the private sector its participation in a joint venture. Our aim is to find a way of taking the project forward which offers the private sector a proper return on its investment and secures value for money to the

taxpayer. Union Railways will be made into a separate, initially Government-owned, company once the relevant powers have been granted under the Railways Bill now before the House and we intend that in due course the project will be transferred to the private sector.

Following safeguarding, the project will proceed by hybrid Bill. Provided that we press ahead quickly, it should be possible for the railway to be completed by around the turn of the decade—[HON. MEMBERS: "Next century."] Equally, it should be completed by the end of the decade, which is only seven years away.

The time has come to end the uncertainty. Our decision to give the go-ahead to the new railway will enable us to secure the benefits which it will bring for international travellers, for Kent and Essex commuters, and for regeneration in the east Thames corridor. This will be a massive undertaking. The preferred route I have proposed today is environmentally sensitive, realistic and financially feasible as a joint venture.

Mr. John Prescott (Kingston upon Hull, East): It is almost five years since the decision was taken to build a dedicated channel tunnel high-speed rail route from London. The Secretary of State's announcement today confirms further delay, uncertainty and planning blight, with the completion of the line pushed into the next century—not to the end of the decade. The use of the line has been delayed until 10 years after the opening of the channel tunnel.

While Britain will enter the 21st century on the back of a 19th-century railway system, our French partners, who started at the same time, have built their modern system ready for the opening of the tunnel and 10 years ahead of Britain. Last week they announced a further 200-mile extension of their tunnel rail link to Strasbourg, at a price of £2 billion.

The delay can be fairly laid at the Government's door. It has been caused by their lack of strategic thinking and their ideological requirement that the rail link should be private finance-led, receive no public financial support, and be privately owned. That has maximised delay, planning blight and uncertainty, and damaged Britain's economic future in Europe.

The handling of the issue was typically illustrated by the way in which the Government botched even the delayed announcement of the route and the leak by the Meridian television company. They are a Government of blunder and blight. They lack vision, commitment and common sense. They will severely damage our economic processes in Europe and cause a decade of misery and uncertainty in large areas of Kent and London.

Will the Secretary of State confirm that the high-speed rail link to the channel tunnel cannot be financed by the private sector alone? His statement today seemed to suggest that Government money and guarantees will be required if proper environmental safeguards were to be met. Does the Secretary of State accept that the southern route was effectively cancelled by his predecessor Lord Parkinson in June 1989 because the Government were not prepared to find the £500 million capital grant guarantee required by the private sector? Does his statement today mean that there has been a change in the Government's policy to ensure that the priorities of least cost and maximum profit do not overrule the major environmental priorities, especially in the Kent and London area?

Is it still the Government's policy that the environmental damage in Kent should be reduced by tunnelling, as in the London section? Will he reaffirm the assurance given in October 1991 by the previous Secretary of State for Transport, the right hon. and learned Member for Edinburgh, Pentlands (Mr. Rifkind) that the southern route, which involved 25 km of tunnelling, would be replaced by the east London route, which involved 38 km of tunnelling, including tunnelling under the beautiful area of the Boxley valley? Will the Secretary of State confirm that the Union Railways route which he has just announced represents less than one third of the original tunnelling proposal, and that yet again the Government are reneging on one of their past commitments?

Will the Secretary of State consider a more generous compensation scheme, along the lines proposed by the French in their channel tunnel rail project, in view of the tremendous disruption along any proposed route in the Kent and London areas? Is it still the Government's view that choosing the eastern route was justified because the eastern corridor provided tremendous regeneration opportunities for north Kent and east London? When can we expect him, or, indeed, the Department of the Environment, to make a statement on that?

Can the Secretary of State tell us anything about the station strategy on the route, especially as he appears to have decided that St. Pancras should be the London terminus and has announced the Ashford centre? What studies have been done to justify the selection of St. Pancras? What compensation has been paid by British Rail to the developers of the King's Cross site? What are the consequences for Thameslink, crossrail and the Jubilee line, all of which are dependent on private finance and all of which have been considerably delayed?

Does the Secretary of State accept that the channel tunnel is of utmost importance to areas outside London and Kent, and especially parts of the north? Will the choice of St. Pancras over King's Cross delay passenger through journeys to the north in any way? What plans does the Secretary of State have to modernise the west coast main line?

Does the Secretary of State accept that other areas need a Euro-gauge standard route for freight? Will he agree that it is necessary to review the present freight transport route, which is based at Willesden and requires London rail freight traffic to travel across London rather than around it, forcing thousands of lorries to use roads from the north through Kent, rather than the rail alternative?

If the Government had adopted Labour's proposals for the route, which were published three years ago, and if they had accepted public and private financing, it would now have been well on the way to completion. Britain will once again pay a heavy price for the Government's sheer incompetence.

Mr. MacGregor: I noticed that the hon. Gentleman accused me of incompetence last week because I did not make the statement then, but that was typical of him. I shall explain that incompetence to the House. It was outrageous of the hon. Gentleman, because I wished to make a statement last Wednesday, following the Chancellor's announcement, but did not do so and agreed to make a statement today to accommodate the Opposition, through the usual channels.

Then what happened? The hon. Gentleman got hold of a leak on Thursday and provoked unjustified worries and

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fears among many people in Kent, through widespread coverage of the leak. It is typical of the hon. Gentleman to accuse me of incompetence when I was trying to accommodate the Opposition, and when he himself led to the problem.

I find it amusing to discover that one of the hon. Gentleman's main opening attacks was to accuse me of saying that the channel tunnel would be completed next century, rather than at the end of the decade. Does the hon. Gentleman not know that they are both the same? It was a rather pathetic attack.

I shall deal with as many of the hon. Gentleman's questions as possible, although it would require a speech to answer them all. Obviously, I wish to diminish the delay, uncertainty and planning blight; that is why, the moment that I became Secretary of State, I focused on the channel tunnel rail link, and why I am pleased to announce the decision today. I am anxious to minimise the uncertainty, which the statement does to a great extent, including de-safeguarding some of the routes. I am anxious to get rid of planning blight as quickly as possible, and that is why we have removed quite a number of areas from it through the announcement.

I am keen to get on with consultation—I hope that the hon. Gentleman does not think that I am avoiding it—so that we can come to a decision finally on the route and its safeguarding.

On the comparison with the French, the hon. Gentleman will know that the Waterloo terminal is nearly completed and that there will be full connections until the end of the decade. The problem is that, after the end of the decade, there will be congestion on those lines, which is why we are going ahead with the channel tunnel high-speed link now. The hon. Gentleman does not seem to recognise that it is easier to carry through a route more quickly in the north of France, which is flat and less congested, and which has fewer of the many difficult areas and issues that we have had to tackle on the whole route through Kent, which is one of the loveliest but most geologically difficult parts of the country, as well as one of the most congested. The hon. Gentleman does not understand the difference between the two.

The hon. Gentleman referred to no public financial support. He clearly was not listening, because I made it clear today—in a specific, clear and new announcement—that the Government will give public financial support. The hon. Gentleman describes that as changing policy, but it comes as a result of a thorough investigation of the whole issue. I should have thought that he would welcome the announcement today. In recognition of the many benefits to domestic passenger services, particularly in Kent but also in Essex, it is right to make that public contribution, and we have made that clear for the first time.

Next, the hon. Gentleman asked whether we were going for the least-cost option. In some cases we are not. I have made it clear that, where environmental benefits justify it, we have gone for a more expensive option. I should have thought that the hon. Gentleman would have given credit to Union Railways and to the many people who assisted the company to produce a solution—as a result of defining more clearly all the aspects of the original Ove Arup route—that is environmentally more beneficial and costs less. I should have thought that he would have given them some credit for doing so, but it is typical of the hon. Gentleman to justify everything by the amount of public money that he wishes to throw at it, and not to consider whether we are getting value for money.

I shall be unable to deal with all the points raised by the hon. Gentleman, but, on tunnelling, the options are set out in the Union Railways report. In all but one case, the environmental impact of going for tunnelling would be worse or no better than not going for tunnelling. Let me be clear about that. In the one case where it would be better, which is the long tunnel at the Medway, the additional cost would be between £150 million and £200 million. We did not think that that was justified. At least three quarters of the route, as now defined, will be in tunnel or will make use of or be alongside existing transport corridors. The report has been extremely skilfully worked out, and has provided environmental benefits and less cost.

The hon. Gentleman asked me whether the choice of the east route was justified. I have already made it clear that I fully supported the route that was decided by my predecessor. It is justified not least because of the regeneration effects along the east Thames corridor. My right hon. and learned Friend the Secretary of State for the Environment will make a statement about that shortly.

The hon. Gentleman asked whether studies had been made to justify the option of St. Pancras. Yes, they have. Once we had decided to go for the route from Stratford and east of London, a key element was the fact that it became possible to consider the St. Pancras option. It would have been difficult to do that from the southern route. I asked Union Railways and British Rail to look again at that option. They gave me a report last month, and I thought it right to come to the House quickly to say that it is the preferred option. I have asked Union Railways to do more work on it.

We can agree about the utmost importance of the channel tunnel high-speed link to areas outside London, particularly the north and Scotland. I can confirm to the hon. Gentleman that, if we go for the option of St. Pancras, it will have no detrimental effect on the speed with which we can get direct services through to the north and Scotland. I recognise the importance of that.

Several Hon. Members *rose*——

Madam Speaker: Order. I shall not hesitate to intervene if Members make statements or long comments. This is question time, so brisk questions and answers, please.

Sir Keith Speed (Ashford): Is my right hon. Friend aware that I very much welcome his statement about Ashford international station? Will he give an undertaking that the work will start as quickly as possible, because time is now of the essence? My constituents do not share his optimism about the route itself. Will the consultation process be a real one, so that people in my area can argue for the original safeguarded route if they so wish?

Mr. MacGregor: I am grateful to my hon. Friend. I know how hard and strongly he has pressed for the Ashford international passenger station. I am therefore extremely glad to have been able to make a statement about it today. I know that he has worked closely with the chairman of planning and transportation of Kent county council, Mr. Bruce Lockhart, and I recognise the strength of their case in respect of that station and the benefits that

it will bring to Kent commuters. We have taken those benefits into account. I hope that the work will proceed very quickly.

As to consultation, I can assure my hon. Friend that it will be possible for those who still prefer the existing route to make their case. I think that there are many advantages in the new route, because the environmental assessment is superior, fewer properties are affected, and, of course, it is less expensive. We concentrated as much on the property and environmental aspects as on the cost, and they led me to believe that that was the preferred route.

Mr. Nick Harvey (North Devon): Is it not true that the United Kingdom has wasted the six years since the Channel Tunnel Act 1987 was enacted—in stark contrast, whatever the Minister may say, to the French? Have we not wasted taxpayers' money on the south London route and the King's Cross option? Is not this statement about cutting costs? Is the Minister's timetable credible if public consultation must be followed by a hybrid Bill and a five-year engineering project? Whatever *The Sun* may have said about the Budget, is the Minister sure that it is wise for the route to go through the editor's golf club?

Mr. MacGregor: On the hon. Gentleman's last point, it is inevitable that such a controversial and difficult issue will adversely affect some areas. I hope that it would be prefectly possible to move that clubhouse were it to be affected by the route.

The hon. Gentleman must recognise, as I have certainly recognised during my time as Secretary of State for Transport, that this is one of the most controversial and difficult projects to be undertaken. I entirely reject the hon. Gentleman's accusations about cheapness. Not only is the project massively expensive, but it affects very large numbers of people and businesses, and will have a big environmental impact. We could scarcely have chosen a part of the country that would present more difficulties, but we had no other choice. It was inevitable that it would take time to resolve such problems, and that the process would be controversial. It was important to get the best answer, which is what we have ultimately achieved.

On procedure, I think that the hybrid Bill is the quickest way to proceed with the legislation, and I hope that we shall have the hon. Gentleman's co-operation in getting it through as quickly as possible.

Dame Peggy Fenner (Medway): My constituents will be pleased that my right hon. Friend took to heart the Ove Arup route over the Medway. Has the European Community done its environmental assessment? Will we receive any money from the EC for the important Euro-link, which will serve the rest of the country and, in doing so, present great environmental difficulties for Kent?

Mr. MacGregor: I recognise the environmental affects, to which we paid particular attention. I stress to my hon. Friend—to whom I am grateful for her remarks—that great attention was paid to environmental aspects in the report of the Union Railways, which was assisted by 12 environmental consultancies. Very shortly—early next month—they will publish their environmental report as an appendix to the Union Railways report that I am placing in the Vote Office today. There will be an opportunity to conduct the full environmental impact assessment as we move beyond the consultation stage. I assure my hon. Friend that we shall give as much attention as possible to—and meet all our European commitments on—tackling the environmental assessments.

Mr. Ron Leighton (Newham, North-East): Will the Secretary of State assure us that there will be an international passenger station at Stratford? He will know that he has the full-hearted support of the London borough of Newham for the eastern route. Would it not be a betrayal of that support if there were to be no international station at Stratford?

Mr. MacGregor: When the hon. Gentleman looks at the Union Railways report he will see that it lists a number of options, both for international stations and domestic stations to serve commuter lines. We have decided that at this stage it would not be right for us to declare preferred stations. We shall listen carefully to the responses to the public consultation on stations and to those from possible promoters and developers before taking final decisions. Clearly, Stratford is one option.

Mr. Andrew Rowe (Mid-Kent): I do not think that I heard my right hon. Friend mention the word "freight". Is he aware how very keen Kent county council and all the people in Kent are for a severely diminution in the number of lorry movements through Kent? Will he assure us that Union Railways, which is to become a private company, is sufficiently objective in its proposals to give independent advice to the Government, or will the Government ensure that it takes charge of the consultation process?

Mr. MacGregor: Clearly, we shall be heavily involved in the consultation process. The Government will introduce the hybrid Bill, so they will clearly be in the lead. It was entirely right that Union Railways, with the aid of its consultants, should conduct the study which I asked it to carry out. One of the benefits of the high-speed rail link is that it will enable additional freight to use it. As I asked, the report covers the two loops in the line. The main benefit will come from the fact that the high-speed rail link will release existing railways so that they can take more freight traffic, and the potential will exist for much more freight to go by rail.

Mr. Andrew Mackinlay (Thurrock): As the only Opposition Member of Parliament for Kent or Essex, can I ask the Secretary of State whether he is aware that his announcement will be greeted with great anger and dismay among people in those counties? How on earth can people have confidence in the consultation that he proposes if, as he has said, it is led by Union Railways? Will not Union Railways be judge and advocate in its own court?

Were we not reassured by the Secretary of State's predecessor, the right hon. and learned Member for Edinburgh, Pentlands (Mr. Rifkind), that there had been widespread consultation when he made the historic announcement about the route at the Conservative party conference in October 1991? What has gone wrong since then? What confidence can anyone in Kent or Essex have in a Government choosing a route that suits them politically instead of maximising the opportunities offered by the channel tunnel in the best transport interests of the United Kingdom?

Mr. MacGregor: If the hon. Gentleman is the only Opposition Member from Kent or Essex to be affected by the route, I must tell him that he has not made a good fist

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of it today: he is wrong on every point. The fact is that I will ultimately take the decisions on the route, just as I have made the announcement about the preferred route today. Union Railways studied all the options, and on that basis we made the decision about the preferred route.

Kent commuters will benefit greatly from the reductions in times—some of them are dramatic. In parts of Kent suffering from high unemployment, there will also be benefits in the form of regeneration. My announcement of the international passenger station at Ashford ensures that Kent benefits from the link. In Essex and east London there can be no doubt that the route that we have chosen, which the hon. Gentleman seemed to criticise, will greatly help the regeneration of the east Thames corridor.

Sir John Stanley (Tonbridge and Malling): Is my right hon. Friend aware that his announcement today is warmly welcomed by my constituents and by me, especially in view of his decision to introduce a tunnel under Blue Bell hill, which represents a substantial environmental improvement on the previous scheme? Can he give me an assurance, however, that there will be no return to a mid-Kent parkway station in the northern part of the parish of Aylesford, as previously proposed? Can he give me a further assurance that the gradient of the new line will be such as to permit the heaviest and longest international freight trains to travel on it?

Mr. MacGregor: Yes, the line will be able to take the heaviest and longest international freight trains, although long trains of more than 1,000 tonnes may sometimes need two locomotives—but that is not a great bar. I can give my right hon. Friend the assurance that he seeks about the station at Kit's Coty. I am also most grateful for my right hon. Friend's first remarks. It seemed to us important in taking the decision about the Medway valley that the original proposal would have involved substantial environmental disbenefits, which is why we have gone for these proposals.

Ms Joan Ruddock (Lewisham, Deptford): Will the Secretary of State accept that the people of south London, in my constituency particularly, will welcome his announcement that the southerly route is dead and buried? They will be far less happy, however, with his subsequent statement that there will be an increase in freight traffic along south London lines. Will he publish the changes that he expects in freight traffic? Will he look at the environmental impact and then do something about it? Furthermore, will he tell us exactly when he will be able to announce what will happen to the Thameslink services, which are crucial to transport movements in south London, and which are needed to compensate for the difficulties in our road network?

Mr. MacGregor: I have noted what the hon. Lady says about the freight impact on south London. It is rather early to be able to conduct any proper study of that, but I take note of what she said. We are, after all, talking about events into the next decade.

As for Thameslink, today's announcement was about the channel tunnel high speed rail link. It will remain possible, in the study that I am asking Union Railways to do of the St. Pancras and King's Cross options, if so desired, to take forward Thameslink 2000—in its currently planned or in a revised form—but that will depend on decisions to be taken later involving all sorts of implications. Meanwhile, I am asking Union Railways to take that into account in its further work.

Mr. Bob Dunn (Dartford): Will the Secretary of State confirm that one of the reasons why a statement was not made last Wednesday was that the hon. Member for Kingston upon Hull, East (Mr. Prescott) was busy filming for the popular television programme "Through the Keyhole"?

As for the link itself, can my right hon. Friend confirm that as the route moves through the Ebbsfleet valley between Northfleet and Swanscombe, there will be a distinct possibility of the construction of an international station there?

Secondly, part of the proposal involves the movement of some passenger trains from the new route to the Chatham line, via the disused Gravesend, West line. Will my right hon. Friend confirm the status of that line? Is it a new line? If so, will it qualify for environmental protection? If not, will it qualify for it anyway?

Mr. MacGregor: I am not sure of all the reasons for the Opposition not wanting me to make a statement on Wednesday, but I was endeavouring to be as helpful as I could—so it was an extraordinary way to behave to give as much publicity as possible to a leak, and hence a great deal of provocation the next day. Then, to accuse me of uncertainty and of not coming forward quickly enough just compounded the error.

On my hon. Friend's two points, yes, it would be possible for the location that he mentioned to be a station. I have already said that we have taken no decisions about stations and that we will wait for the responses. On the question of reinstating the Gravesend, West branch line to find a means of making a connection between the high-speed channel tunnel link and Waterloo, so that international trains could continue to use Waterloo if they were coming up that link—which has considerable advantage—I can tell my hon. Friend that it would be the disused line. I have no reason to believe that the environmental and other impacts cannot be dealt with successfully.

Mr. Stanley Orme (Salford, East): The Secretary of State has referred to the effects of the proposal on the north and the north-west of England. Can he develop that a little further? We are extremely concerned about the lack of investment in and the deterioration of the north-west line. If nothing is done and if there is no investment, it will not be able to match the sort of development to which the right hon. Gentleman referred.

Mr. MacGregor: That is a separate issue from today's statement. However, I can tell the right hon. Gentleman that without question, and from both the passenger and freight points of view, I am keen to ensure that the north of England and Scotland gain as much benefit as possible from the channel tunnel and from the high-speed link. Therefore, an important consideration in looking at the stations was to ensure that those areas were not disadvantaged in any way.

Mr. Roger Gale (Thanet, North): My right hon. Friend will be aware that the commuters of north-east Kent will welcome his announcement today for the benefits that, as he has rightly pointed out, it will bring to them by

alleviating the congestion in south London. Can he confirm that any investment in the fast link will not be allowed to detract from the immediate investment in the necessary improvements to the Kent coast line?

Mr. MacGregor: I am well aware of my hon. Friend's views on this matter. We have already said that that line is one possibility—I cannot say any more until I get BR's recommendations—for the £150 million leasing proposals announced in the autumn statement. However, I cannot be certain at this stage. I assure him that British Rail—and, in due course, Railtrack—will be very much aware of the pressures to which he referred.

My hon. Friend will recognise that commuters from Kent will benefit very substantially indeed from this investment. I shall give a couple of illustrations to make my point. The time from Ashford to central London will be reduced from 70 to 42 minutes, and from Gravesend from 50 to 20 minutes.

Mr. Chris Smith (Islington, South and Finsbury): Why is the Secretary of State perpetuating the uncertainty and blight that affects King's Cross by not ruling out, once and for all, the over-expensive, low-level station at King's Cross, and instead going for the St. Pancras option? Is it not time that BR was instructed to withdraw the King's Cross Railways Bill from Parliament?

On the question of the north London line, will the right hon. Gentleman give a guarantee that the strictest environmental standards will apply to the stretch of line from Dalston to St. Pancras as well as to the stretch of the line east of Dalston?

Mr. MacGregor: On the hon. Gentleman's second point, we will apply the same strict environmental standards to all parts of the line. On his first, I am anxious to get on and to reach a decision. I could not do so today, because further work must be done on a number of aspects mentioned in my statement before we can reach a final view.

Mr. Jacques Arnold (Gravesham): My right hon. Friend will be aware that the route that he announced today passes a densely populated area in Northfleet and Gravesend in my constituency, within half a mile of 5,000 of my constituents. Will he ensure that all possible engineering and environmental expertise is brought to bear in the consultation process, to ensure that our environment is properly protected?

Mr. MacGregor: Yes, I assure my hon. Friend that all that will be carefully examined. There is a proposal for a tunnel in Pepper hill in my hon. Friend's constituency, but whether it will be a tunnel or a bridge-cum-viaduct can be explored in the public consultation.

Mr. Brian Sedgemore (Hackney, South and Shoreditch): Is the Secretary of State aware that I hope to present a petition tomorrow from the people of Hackney, against the easterly route—which goes through the heart of the borough? Is the right hon. Gentleman's promise that the line from Strateford and through Hackney will be in a tunnel—real and unconditional—or is it a politician's promise, which could be broken as part of a future cost-cutting exercise?

Mr. MacGregor: No, it is clear from my statement today that in so far as the link affects the hon. Gentleman's constituency, it will be tunnelled. We made that commitment clear in today's statement. I hope that the hon. Gentleman will not find it necessary now to present his petition tomorrow.

Mr. Robert Adley (Christchurch): I welcome this major investment in our railways, and I am particularly glad that my right hon. Friend has chosen a route that I first recommended nearly five years ago in my Conservative Political Centre book, "Tunnel Vision". Is my right hon. Friend certain that he will not find himself challenged in any way under section 42 of the Channel Tunnel Act 1987? Will environmental expenditure on the railway, which all right hon. and hon. Members welcome, be no less fundable from public sources than environmental protection in the case of road schemes such as the Winchester bypass? Also, will my right hon. Friend seriously consider the upgrading and full electrification of the Tonbridge-Redhill-Reading route, which would help so much in moving freight traffic around London and to the north?

Mr. MacGregor: I assure my hon. Friend that we will meet our obligations under section 42 of the 1987 Act, and that we will apply the same environmental standards and assessments to the channel tunnel high-speed rail link as we do to the road programme. I have no further comment on my hon. Friend's final point.

Mr. Jeremy Corbyn (Islington, North): Does the Secretary of State recall that, on 14 October 1991, his predecessor, the right hon. and learned Member for Edinburgh, Pentlands (Mr. Rifkind), at col. 37 of *Hansard*, gave me an undertaking that the route from Stratford to King's Cross would be wholly in tunnel? Why is the Secretary of State now proposing an overland route as one option? What will be the effect on local north London line services and on the environment of people living alongside that line both east and west of the proposed station, given the great increase in traffic on the link to the western region as well?

Mr. MacGregor: The route to King's Cross would have to have been in tunnel, but we are now talking about a route to St. Pancras, because that seems to offer considerable advantages. Quite a large part of it will be tunnelled, but not all of it. I hope that the hon. Gentleman will carefully study today's report and the later report from Union Railways.

Mr. James Couchman (Gillingham): My right hon. Friend stressed the benefit to Kent commuters of the new line. My constituents will be impressed if there will definitely be a station on the new line in the Medway area. In any case, like my hon. Friend the Member for Thanet, North (Mr. Gale), those of my constituents who are commuters will be much less impressed if that takes money from the Kent coast line, which is long overdue for upgrading in terms of both the line and rolling stock.

Mr. MacGregor: I note my hon. Friend's comments, and I know that he has often pressed that case. I cannot add today to my earlier comments about stations. There will be opportunities, and clearly we are anxious to secure benefits for commuters of the huge new investment. That is a main reason why the Government are prepared to make a substantial public sector contribution to stations as well as for other purposes. As to exactly where the stations will be, it will be wise to wait until we have received the full response to the public consultation.

Mr. John Fraser (Norwood): Does the Secretary of State appreciate that, until the end of the century, virtually all the channel tunnel passenger trains—and freight trains as well—will travel through my constituency, from Herne Hill to Brixton? Does he realise that, if his earlier answer is correct, even after the turn of the century a good many freight trains up to 1,000 yd long will be travelling along the route—throughout the night in most cases—hauled, initially, by diesel locomotives? Can the right hon. Gentleman confirm that people whose property adjoins existing railways that will be forced to suffer environmental damage will receive the same environmental protection as was announced this afternoon for those living on new rail routes?

Mr. MacGregor: The normal rules relating to environmental protection and compensation will apply, but we are working with local authorities on arrangements for the type of line that the hon. Gentleman has mentioned. I am sure that, if he is anxious to mitigate the problem caused by the amount of traffic from the channel tunnel that travels along the lines between now and the end of the century, he will give all his support to the Government's attempts to secure the Bill's passage.

Sir Roger Moate (Faversham): Is my right hon. Friend aware that, although Kent Members and many others will fight for environmental improvements, today's statement and the decision that he has announced will receive a broad welcome, contrasting sharply with the whingeing, carping, negative and destructive attitude of the Labour party? Will he take every opportunity to remind the country that, from the moment that the channel tunnel is opened, it will be possible to catch a train from the new Waterloo terminal and to be in Paris within three hours? I hope that he will deny all the denigrating, knocking stuff that we have heard from Labour.

Will my right hon. Friend explain why he has chosen to use the hybrid Bill procedure rather than the new order-making procedure, which was available to him and which would have provided greater opportunities for public inquiries, including local public inquiries? Does he understand that it is desperately important for Kent's support to know where the new stations will be? That is what will make the railway viable in terms of attracting Kent commuter traffic.

Mr. MacGregor: I am grateful to my hon. Friend. He is entirely right about the attitude of the Opposition, who can hardly bring themselves even to welcome a massive investment in Britain's transport infrastructure that will do a great deal for many generations to come. He is also entirely right to make it clear that, when the tunnel opens, it will take just over three hours to travel from London to Paris, and even less to travel from London to Brussels. That is already a substantial benefit, and I think that many people who currently travel to Brussels by air will quickly see the attraction of going by train.

My hon. Friend made two other points. I recognise the force of his comment about stations; that is why I am anxious to provide a comparatively short but reasonable time for public consultation. I hope that six months will be adequate, and will allow us to reach a view on stations.

As for my hon. Friend's other point, I think it right to use the hybrid Bill procedure to deal with a project of such magnitude and scale, which is receiving Government backing. The procedure will still involve a substantial process of investigation as the Bill goes through both Houses.

Mr. Jim Cousins (Newcastle upon Tyne, Central): Does the Secretary of State admit that hon. Members whose constituencies are served by the east coast main line in Yorkshire, the north-east and Scotland consider that the proposal for the preferred route to St. Pancras would be better called "Disunion Railways"? Although the point is never addressed in the document, it is clear that there will be no direct link from the east coast main line to the channel tunnel except by means of shunting through St. Pancras mainline station. Will the Secretary of State deal with that point? Why has it not been considered in any of the documents?

Mr. MacGregor: Because it does not amount to a row of beans. There will be a direct line, and there will be no shunting. The train will have to come into the station and then go out, but that happens on high-speed links all over Europe; there is nothing very significant about it. The train will also have to stop at London, so that crews can change and border control personnel can alight. I do not believe that the system will have any impact on the speed with which passengers from Scotland and the north of England can go straight through the channel tunnel.

Mr. David Shaw (Dover): Will my right hon. Friend confirm that maintaining section 42 of the Channel Tunnel Act 1987—which will be of great interest, and give great pleasure, to those who work in Dover's ferry industry in the years ahead—will involve no back-door subsidy through the commuter mechanism, which would contravene that section and the principles behind it? Will he also confirm that money will not be spent on the construction of the rail link until, at long last, my constituents who use the railways to get from Dover to London have some decent rolling stock on which to travel?

Mr. MacGregor: Yes, I can confirm my hon. Friend's first point: that any Government support will be used entirely to provide internal, domestic benefits for commuters and that international passengers and international services will not be affected by it. Therefore, we shall be meeting our obligations under section 42. As for my hon. Friend's second point, I cannot make a clear correlation between the two, but I hope that my hon. Friend will agree that it is right—because of the benefits to so many people in Kent as well as to the rest of the country—that we ought to proceed with the high-speed rail link as quickly as we reasonably can.

Ms Glenda Jackson (Hampstead and Highgate): Further to the question asked by my hon. Friend the Member for Islington, North (Mr. Corbyn), can the Secretary of State tell the House why the promise that was given in 1991 by his predecessor has been broken—that the line which runs parallel with the north London line should be via tunnels, given that King's Cross and St. Pancras are virtually next door to each other? Once the trains have reached St. Pancras, will the north London line to the west of the station be used to join the west coast mainline, and will tunnelling be excluded there, too?

Mr. MacGregor: On the first part of the hon. Lady's question, from the studies that I have seen so far—clearly, this is something that I have asked Union Railways to look

into in more detail—there will be considerable environmental benefits, on balance, from using the existing north London line. Noise mitigation and so on, would all be carried out when the two lines that are not being used at the moment come into use. As for the hon. Lady's second question, the east coast mainline services——

Mr. Prescott: We are talking about the west coast mainline services.

Mr. MacGregor: Yes, I know, but I want to make a point about the east coast mainline services. The east coast and the west coast mainline services are all important to the north and to Scotland. The east coast mainline services that currently use St. Pancras can be accommodated in a new part of the station, west of the existing King's Cross station. Most west coast mainline services go from Euston. One possibility there is the use of a travelator between St. Pancras and Euston to speed up the connections.

Sir Teddy Taylor (Southend, East): Is it not a bit insulting to the people of Southend-on-Sea to put part of this glamorous and costly new line alongside the London, Tilbury and Southend line, which, as my right hon. Friend is well aware, is one of the most shamefully neglected of all British Rail's services in terms of investment and performance? Can he provide me with a clear answer as to why he now says that a great deal of taxpayers' money will go towards these rail links when a clear, specific assurance was given on 5 June 1986, in column 1187, that these rail links would not cost the taxpayer one penny, and when we were led to believe that these assurances were legally binding and could not be changed?

Mr. MacGregor: On my hon. Friend's first point, I do not see that it is at all insulting. My hon. Friend knows —I share his view—that it is very important that the London, Tilbury and Southend line infrastructure should be improved. He will also know that very recently, as a result of the public expenditure settlement that I agreed last autumn, British Rail has been able to go ahead with the announcement of a £40 million investment in the signalling on the London, Tilbury and Southend line.

As for my hon. Friend's second point, I can give him an assurance, which I repeat, that there will be no taxpayers' subsidy for the international aspects of this line and that therefore we shall be meeting our obligations under section 42 of the Channel Tunnel Act.

Mr. Brian Wilson (Cunningham, North): Can I place it on record that the comments made by the hon. Member for Dartford (Mr. Dunn) in respect of my hon. Friend the Member for Kingston upon Hull, East (Mr. Prescott) were inaccurate, as I believe the hon. Member for Dartford now recognises? The question is why the Secetary of State could not have made a statement on this subject last Thursday instead of wasting his time in Scotland trying to enthuse people about privatisation, which nobody wants.

Does this statement not represent another example of one story before the election and a different one after it? Is it not true that after all this time there is to be yet another consultation period and yet another decade before there is a high-speed link, even between the channel tunnel and London? Can the Secretary of State confirm that, for purely cost reasons, less than one third of the distance which his predecessor earmarked for tunnelling will now be subject to tunnelling, which will be at the expense of the evironment? Can he also confirm that the distance earmarked for tunnelling will not include Boxley valley?

Does the Secretary of State agree that the real tragedy of the statement is that there is still no national vision for fast rail links north of London? Does he understand that it is not merely a domestic Kent issue—important though such considerations are—but that the rest of the country now awaits a strategy for fast direct links, as opposed to the dog's breakfast and fragmentation which privatisation offer?

Mr. MacGregor: On the hon. Gentleman's first point, I wanted to make the statement on Wednesday so that the House was informed as quickly as possible. On Thursday, I was fulfilling substantial engagements in Scotland with ScotRail, the Scottish pensioners—*[Interruption.]* The hon. Gentleman would have been the first to criticise me if I had not been able to discuss with editors the whole issue of privatisation in Scotland, with Strathclyde PTE and SPEED, an organisation which, as he will know, is concerned with freight movement from Scotland. I was carrying out that extensive programme. He would have been the first to criticise me and would have described it as an insult to the Scots if I had not fulfilled that engagement. I thought that it was extremely important to complete those serious and prolonged discussions with people in Scotland, which I found extremely useful. I also found considerable enthusiasm for privatisation among ScotRail managers.

On delays, Union Railways has produced an excellent, thorough report, and very quickly. I pay substantial tribute to Union Railways for the way in which it carried it out. Once the route was decided—I confirmed it very soon after I became Secretary of State—we asked Union Railways to carry out this work which was essential before we proceeded any further. I presume that the hon. Gentleman is not suggesting that we should ignore all public consultation and should not have the usual processes of getting parliamentary approval for the project. He will therefore recognise that what we have been doing in the past year is to reach the present stage very quickly, and I intend to continue as fast as we possibly can.

I can tell the hon. Gentleman, as I have already said, that there is a substantial amount of tunnelling. In only one case could there have been environmental advantages from additional tunnelling, which would have meant substantial additional expenditure of between £150 million and £200 million. We decided that the short tunnel route, which is not the cheapest option but which is more expensive than one possibility, was the right one to take.

This is a massive investment of £2·5 billion on track and infrastructure alone. People travelling to the rest of the country will benefit just as much as people from London and the south-east because journeys through the channel tunnel will be cut by 33 minutes. Exactly the same amount of time will be saved.

Several Hon. Members: On a point of order, Madam Speaker.

Madam Speaker: Order. I have not finished. Sir Edward Heath.

Sir Edward Heath (Old Bexley and Sidcup): May I thank my right hon. Friend for the statement, for the grasp that he has shown of the intricacies of this long-running

[Sir Edward Heath]

project and for his obvious determination in pushing it ahead? I assure him that the people of Old Bexley and Sidcup will welcome the statement because, although passionately pro-European, they have always preferred that the fast link should run outside their borders.

Nothing, historically, can alter the fact that when the channel tunnel was suggested, British Rail said that no link would be necessary, but in 1985 it said that a link would be necessary. It is now eight years since that statement was made and we are still only in the process of making progress, which, I am afraid, is all too characteristic of the way in which this country tries to move into the modern world.

Will my right hon. Friend kindly enlarge on his statement that section 42 of the Channel Tunnel Act 1987 will be observed but will not inhibit him? Section 42 was included deliberately to prevent British Rail or other public money from being used for the purposes of looking after the environment on this scheme. As he has emphasised, a great deal is required for the environment and he is sure that it will be covered. Is it to be dealt with by public money?

Mr. MacGregor: I am grateful to my right hon. Friend for his opening comments. It has been my intention to move ahead on the matter as fast as we can. I am sure that my right hon. Friend recognises that today's announcement is a very important step forward in the whole process, not least in making clear the Government's determination and in clearing up the blight issues which have affected many people. That is why I was anxious to make my announcement as quickly as possible.

On section 42, the public sector contribution will come through the benefits to domestic commuters and through the services that are provided there. The precise split between the two will have to be decided in due course. I have said that we shall now engage in discussions with the private sector to work out all the arrangements for the joint venture. That will happen in parallel with the public consultation. The important thing today is to get ahead with the public consultation so that we can finally settle the route.

Mr. Tam Dalyell (Linlithgow): On a point of order, Madam Speaker. What does "Erskine May" have to say about "a row of beans" as a parliamentary expression? Would that not give the Secretary of State the opportunity to clarify exactly what he meant when he replied to my hon. Friend the Member for Newcastle upon Tyne, Central (Mr. Cousins)? Those of us who are concerned about the northern link want the Secretary of State to clarify why it should take no more time than was previously promised.

Madam Speaker: The hon. Gentleman is attempting to continue the exchange. I must tell him that "time's up" means "time's up".

Mr. Tony Lloyd (Stretford): On a point of order, Madam Speaker. I do not want to continue questions on the statement, but I must point out that the Secretary of State failed to mention the country outside London. As a result of pressures on time, only two speakers from north of London were called. What opportunities will those of us who represent those areas, for which the link is crucial, have to put points and to have them answered by the Secretary of State?

Madam Speaker: I recognise that the matter is crucial to hon. Members, including myself, who represent constituencies outside London. As the Secretary of State said, there is to be an intensive consultation process. I hope that hon. Members can have an input there. It is true that I was not able to call the number of hon. Members who represent constituencies outside London whom I wished to call. I am afraid that questions on statements must sometimes be curtailed. I have to draw a distinction between the statement and today's other important business, with which we shall now proceed.

Ministerial Patronage (Parliamentary Scrutiny)

4.31 pm

Dr. Tony Wright (Cannock and Burntwood): I beg to move,

That leave be given to bring in a Bill to make provision for ministerial appointments to public bodies to be subject to a Parliamentary scrutiny and confirmation process through Select Committees.

The Bill is about patronage—the patronage powers of Ministers and of the Prime Minister to appoint people to public posts. My contention is that those powers are excessive, often inefficient and frequently abused. The Bill is designed to make the patronage powers of Ministers more accountable to Parliament and to parliamentary scrutiny.

The issue has a long history. From the 18th century onwards, Parliament has been fighting for its rights against Ministers who have deployed the armoury of patronage and prerogative powers to bribe and buy their way through the House. The subject invites a certain delicacy. Patronage has been described as second only to the act of love in conferring pleasure on all parties concerned. Twenty years ago, Lord Rothschild's central policy review staff studied the matter. Later, he said:

"I thought I detected some resistance on the part of the authorities to the Think Tank studying the subject . . . patronage is a very precious and delicate commodity."

It is surely time to stop being coy about the matter. There is widespread concern in the House and in the country about the matter—and rightly so. At general elections, people think that they are electing a Government. What they do not realise is that they are also releasing the floodgates of ministerial patronage, which will sweep over and dominate the daily government of their lives.

This is the appointive state—non-elected, non-accountable and full of people, chiefly men, whose main and sometimes only qualification is to be acceptable to the Ministers who appoint them. There are currently more than 40,000 public appointments in the gift of Ministers, with the Prime Minister himself standing at the apex of this pyramid of privilege.

I recently asked the Prime Minister in a written question to reveal how many public appointments he controls. Back came those immortal words:

"The information requested could be provided only at disproportionate cost."—[*Official Report*, 16 March 1993; Vol. 221, c. *34*.]

I suggest that there is now a disproportionate cost to our democracy in leaving such patronage unchecked. The present Government did not invent patronage. The last Labour Government made liberal use of it. What the present Government have done is to give it a crudely partisan twist. Out went the great and the good; in came those who passed the "one of us" test. A survey by the BBC in 1985 revealed that a quarter of the chairmen of a selection of major public bodies were openly Conservative supporters. A similar survey by the *Financial Times* earlier this year concluded:

"if there is a new elite running Britain's public services . . . it appears the best qualifications to join are to be a businessman with Conservative leanings."

That is manifestly so in the new trustified health service, while it is widely understood in Wales that the most secure route to public appointment is to be an unsuccessful Conservative candidate.

There is a problem about democracy here; there is a problem about efficiency, too. To take two recent examples, it is not immediately apparent that efficient management has been the hallmark either of the just-surviving chairman of the BBC or of the recently departing chair of the West Midlands regional health authority, both of them political patronage appointments. Last year *The Times* noted:

"Mrs. Thatcher's approach to patronage was the simple rule: those who are not with me are against me."

The Times went on to observe:

"A more tolerant use of patronage could spread the art of Government beyond a partisan ruling elite, and raise the quality of institutional debate. To exclude talented administrators and wise old heads just because they are of the wrong political colour is to impoverish political life."

Hon. Members may have noted that I have avoided the dreaded word "quango". I have done so deliberately. There is nothing quasi-autonomous and certainly nothing non-governmental about the public bodies to which I refer. We need a new word. I suggest that we call them "patronage bodies"—perhaps "patbods" for short—so that everyone can understand what they are really about.

As patronage bodies become ever more important—as elective government is increasingly replaced by appointive government—so control, too, becomes more important. The quango cull of the early 1980s has been overtaken by the patbod growth that has followed it. The advisory committee on Hadrian's wall may have been swept away, but in have come the agencies, commissions, trusts, councils, authorities and corporations that now dominate public administration on every side.

Such bodies now account for more than a fifth of total public spending—20 per cent. more in real terms than in 1979. What distinguishes them all is the fact that they are the creatures of Ministers, and that they exist in a no-man's land of non-accountability inhabited not by the elected but by the selected.

As a recent report from the European Policy Forum —a voice not of the left but of the right—pointed out, all this represents a major transformation in our system of government. The question is whether Parliament will now take up where the 18th-century radicals left off and assert its rights in relation to the patronage state.

This is not a partisan issue. It turns on the age-old question whether there should properly be power without accountability. The Bill embodies the belief that there should not. The modest proposal contained in it is that significant ministerial appointments should be scrutinised and approved by Select Committees of this House. That would convert patronage bodies into public bodies. It would also represent an affirmation of the rights of this House in relation to the arbitrary powers claimed by the Executive.

Question put and agreed to.

Bill ordered to be brought in by Dr. Tony Wright, Mr. Malcolm Wicks, Mrs. Bridget Prentice, Mrs. Anne Campbell, Mr. Nick Raynsford, Mr. Cynog Dafis, Mr. Calum Macdonald, Ms Estelle Morris and Mr. John Garrett.

MINISTERIAL PATRONAGE (PARLIAMENTARY SCRUTINY)

Dr. Tony Wright accordingly presented a Bill to make provision for ministerial appointments to public bodies to be subject to a Parliamentary scrutiny and confirmation process through Select Committees: And the same was read the First time; and ordered to be read a Second time upon Friday 26 March, and to be printed. [Bill 166.]

Orders of the Day

WAYS AND MEANS

Order read for resuming adjourned debate on Question [16 March].

AMENDMENT OF THE LAW

Motion made, and Question proposed,

That it is expedient to amend the law with respect to the National Debt and the public revenue and to make further provision in connection with finance; but this Resolution does not extend to the making of any amendment with respect to value added tax so as to provide—

(a) for zero-rating or exempting any supply, acquisition or importation;

(b) for refunding any amount of tax;

(c) for varying the rate of that tax otherwise than in relation to all supplies, acquisitions and importations; or

(d) for relief other than relief applying to goods of whatever description or services of whatever description.—*[Mr. Lamont.]*

Question again proposed.

Budget Resolutions and Economic Situation

[Relevant documents: European Community Document No. 4683/93, the Commission's Annual Economic Report for 1993, and the draft Decision adopting the Report.]

Madam Speaker: I draw the attention of the House to the fact that I must impose a 10-minute limit on speeches between 7 pm and 9 pm.

4.40 pm

The President of the Board of Trade and Secretary of State for Trade and Industry (Mr. Michael Heseltine): The Budget sets in place one more step in our strategy for industry. When coupled with the autumn statement, it must be seen as a comprehensive response to our industrial needs. First, it provides a sound economic background against which our companies can more effectively enhance their competitiveness. Secondly, it backs our drive on the export markets. Thirdly, it addreses a range of specific measures that industry has raised with us. Fourthly, it recognises the vital role that small and medium-sized firms play in economic vitality.

No Government have done more to create a favourable climate for enterprise and wealth creation. Interest rates have been cut by 9 per cent. As a consequence, industry's costs have been reduced by £11 billion a year. The Government's privatisation programme is perhaps one of the most radical changes in the United Kingdom's economic and industrial structure since 1945.

In 1978-79, the nationalised industries received subsidies of some £2·2 billion in today's prices. In contrast, in 1990-91, the privatised companies paid £3 billion to the Exchequer. The privatised industries are achieving striking improvements in productivity. British Airways has increased its productivity by more than 20 per cent. The number of customers per employee in respect of British Gas has increased by about 19 per cent. Productivity at British Steel, which is now considered to be one of the world's most efficient steel producers, has increased

dramatically. It now takes only 4·8 man hours to produce a tonne of liquid steel, compared with 13·2 man hours in 1979-80.

Those improvements in productivity have been passed on to consumers as lower prices and rising standards of service. Since privatisation, gas prices have fallen by 18 per cent. for domestic customers and by 40 per cent. for large industrial customers. Those industries are, in many cases, now acting as flagships for Britain in overseas markets.

During the Prime Minister's visit to India last month, British Gas signed an agreement with the Gas Authority of India enabling both companies to take gas from offshore Bombay and send it through a new distribution network to more than 60,000 offices, factories and homes.

In Argentina, British Gas has won a $300 million contract to replace the Buenos Aires distribution system. The company is working as far afield as Indonesia and Kazakhstan. It is developing the Uisker oil field in Tunisia and converting the German town of Spremberg to natural gas.

Since privatisation, Rolls-Royce——

Mr. David Winnick (Walsall, North): The Secretary of State has mentioned gas and electricity and there is much confusion in people's minds outside this place. Will the Government fully compensate pensioners, and particularly those on very low incomes, in respect of the imposition of VAT? Is it not necessary for the Government to be quite clear, before the vote at 10 pm, precisely what is to be done, bearing in mind the tremendous hardship and misery that so many people on low incomes already face when they pay their heating bills during the winter months?

Mr. Heseltine: Of course that is important and that is why the Chancellor of the Exchequer made the position clear in his Budget statement and why my right hon. Friend the Prime Minister built on what the Chancellor had said when he addressed the House last Thursday. I will return to that subject when I reach that part of my speech.

As I was saying, since Rolls-Royce was privatised in 1987, its share of the world civil engine market has risen from 10 per cent. to no less than 22 per cent. Its aero-engine order book has more than doubled and currently stands at £6·7 billion. More than 70 per cent. of its output is exported. Its industrial and marine activities are also world wide. It recently won power supply contracts worth £67 million in India and the subsidiary, NEI Parsons, secured a £100 million contract for turbines in Singapore.

Ten years ago, British cars were hardly seen on the streets of Tokyo. In 1991, Rover exported 10,000 vehicles to Japan. The company produced 395,000 vehicles in 1991, of which about 40 per cent. went overseas, the bulk to other members of the single market.

As I said in the House last week, British Telecom is now one of the world's foremost telecommunications companies. Last year, it won a £350 million contract to install a network for the New South Wales Government.

Our water companies are making formidable strides in overseas markets. Thames Water is expected to sign a contract for £450 million for a water supply scheme in Izmit in Turkey to build, operate for 15 years and then transfer the scheme to the Turkish Government.

Mr. Andrew Mackinlay (Thurrock): What about the unemployed in Dock road, Tilbury? What about real people?

Mr. Heseltine: I heard the hon. Gentleman say, "What about real people?" Does the hon. Gentleman believe that real people do not work for those real companies? What sort of real people does the hon. Gentleman have in mind if people who export for Britain and design and manufacture for Britain are not considered by the Labour party to be real people? I suppose that, in the language of the Labour party, the real people are those who disrupt industrial relations, try to undermine Britain and talk the nation down: the real people of the left; yesterday's real people.

Mr. Dennis Skinner (Bolsover): Will the right hon. Gentleman give way?

Mr. Heseltine: Here is one of them. One of yesterday's real people stands before us.

Mr. Skinner: As a matter of fact, I am making inquiries about today's real people. The Secretary of State knows as well as I do that the mining industry could do with participating in the exports to which he referred. After a 15 to 20 per cent. reduction in the value of the pound, we could be exporting coal and today's real miners could be taking part in that.

Will the Secretary of State tell us today that the 20 million tonnes of coal imported into Britain will be massively reduced and that he will launch an export drive for coal? If we are exporting all those things to all those parts of the world, why has there been a announcement today of an increase in the balance of payments monthly deficit of £1·3 billion?

Mr. Heseltine: I can help the hon. Gentleman. Yes, we can export coal the day that we produce it at a price which the export market will absorb. If the hon. Gentleman had put his mind years ago to advising his constituents about the productivity gains that we are beginning to see in the mining industry, we might not have these imports of foreign coal. The price that we have paid for the views expressed by the hon. Member for Bolsover (Mr. Skinner) and his right hon. and hon. Friends and their failure to bring home the realities of a competitive marketplace to the miners of this country is now being visited on those very people.

Thames Water, as I said, expects to sign a contract for £450 million. Anglian Water has won a stake in a winning consortium for a Buenos Aires water privatisation project. North West Water, in conjunction with an Australian engineering firm, has signed a contract for 100 million Australian dollars to improve water quality in Melbourne.

That is a remarkable transformation. Not only are those privatised companies no longer loss making, in tax terms, but they are paying large sums of money to the Exchequer. They are now winning for Britain in a way in which, for the past 30 or 40 years, we denied them the opportunity even to try to.

I am not sure whether the hon. Member for Dunfermline, East (Mr. Brown) is in his place at the moment.

Mr. Rhodri Morgan (Cardiff, West): I am grateful to the right hon. Gentleman for giving way before he goes off on one of those manic, last deckchair attendant on the Titanic

[Mr. Rhodri Morgan]

performances. Does he not realise that the reason why the water companies are able to make flash investments in places such as Turkey and New South Wales has nothing to do with the technology which they have to offer? It has everything to do with the guaranteed and ludicrously high prices which they are allowed to charge by the over-generous terms on which they were privatised by the Government in 1989. As a result of having that guaranteed income, the companies can spend overseas the capital which they have accumulated from the ordinary water and sewerage users in the United Kingdom. It is capital which we, the taxpayers, have provided. It is nothing to do with the skills of the companies.

Mr. Heseltine: Here we have the revisited Labour party. This is the Labour party which does not want to see real people involved in making real products. We now have a new concept: if a privatised British company goes out and wins in the marketplace of the world, somehow it is doing so because it is taking on loss-making contracts. That is what the hon. Member for Cardiff, West (Mr. Morgan) said. British companies are not winning on their merits. They are winning contracts because, somehow or other, they are being artificially supported in the domestic marketplace.

What sort of message does the hon. Gentleman think that he is sending to countries that are considering taking British tenders? The message has come from the British Labour party that it is a giant fix—that these are not competitive tenders but have all been sorted out on the back of the domestic market by the British Government.

I hope that all those people out there who are selling for Britain are listening to this debate and to the support that they are getting from the Labour party in the House. Labour Members of the revitalised Labour party say that they are backing Britain. They are backing Britain everywhere except when it comes to winning contracts in the overseas marketplace. If the hon. Member for Dunfermline, East (Mr. Brown) were here today——

Mr. George Foulkes (Carrick, Cumnock and Doon Valley): Get on with it!

Mr. Heseltine: The hon. Gentleman should not worry: I shall get on with it. The hon. Member for Dunfermline, East said:

> "The central questions are how we invest in people for the future, how we invest in industry and how we invest in the social and economic fabric of our country to ensure that we will have not only rising production in industry but rising standards of living."—[*Official Report*, 17 March 1993; Vol. 221, c. 296.]

That was the great sort of interrogation to which the Chancellor and the Chief Secretary were subjected by the hon. Gentleman.

What is happening to improve the living standards? What are the facts? As a result of the changes which I have been talking about, real spending on the national health service in England has increased by 60 per cent. since 1979. There are 19,000 more doctors and dentists and almost 38,000 more nurses and midwives, and 45 per cent. more acute in-patients and day cases are treated each year.

Dame Elaine Kellett-Bowman (Lancaster): Real doctors, real nurses, real patients.

Mr. Heseltine: My hon. Friend is right: this is another example of real people doing real things because a Tory Government have made it possible.

The investment programme in the privatised water industry is heading for an additional £30 billion by the end of the century. There has been record public expenditure on roads and the urban programme has been transformed. The essence of the matter is that, while Labour Members continue to talk about these problems, the Tory Government continue to do something about them. There has been much comment about the Chancellor's commitment to extend VAT to fuel bills. That applies with a rate of 8 per cent. in the year starting 1994 and moves to the full rate in April 1995. The Chancellor made his position clear in his Budget speech. On Thursday, the Prime Minister told the House that there would be extra help for less well-off pensioners and other people on low incomes. They will get the extra help from next April before the higher fuel bills come in. That help will be additional to the future increases in pensions and other benefits which will take place automatically. Cold weather payments will also be adjusted to reflect increases in fuel costs.

I was intrigued to read in *The Observer* that the Chancellor and I were engaged in a furious row on the subject. Apparently, I was furious that I had not been consulted. Perhaps I may say a word about the matter. I was consulted in an orderly way. I made no protest, for the simplest of all reasons—I shared the Chancellor's judgment that it was necessary to raise taxes in the Budget.

Of course any tax increases are likely to be difficult, but, frankly, I am not prepared to cop out of the difficult tax decisions on the most contemptible of arguments—that I agree with what the Chancellor is doing in principle, but I disagree with some specific examples of the difficult decisions which he must take. That is the sort of stuff of which Opposition arguments are made. That is the sort of argument which the Labour party relishes. Indeed, it is the sort of argument which keeps Labour Members pinned to the Opposition Benches.

Why did not *The Observer* take the trouble to check the facts about this great row between me and the Chancellor? It cannot be because it did not know exactly how to get hold of me. That cannot be the case, because I received a telephone call from *The Observer* on Saturday wanting to take my photograph. The House will be delighted that I turned down that extremely generous offer. If the picture editor of *The Observer* knows how to find me, is it too much to think that the serried ranks of industrial and political correspondents somehow cannot manage the same trick—or were they frightened that, if they put to me the straight question, they would get the truth and the truth would deny them any sort of headline at all?

I can see that this will be the revisiting of the inglorious past of the hon. Member for Livingston (Mr. Cook). This afternoon he will be in his element. If ever there was a story tailor-made for the hon. Gentleman, this is that story. There are millions of pensioners to frighten and spectres of ill-health and hardship to conjure up. The hon. Gentleman knows the arguments backwards, because, over the years, he has invented most of the arguments backwards. He is the seasoned practitioner on whom all those people out there will wish to make a judgment.

In *The Times* of 14 December 1987, the hon. Gentleman described the Government's intentions as to

"leave the NHS as a ghetto service for those who are too poor to afford anything better".

In *The Times* of 1 February 1989, he said of GP budget holders:

"For the first time, GPs will have an incentive to turn away patients with a high price tag, the elderly, the disabled and the chronically sick."

In *The Independent* of 5 October 1990, he spoke of "an NHS in which pensioners queue up for their operations in an end-of-season sale".

What happened? All the trusts are still in the public sector, and 1 million more patients are being treated than when the hon. Gentleman was making his statements. The hon. Gentleman is a man with a record. He has been through it all before. He should be judged by how true it all turned out to be.

I took a little time off last Wednesday to listen to the hon. Member for Dunfermline, East, and I am glad to welcome him to our deliberations today. Some of us had the privilege to watch him. He was at his most ferocious. Psychologically, the red flag was up—I see that it is round his neck today. Red blood was flowing all over the carpets as he ended his speech with these fighting words:

"There is no one left for this Government to betray; they have no credibility in this country. The electorate will never trust them again. If Britain is to have a new start, it will need a new Government—and that will be a Labour Government." —[*Official Report*, 17 March 1993; Vol. 221, c. 298.]

Trust a Labour Government! In September 1964, the Leader of the Opposition, Mr. Wilson, said:

"Over the period of a Parliament I believe that we can carry out our programme without any general increase in taxation."

When that Government left office, they were collecting £2 for every £1 collected when their promise was made. In the same election campaign, the late George Brown—*[Interruption.]* Oh yes. Opposition Members may laugh now. I know that it is a long time ago, but it is a long time since we had a Labour Government. The reason why it is a long time is because the Labour party said these preposterous things and was found out.

The late George Brown said:

"For new mortgages we have something in mind of the order of 3 per cent."

By the time that Government left office, mortgage rates were 8·5 per cent. By the late 1960s we had the then Prime Minister, Lord Wilson, proclaiming on 17 April 1969:

"The Industrial Relations Bill is an essential Bill, essential to full employment and essential too for the Government's continuation in office."

On 18 June 1969, the Bill was withdrawn from the legislative programme.

For those who are interested in the flights of fancy of the hon. Member for Dunfermline, East about trusting a Labour Government, what about all the bravura claim in October 1964:

"Labour will abolish poverty in Britain"?

Six years later, the Child Poverty Action Group had sadly to conclude:

"in many ways the plight of poor families is now worse than when the Labour Government took office."

Worse it was, worse and always it will be. Trusting the Labour party is not a matter of investing in risk. It is a matter of investing in certainty. All out. All up. All over.

The hon. Member for Bolsover asked a question about coal. I recognise, as will the House, that there has been much speculation in recent days about the coal contracts. Some progress has been made in respect of the base contracts. Work has continued now through several weekends. I hope that I am about to be able to report on the position. I hope that I may be able to do that in the not-too-distant future. However, as I have said many times, I have no powers to make people sign contracts. In the meantime, I have agreed that British Coal can extend the redundancy terms until the end of December this year.

Increases in productivity are often accompanied by falls in employment. We have had to face that problem in the coal industry over many years. But we are familiar with the general trend throughout manufacturing industry. Indeed, manufacturing employment peaked as far back as 1966. That phenomenon is not confined to the United Kingdom. Some decline in employment in manufacturing is evident in most industrial countries.

Increased competition and continuing technical progress mean that many firms will reduce employment to stay competitive. That does not mean that those firms are in difficulties. Far from it. The vehicle industry in the United Kingdom is producing 300,000 more vehicles a year than 10 years ago, but it employs 100,000 fewer people. The paper, printing and publishing industries increased their output by more than a quarter between 1980 and 1991, but employment fell by 12 per cent.

In many industries, successful firms are cutting jobs as they invest for the future to stay ahead of the competition. New firms and new businesses were the key to employment growth in the 1980s and they are undoubtedly the area of the economy to which we must look for new jobs in the future. We have been more successful in job creation than other European Community countries. The work force in employment grew by almost 1·5 million over the last economic cycle, between 1979 and 1990, so it is of critical importance that we recognise that every degree of support that we can give to new companies is most relevant to creating new jobs and new opportunities in our economy.

The next matter of dramatic importance in what we seek to achieve and must achieve is support for our export companies. Our companies know that there is no such thing as a secure market. Overseas firms face the same pressure to win as we do. We are pushing forward with fresh initiatives to help exporters.

Last November the Minister for Trade announced an export strategy to maximise our strengths and minimise our weaknesses. I have invited British companies to second to my Department 100 men and women to help us in the promotion of our exports. I am extremely gratified by the response that I am achieving. I believe that we shall have 100 such people by the summer of this year. That will give us experts with first-hand knowledge of overseas markets who will aim to identify and promote opportunities to help our companies to fulfil their potential.

Mr. John Townend (Bridlington): I am sure that my right hon. Friend agrees that our exporters are doing a fantastic job, but is not the United Kingdom's problem the fact that we import too much? Do we not have a cultural problem? A large part of the British buying public still believes that it is smarter or better to buy foreign, even when British goods are competitive and of the right quality.

I give my right hon. Friend an example from my constituency. I represent more pigs than people. We produce the finest pigmeat in the world. British charter bacon is of top quality and is internationally competitive. Yet 50 per cent. of the bacon bought by housewives is from Holland or Denmark. Is not that a national disgrace?

Mr. Heseltine: I understand my hon. Friend's anxiety. That is why I was delighted to notice the seminar which my right hon. Friends the Prime Minister and the Minister of Agriculture, Fisheries and Food, with leaders in both the retail and producing sectors of the food industry, held recently to address some of those difficult issues. As my hon. Friend says, that part of our economy is particularly important because it represents one of the largest deficits in our balance of trade.

The Budget of my right hon. Friend the Chancellor of the Exchequer will help business build on the achievements of the 1980s. It will promote the economic recovery by providing concrete benefits for business and a stable framework for business decisions. His Budget has successfully combined three aims, at least two of which were widely said to be incompatible before he rose last Tuesday and showed how it could be done. His Budget has avoided damaging the inevitably fragile early stages of recovery; it has achieved a substantial improvement in the public finances into the medium term; and it has done all this while keeping inflation within clearly defined limits. All three aims, and especially the continued control of inflation, are of vital importance to business.

We now hear less than we did two or three years ago about short-termism as a feature of our industrial and commercial life. To a large extent, this is because we have got inflation down, yet I do not doubt for one moment that deep-seated short-term attitudes are prevalent in our affairs; or that this is one important strand in understanding why we as a nation have performed less well than many of our competitors.

Such attitudes have led us to invest less than we might in technology and advanced means of production. They have encouraged growth in companies by acquisition and financial engineering, rather than through organic development and building on products and markets. They have led us to place far too great an emphasis on comparisons of near-term financial results in judging our companies, instead of considering the strength of management and its underlying strategy.

Those attitudes are all of a piece. They reflect much that is cultural, and they can be changed only slowly. But they have one great mechanism of reinforcement—inflation. Inflation is an evil which narrows the focus of attention into the short term. Inflation must be kept low in the years to come if our performance is to be improved. The Budget measures will reduce burdens on business by £1 billion in the year ahead. They will assist small and medium enterprises to do what they do best—create the wealth on which the rest of the country depends.

Ms Liz Lynne (Rochdale): On that specific point, can the President of the Board of Trade say why the Chancellor did not introduce a statutory requirement to pay interest on late payment of debt? That would have helped small businesses considerably.

Mr. Heseltine: We have no doctrinal view on that measure, but there are many doubts about whether it would have the effect that the hon. Lady suggests. We have discussed the matter. My noble Friend Lady Denton has exercised significant influence on late payment of debts. There has been a substantial improvement in the rate of payment. Not the least reason for that is that the Government have paid their bills in a timely way and encouraged large companies to do the same. My noble Friend has made it clear that she will take up specific cases if they are drawn to her attention.

Mr. Robert Sheldon (Ashton-under-Lyne): I wish it were true that Government Departments had been settling their bills promptly. The Public Accounts Committee took evidence from the Property Services Agency, which was only paying when it received payment, and I shall shortly be criticising that strongly.

Mr. Heseltine: I fully acknowledge the high position of responsibility that the right hon. Gentleman has in our affairs. If he has examples that my Department should explore, I assure him that we shall do so, as that is an important matter. We have tried to do what we can to speed up payments, but we are aware that a statutory process might not improve matters in the way that people think, and have therefore hesitated to move in that direction.

For the second year running, no business will face a real increase in its rates bill. The package of value added tax measures introduced by the Chancellor will also be welcomed by every small firm. Finance for small businesses—a subject of great concern—will also be given a boost by the changes in premiums and loan size limits, under the small firms loan guarantee scheme. I have no doubt that my right hon. Friend the Chancellor has thrown a challenge to the banks. The Government have taken an initiative and it is now up to the banks to judge business plans and to make their loans in a way that will help businesses to grow.

The changes to capital gains tax will encourage reinvestment by not penalising those who use their profits to start another business.

I have referred to the need to help exporters. We are making available an additional £1·3 billion of cover for key markets. Together with the changes in the autumn statement that will mean that annual cover for United Kingdom exporters in priority markets will have increased by more than 75 per cent. in just four years. Premium rates have also been cut and are now more than 25 per cent. lower than in 1991-92. Those reductions will bring the average level of premiums charged in the United Kingdom down to around the average charged by the United Kingdom's competitors.

The Chancellor announced a special scheme in the Budget to help persuade foreign-owned companies to choose the United Kingdom as a location for international headquarters companies. The present advance corporation tax rules are an obstacle to their doing so. The new rules, which will be implemented next year, will remove that obstacle, which should attract new business to the United Kingdom, and bolster London's role as Europe's premier financial centre.

I know that oil companies have always recognised the responsiveness and stability that our North sea tax regime offers. However, the petroleum revenue tax regime was introduced in 1975, with the last substantial amendment in 1983. In keeping the tax system under review, it was important to keep in mind the fact that the North sea was maturing as an oil province—new fields tend to be smaller, and older fields are gradually declining. The Chancellor has now reduced petroleum revenue tax from 75 to 50 per cent. for existing fields from 1 July 1993, and abolished the

tax for future fields given development consent on or after 16 March. The Chancellor's proposals move the North sea from a high-tax to a low-tax regime.

Conditions for recovery are in place. The United Kingdom has the lowest inflation rate for 25 years; the lowest interest rates since 1977; and the lowest base rates in the European Community. Interest rates have fallen by nine percentage points since autumn 1990, knocking £11 billion a year off industry's costs.

We have a fiercely competitive exchange rate; a set of Budget measures to boost confidence and stimulate growth; and confidence is rising. The Confederation of British Industry, the chambers of commerce and the Institute of Directors show rising confidence in their surveys. Retail sales are at record levels; car sales are up sharply; manufacturing investment in the fourth quarter of 1992 was up by 5·5 per cent. on the start of the year; the increase in average earnings is the lowest for 25 years and we expect a further decline in the coming months.

Rapid productivity growth means that United Kingdom manufacturing unit wage costs are lower than those in Germany or Japan, on recent OECD estimates, and they have fallen during the past 12 months. However, further pay restraint is vital to maximise the competitive advantages of sterling depreciation. This month's fall in unemployment is welcome, but too much should not be read into one month's figures, as the fall might not be immediately sustained and it may be some time before the underlying trend takes a downward turn. Unemployment is likely to be one of the last indicators to respond to any recovery in the economy.

Exports and productivity are at record levels and Britain is moving ahead. British business now has clear advantages in competing in the rest of the world.

Mr. Anthony Steen (South Hams): While I agree with all that my right hon. Friend is saying, does he agree that the rules and regulations affecting small firms prevent them from competing with other countries on that famous level playing field? Something needs to be done to reduce the number of rules and regulations affecting small firms. Can he tell the House what the deregulation unit is doing about future and existing regulations, which are preventing the recovery that small firms so badly need?

Mr. Heseltine: As my hon. Friend knows, we have started to review proposed regulations and those already on the statute book and are applying the review to domestic and European Community regulations. We have been fortunate in securing the services of Lord Sainsbury and those of various other chairmen and significant figures from the private sector, who have helped us to establish seven task forces, to consider the 7,000 existing regulations, which obviously create the climate in which industry has to operate. I shall report to the House as progress takes place.

Mr. Peter Hain (Neath) *rose*——

Mr. Heseltine: I shall not give way.

I assure the House that in all those ways the Government will play their full part to help the private sector in difficult circumstances.

As I told the House in a recent debate, we live in a competitive world. As we export such a high proportion of our output, it is impossible to believe that we can operate as an island economy. We are broadly comparable with many economies in the world. During the past year industrial production has fallen by 2 per cent. in Italy, by 2·5 per cent. in France, by 6·5 per cent. in Germany and by 7 per cent. in Japan, but in this country industrial production has risen in that period.

Japanese gross domestic product fell by 0·75 per cent. in the second half of 1992, output fell in France and Italy and there were three successive quarters of decline in Germany. Since 1981—the trough of the last recession—United Kingdom manufacturing output has risen by more than a fifth, manufacturing investment is up by nearly two fifths and manufacturing productivity by two thirds. Our export volumes are at an all-time high and by the end of 1990 there were about 400,000 more businesses operating in this country than in 1979.

The underlying strength of our manufacturing base can also be seen from our ability to attract inward investment. In 1991, we attracted one third of all inward investment into the European Community.

So, as we have said many times, despite the severity and length of the recession, Britain is in a strong position to take advantage of prevailing domestic and world economic circumstances. That can be done only by making this country's economy competitive, which can be achieved only by the relentless grind on costs and the pursuit of improved quality.

The Opposition are incapable of understanding those arguments, and view the British economy as an island apart from international pressures and the international marketplace. They keep peddling their view of an industrial strategy, which is simple and based on clear but irrelevant ideas: higher taxes to finance higher public expenditure; bigger training budgets; pushing up education standards; helping workers with statutory rights; and embracing the social chapter. They have pursued all those ideas in France, where their income taxes are higher and their education system renowned. They have extensive public ownership and have turned the social chapter into a Domesday book. What has happened under one of Europe's most substantial socialist Governments? The people living under it are sick to death of what is happening.

The French election result, if replicated in this country, would take a scythe to the parliamentary Labour party. It would be down to a rump of about 10 people; the impregnable Labour strongholds might be all that would be left if we had a Labour socialist Government. What would that Government look like? Perhaps the hon. Member for Merthyr Tydfil and Rhymney (Mr. Rowlands) would be Foreign Secretary; the hon. Member for Rhondda (Mr. Rogers) would be Chancellor of the Exchequer; the hon. Member for Liverpool, Riverside (Mr. Parry) would be Home Secretary; and presumably there would be an early return to the Front Bench for the right hon. Member for Islwyn (Mr. Kinnock) as Secretary of State for Wales. We could count on the fact that the hon. Member for Bolsover would be there clambering on to any convenient barricade, searching for a starring role in "Les Miserables". What a brilliant piece of casting that would be, but it would be casting in the world of make-believe. The Budget contains real policies for the real world; I commend it to the House.

5.19 pm

Mr. Robin Cook (Livingston): For the second time in a fortnight, the President of the Board of Trade has used a speech on the economy to make a statement on his energy review. For the second time, the statement that he made about that review consisted of things that he cannot do to save coal pits. The nation is tired of hearing what he cannot do to help the miners; what we are still waiting to hear, after six months, is what he will do to help them.

Every time the right hon. Gentleman rules out another solution to the problem, as he did today, he confirms what we have always warned about: that the immense flaw in the structure of that review is that the man in charge of finding a solution that avoids closing the 31 pits is the same man who thought it was the right course in the first place. I must warn the right hon. Gentleman that he is coming dangerously close to admitting that he has wasted six months in coming to the conclusion that he was right all along and everybody else was wrong.

If the President of the Board of Trade wishes to be remembered as the man who closed down Britain's coal industry, the Chancellor will be remembered for his 1993 Budget. It was quite the most dramatic Budget since 1988, when Lord Lawson eyed up a overheated economy and poured petrol over it, creating a rip-roaring runaway boom which burnt itself out and left his successors sitting among the ashes—except for the President of the Board of Trade: he does not notice them.

As I listened to right hon. Gentleman's speech, as he fumbled among the ashes of the Government's industrial and economic performance, I heard him describe them as a bonfire of success. I started to convince myself that the trade gap must be a statistical error, that job losses from companies and manufacturing industry are a sign of their success. I must say that I was saved from giving in to the right hon. Gentleman once his speech finally orbited out of touch with ground control and reality and he blamed my hon. Friend the Member for Dunfermline, East (Mr. Brown) for the 1964 Labour manifesto.

I admire my hon. Friend and I have known him for 25 years—he was precocious even then, as a student—but I must admit to the right hon. Gentleman that, having known my hon. Friend that long, I know that he did not write the 1964 Labour manifesto. I predict that, 30 years from now, my hon. Friend will be sitting below the Gangway dignifying the Labour Bench and recalling to the House how the 1993 Budget swept him into the Treasury and Labour into office.

What makes this Budget dramatic is the admission of the damage the Government have done to the economy. No plea of guilty has been entered, and nobody has even said sorry, in three days of debate. No request has been made for 14 years of other offences to be taken into consideration.

But the admission was there in the lengthy speech of the Chancellor, which revealed the embarrassing and painful decisions forced on him by the severity of our economic recession. It is there in the thick Red Book that charts the bleak economic problems of the future. It was there in the admission of the damage that proved the curtain raiser to the Budget—the report specially commissioned by the President of the Board of Trade, which was leaked to *The Sunday Times* the Sunday before the Budget.

That report, from the competitiveness unit of the DTI, said that our industrial base is fundamentally weak, that our trade deficit will last for decades and that, instead of putting in place the conditions for recovery to which the right hon. Gentleman has referred, the Government have put in place low investment and low skills in industry.

Many Opposition Members share the distress that the right hon. Gentleman must have felt at people employed by the Government talking Britain down in that way. For that reason, last week, I asked the right hon. Gentleman to publish that report in full, or at least put a chained copy in the Library. He said that he could not publish it because "the report clearly reveals the devastating inheritance of 1979".—[*Official Report*, 17 March 1993; Vol. 221, c. 282.] That is why he could not publish it. He does not want to embarrass us; he wants to spare our feelings. I must say that that is not a sensitivity I had associated with the right hon. Gentleman before.

We know what the inheritance of 1979 was. It was manufacturing investment at 3·9 per cent., of GDP, a level the Government have never once returned to in 14 years in office. The legacy of 1979 was a surplus of £2·5 billion in manufacturing trade compared with a deficit of £7·5 billion last year. The legacy of 1979 was an unemployment rate of 1·1 million, which the Government have turned into an unemployment level of 3 million—and never in one month, in 14 years, have they got unemployment back to the figure with which they started. That is the inheritance of 1979.

The reason that the President of the Board of Trade is afraid to publish that report and shrinks from doing so is that it spells out the legacy of 1990, which they inherited from themselves. It confirms that, after 14 unbroken years in office, they have achieved industrial production with the lowest growth rate in Europe except for Greece, a manufacturing investment level lower than when they started in 1979, and a proportion of the work force with skills at half the level of other countries. That is the background aganinst which this Budget must be judged.

Dr. Keith Hampson (Leeds, North-West): The hon. Gentleman is always very selective with his memory. Does he not remember that, in 1978, the previous Labour Government, against a backdrop of doubling unemployment and the collapse of manufacturing industry, commissioned the Finniston inquiry, which highlighted all our long-term failings to compete with our continental partners in the manufacturing and engineering industries?

Mr. Cook: My breath is taken away from me when I hear a Conservative Member complain that the previous Labour Government doubled unemployment. When they left office, the unemployment rate stood at 1·1 million and was coming down; the Government have twice taken it up to 3 million.

If the hon. Gentleman wishes to accuse me of selective use of statistics, it is particularly interesting that, in his selective use of them, he did not choose to express concern about the 68 per cent. rise in unemployment in his own constituency since the Prime Minister took office. If he is worried about rising unemployment, why does he not do his constituents the justice of expressing some concern on behalf of the 3,000 constituents who are now unemployed?

Dr. Hampson: That is the wrong Leeds constituency, mate.

Mr. Cook: With respect to the hon. Gentleman, in the event that we have the wrong figure, I assure him that I will give him the correct figure very shortly.

We have dealt with the inheritance of 1979 and 1990. What this Budget must be judged against is the background of 14 years in which the Government have run down industry. Judged against that background, the Budget fails to meet the test of what is needed by industry. Industrialists have already returned their verdict. Neil Johnson, the director general of the Engineering Employers Federation, said:

"This Budget does nothing to *bring about the massive* switch to investment which is essential for lasting recovery."

The representatives of the Machine Tool Technologies Association have said:

"This Budget fell short of directly encouraging UK companies to invest."

We do not need to look outside the Government for those who tell us that the Government's policies in the Budget are failing industry. We can see the verdict returned in the Red Book. We only have to look at the contents of the Red Book to see the extent to which the Budget does not stimulate industry. My hon. Friends should handle the Red Book with caution, as it has never yet got it right. It has always erred on the side of unsupported cheerfulness and presented a best case scenario. Whatever the Government say in the Red Book, experience always turns out to be worse than the promises, which are bad enough.

If the President of the Board of Trade wishes to tackle me about talking Britain down, he should note that it was not me who made the forecasts—they were deposited by the Economic Secretary. If the President fears another fit of moral indignation coming over him about people talking Britain down, he should take out his feelings on the Economic Secretary instead of me

Before I turn to the financial statement and the Red Book I shall correct the hon. Member for Leeds, North-West (Dr. Hampson). He was wrong—the increase in unemployment in his constituency since November 1990 is 68 per cent., and unemployment currently stands at 3,264. I now fully understand why the hon. Gentleman did not refer to unemployment in his constituency—he does not even know the unemployment figures for his constituency.

Dr. Hampson *rose*——

Mr. Cook: No, I shall not give way to the hon. Gentleman, as it was perfectly clear that I was referring to the increase in unemployment since November 1990. If the hon. Gentleman does not know the increase in unemployment in his constituency since November 1990, I suggest that he does us all a favour, returns to the jobcentres in his constituency tonight and gives us an extra chance to beat the Government.

Dr. Hampson: On a point of order, Mr. Deputy Speaker. For the record of the House, the hon. Gentleman chose a particularly——

Mr. Deputy Speaker (Mr. Geoffrey Lofthouse): Order. What is the point of order for the Chair?

Dr. Hampson: For the *Official Report* to be accurate, I should say that the hon. Gentleman chose a particularly good year, when unemployment was low.

Mr. Deputy Speaker: The hon. Gentleman knows full well that that is not a point of order for the Chair.

Mr. Cook: I chose the month in which the present Prime Minister took office, which was not a particularly good month for Britain, but that was the base that was inherited.

Dr. Hampson *rose*——

Mr. Cook: I am sorry to disappoint the hon. Gentleman, but we cannot have a private conversation; I must return to the debate.

The Red Book shows that, in 1993 business investment is expected to fall for the fourth successive year. Ours is the only country in Europe in which business investment will have fallen for four consecutive years. Other countries worry about recession when the rate of growth in investment is not as fast as usual. The Government are so desperate that they claim a recovery when the rate of decline in investment is not as fast as usual.

According to the Red Book, the consequence of the decline in business investment means that, in 1994, manufacturing output will be growing more slowly than in the rest of the economy. Since 1990, manufacturing output has collapsed faster than the rest of the economy. Now that the Government are claiming recovery, the growth in manufacturing output is expected to be slower than the rest of the economy. So much for the Prime Minister's passionate belief in expanding the manufacturing sector. According to the Red Book, the manufacturing sector will continue to decline as a proportion of gross domestic product.

Any lingering hope that the Budget is a Budget for industry or that the Government believe that their Budget will stimulate industry vanishes when one turns to the Red Book predictions for the balance of payments. We already have a ballooning trade deficit of more than £1 million for every hour. The Red Book admits that that deficit will swell by half as much again. What is damning about the failure of the Budget to expand industry is that all that increase occurs in the manufacturing deficit. In 1993, the deficit in manufactured trade is expected to be as big as the deficit for the past two years added together—that is the measure of the Government's 14 years of failure.

I notice that no Conservative Member is rising to ask about the Labour Government's record on manufacturing trade, and I know why. It is because they know that, in every year under the last Labour Government, there was a surplus in manufacturing industry. That is the inheritance that the Conservatives have squandered.

Unlike the President of the Board of Trade, I do not believe in for ever talking down our inheritance. Britain has much to be proud of in its past. It should be proud of its inventions and the technology that it has given the world.

In the two centuries since the industrial revolution, Britain has repeatedly led the way. It led the way in railway technology. We had a surplus in the trade of railway vehicles until 1979, when it stood at £260 million. Under this Government, for the first time, we have a deficit in the trade of railway vehicles of £57 million. The pneumatic tyre was invented in Britain by John Dunlop, and we had a surplus in the trade in tyres until 1979, when it was £90 million. We now have a deficit of £38 million. The vacuum cleaner was invented in Britain and we had a surplus in the trade in vacuums until 1979, which has now, under the Government, been turned into a deficit.

[Mr. Cook]

I go some way to agreeing with the President and say that we should stop talking down Britain's proud past. We should start pinning the blame on the people who have pulled Britain down and turned our trade success into trade failure.

A fortnight ago, when the President was accusing me of talking down Britain, he produced as evidence of the recovery and the good things about Britain, which he said that I did not mention, the 400,000 small businesses that had started up and said:

"It is from the small and medium-sized company sector of the economy that jobs come".

The right hon. Gentleman was so proud of that figure that he repeated it again at Question Time last week.

The President is right to say that small and medium-sized enterprises are a vital source of innovation. He was also right in that, last year, 445,000 small businesses opened bank accounts for the first time. What the President did not tell the House was that, in the same year, 570,000 small businesses closed their bank accounts for the last time, and 125,000 more small businesses folded than started last year.

The right hon. Gentleman invited the House to congratulate the Government on their record in a year in which the number of small businesses that folded rose by 4 per cent. Is that the best that he can do in trying to talk up the Government's record—to admit that it is from the small and medium-sized company sector of the economy that jobs are disappearing?

Last Tuesday, Budget day, a bumper 110 of those small and medium-sized enterprises were advertised as going into liquidation, 19 of them in the manufacturing or engineering industry. They included MET Plastics in London, which were toolmakers and moulders. When asked why, the company said:

"Bad debts and the length of the recession".

HEE Equipment in Leeds made engineering machines, and when it was asked why it had folded, it said that it was because of bad debts. It was forced to make 100 people redundant. Hi-Spec Engineering in Nottingham made powered platforms and said that it had closed due to

"The economic recession which resulted in an extended period of losses."

Action Work Force of Batley provided personnel to factories, and at one time employed 150 people in Batley. It failed because business in the factories "dried up".

When we rang up the companies, not one of them slammed down the phone accusing us of talking Britain down. Oddly enough, not one of those companies blamed the closures on the legacy of 1979 or mentioned how encouraged they were by the evidence of recovery around them. The President spent much time spotting that recovery. I understand that he is a noted bird fancier——

Mr. John Smith (Monklands, East): Bird watcher.

Mr. Cook: I am grateful to my right hon. and learned Friend—bird watching is not one of my sports. I understand that powerful binoculars are standard equipment in that sport. I warn the President that he should put aside those binoculars when he scans the economic indicators for signs of recovery that are not visible to the naked eye.

If the President wants to talk about recovery, I shall tell him what the Opposition understand by the word "recovery" and what they accept as its definition. Recovery will be achieved when unemployment falls to the 1·1 million figure that the Government inherited from us in 1979. When they obtain that figure, they can start to talk about improving the economy.

There is something much worse than talking Britain down—cheating. That is the next feature by which this Budget will be remembered—as an admission that the Government failed, and as an admission that they cheated.

The right hon. Member of Shropshire, North (Mr. Biffen) was the first Conservative to speak after the Budget speech. I have a great deal of regard for him; in the past, he and I have occasionally found ourselves on the same side of an argument. But on this occasion I was stunned to hear him say:

"I am happy to stand here, shamelessly, as a taxing Tory."
—[*Official Report*, Tuesday 16 March 1993; Vol. 221, c. 202.]

"Shameless" is probably the correct word in that sentence, because I have looked at the right hon. Gentleman's election address for Shropshire, North. He did not stand there then as a shamelessly taxing Tory—quite the reverse. What he told the good people of Shropshire, North was:

"There is a strong need to be modest about election promises. They all have to be paid for with your money. As ever, I shall bear that strongly in mind."

What the right hon. Gentleman said in his constituency was the very opposite of coming here as a taxing Tory. I travelled up and down the country throughout the last general election, and I did not find a single taxing Tory anywhere in Britain at the time. The Tories fought the last election on the single proposition that they would cut taxes and Labour would put up taxes.

No one expressed this election strategy more succinctly than the President. In Corby on 21 March 1992, he said:

"This election in the first week is about tax. In the second week it is about tax. And in the third week it is about tax. And if Labour were to win this election the next five years would be nothing but tax."

This from a man who sits in a Cabinet that has presented us with the biggest tax increase of any Budget in history. The party that promised year-on-year tax cuts has become a Government delivering year-on-year tax rises.

Mr. John Townend: I note the hon. Gentleman's opposition to tax increases. He will know that I am not in favour of high taxes, but does he accept that we have a major problem with the Budget deficit? It can be dealt with, but spending will have to be cut, or taxes will have to go up—or a combination of these. What spending reductions does the hon. Gentleman want in place of the Government's tax increases?

Mr. Cook: What the Chancellor said at the general election was that he could foresee no circumstances in which he would have to extend VAT—but the hon. Gentleman may be ahead of the Chancellor. He may have been smarter and more far-seeing than the Chancellor. He may even have been more honest with his electors, so I invite him to point out to us the passage in his election address that mentioned that there was a severe problem with the public sector deficit and that it would be necessary to increase taxes when the Tories returned to office after the election. If he can do that, we will treat his intervention seriously——

Mr. Townend *rose*——

Mr. Cook: I look forward to hearing the passage in question.

Mr. Townend: I did make it quite clear in my election address that I believed in sound Government finance. *[Laughter.]*

Mr. Cook: I am sure that the good people of the hon. Gentleman's constituency read that on the assumption that they did not need to expect a swingeing tax increase from him—not even those numbered among the increase of 83 per cent. in unemployment in his constituency since the Prime Minister took office.

I seem to remember a poster from the election depicting a bombshell with, slapped on the side, the figure £35 billion. That was what the Government said Labour would put up taxes by. It was always a lie. The tax increases proposed by Labour at the last election added up to one tenth of that sum—but the posters were distributed around the constituencies.

If they went back to their committee rooms, perhaps Tory Members could find these posters lying around under chairs in back rooms. They might consider putting them up all around their constituencies again. All they need now slapped on the side of the bomb is the figure £28 billion, because that is the amount that the Government will take in extra tax if this Parliament runs another four years, even if the Chancellor never comes back and raises another penny in tax or extends the scope of VAT again or increases national insurance contibutions. That is the cost of Conservatism—£28 billion, or, as the Government prefer to express it, £1,000 for every household in the country.

This is such a blatant deceit that even *The Sun* is embarrassed. No one was more diligent about repeating the Tories' tax propaganda at the election; no one was more naive about swallowing their threats of what Labour would do than was the editor of *The Sun*. And, bless his trusting heart, Kelvin MacKenzie feels cheated now. Last week he offered his honest, forthright advice to the Treasury: go away and

"lie down in a darkened room."

This was a Budget of failure and a Budget of cheats, but there is a third and final dimension that needs to be filled in if it is to be seen in the round. It is a budget of unjust men—unjust because they made the mistakes and they now expect everyone else to pay for them, not themselves. None of them will pay: everyone else will. They are unjust, too, because the tax increases that they have chosen will hit the poor hardest—such as the 500,000 people now being asked to pay more in national insurance even though they are too poor to be liable for income tax. These are the people who never saw any of the tax cuts of 1988. What right do the Government have to ask them to pay more when they all pay less in tax as a result of Budgets that they drafted?

If the Government had more courage, they would ask those with more income to make an extra sacrifice, but no such sacrifice is asked of them in the Budget. However, an extra sacrifice demanded of pensioners paying their fuel bills. They are the ones being asked to make the real sacrifices to put the nation's finances to rights. The President has a special responsibility in this matter; he is the Secretary of State for energy. I read in *The Observer* that he was furious at the attempt to put VAT on fuel, and I thought that entirely plausible, as he has a very large house to heat.

We learned today, however, that the right hon. Gentleman was not furious. In fact, he is furious at the suggestion that he was furious. So he agreed to it. The Government's energy spokesman agreed to slap 15 per cent. on energy bills. I hope that we have heard for the last time ever the right hon. Gentleman say that he cannot save the coal pits because that might put up electricity prices. British Coal has been bringing down the price of coal while the Government have been putting up the price of electricity.

There was plenty of time for this consultation. We know this because of the Chancellor's indiscretion on the "Jimmy Young Show". He explained to Jimmy Young that the origins of the new tax go back to last summer, to the Rio convention on global warming:

"The moment the convention was signed I was sitting at home thinking, 'What are we going to have to do?'"

[Laughter.] I am not kidding. Of course, it was a bogus claim. VAT is not being applied to fuel because the Chancellor has gone green. It is being applied because the Government's books have gone into the red.

How can we believe that the Government are serious about curbing greenhouse gases after the vindictive way in which they have run down public transport, and made savage cuts in the home insulation programme? How can we believe that the Chancellor is serious about energy conservation, given the housekeeping bills from his Department in the last financial year, during which the Treasury's bill rose by 14 per cent.? Not much energy conservation there. The fuel bill at the Inland Revenue rose by 21 per cent., and at the Customs and Excise—the department that will apply the VAT to pensioners' bills—last year's fuel bill rose by 68 per cent. And these are the people who are going to ask pensioners to turn down their heating.

I do not know whether the President was furious, but I can tell him that the nation is furious, because this measure will hit the poor hardest. Every study has shown that those at the bottom of the income ladder spend four times as much on fuel as a proportion of their income as do those at the top. For those at the bottom, their fuel bill is the biggest that they will get, and the Chancellor has just increased it by one sixth.

The President was gracious enough to remind the House that I was once a health spokesman. It is a marked feature of the British mortality statistics that they are the highest in Europe in winter. Our figures are worse than those of Sweden, Norway or Switzerland, but not because we have colder winters—indeed, their winters are colder than ours. We lose more old people in winter than any other country in Europe, because we pay the worst state pensions anywhere in Europe. We leave more pensioners asking themselves whether to pay for their eating or their heating.

We ask again the question that the Chancellor must answer before we vote at 10 o'clock: will pensioners and people on low incomes be fully compensated for the increases in their bills—not have them taken into account, but fully compensated?

The right hon. Gentleman will not get away with saying that the increases will be reflected in the payments to those on income support and means-tested benefits. There are 1·3 million pensioners living on incomes just as low as income support, but not getting a penny of it. Some of them, perhaps because of a mistaken sense of pride, will not ask for a means test. There are another 1 million

[Mr. Cook]

pensioners living within 10 per cent. of the level of income support who will never qualify for a penny of it. Will they be compensated? We ask that because that is what they ask us.

At the weekend, I received a letter from a constituent on invalidity benefit, who therefore does not qualify for income support. He said:

"I am aghast and worried over the new proposed VAT on domestic fuels. At the moment I only put on my immersion heater for one and a half hours in the morning to heat the water and I have the gas heating on for an hour and a half in the morning and the same at lunchtime and in the evening. If I am too cold, I just make a hot water bottle and retire to bed since I must work within the limits of what I can afford to pay for my fuel bills."

Do Ministers have any idea what it is like for those who have to work within the limits of what they can afford to pay for fuel? Do they have any idea of the hardship that those people will now face, with the choice of going to bed even earlier or doing without another necessity?

Tonight, the House will have the opportunity to express its verdict on that proposal. We will vote against resolution No. 21 in order to record our contempt for a Budget of failures, of cheats and of injustices. We will do it to express our derision for the Treasury Bench of limpets clinging on to office after they have broken every promise that got them on to it. We will do it most of all to stop them making the poorest in society pay for their mistakes and their broken promises. It should not be the poor who pay: they should pay, and we will make it our job to ensure that they do.

5.52 pm

Sir Edward Heath (Old Bexley and Sidcup): A large part of the debate on the Budget has been concerned with undertakings which have not been fulfilled. Election addresses have been cited. Indeed, I read in one newspaper that Labour party headquarters is busy the whole day going through every election address by a Conservative candidate to find suitable quotations. I therefore want to get that matter out of the way immediately. I said in my election address:

"I opposed the Community Charge from the beginning because I believed it to be unfair, ill-planned, costly to administer and above all philosophically wrong and politically damaging. I was proved right. John Major, when he became Prime Minister, pledged himself to abolish it and has done so."

I then went on to deal with the fast rail link. I did not look to the future of taxes, in whatever form. That exempts me from an embarrassing position.

I believe that it is wrong for parties at a general election to give undertakings about taxation—either its rate or its nature. When I fought elections in the 1950s and the 1960s, that was not done. No Government or Chancellor's record justifies their being able to say with conviction that they can foresee the economic future for the following five years. It has never been proved that they can do so. All that declarations about rates of taxation can do is to mislead the electorate and lead to further embarrassments for Government, which then weakens our economic position internationally. I want a return to olden times. In fact, the practice was first broken in the 1959 election by Hugh Gaitskell, who promised to reduce taxes by 6d, which so shocked the electorate that he lost the election. I hope that we now have a period during which we do not give such undertakings.

When changes to indirect taxation are made by a Chancellor—changes which my right hon. Friend has justified—we know that that is bound to affect many people on social security benefits and those just above the limit for those benefits. The right thing for a Government to do is, at the same time as the charges are introduced, to say that they recognise the problem and that those people will be fully compensated for those increases. That is what Rab Butler did in the 1952 Budget, and it is what happened with Iain Macleod in 1970 and with Tony Barber in 1971. It shows that we understand the position of the millions of people who are affected by such changes. It gives them confidence that the Government of the day understand them and their problems, and it gives society as a whole confidence that we care about these matters and that we will take action to deal with them.

My third point relates to my party in particular because of the targets that it has set for direct taxation. They are not achievable targets. I hope that my right hon. Friend the Chancellor will not say that, at some future time, we will reach the target of 20 per cent. and that the 40 per cent. rate will be reduced. There is no economic or moral justification for saying it. Although high taxes reduce efficiency and destroy a great deal of enterprise, we reach a point in the level of taxation where that is no longer the case. That is evident from the level of taxes paid by other countries with very successful economies, such as Germany and Japan, whose tax levels are higher than ours and higher than our targets.

When told bluntly what is required from them, the British people will respond. It is not necessary to try to smooth the path. I accept that the path in front of us is very difficult, and I have every sympathy with my right hon. Friend the Chancellor and the Government in the problems that they face. The economic position, with high unemployment and the destruction of so much of our industrial base, means that it will take many years to deal with the problems. There can be no easy, quick solution. If that is brought home to the British people, they will support the necessary steps—one of which is that the wealthier people should be prepared to pay a higher rate of tax. I believe that they would respond to a demand that they do so.

One thing that we desperately need in this country is a better superstructure. It is right to say that we have been spending more on that, but it does not meet the demands that our superstructure now makes.

Sir Peter Hordern (Horsham): I think that my right hon. Friend means infrastructure.

Sir Edward Heath: Yes, I mean infrastructure. So many countries in Europe, North America and the far east have infrastructures infinitely superior to Britain's.

We have only to look at London and the development needed there. There is no effective overall body to deal with that. Ours is the only major capital city in the world which does not have one. The former central body, the Greater London council, was abolished out of spite because of a handful of miserable Labour councils. Now we do not have that authority. To cite one specific example, when one drives out of London on the M4, as I frequently do, one must use a double-lane highway. In

recent years, high buildings have been erected right alongside that road, so that if ever we have a Government who recognise that the M4, which was built 40 years ago, is totally inadequate for modern requirements, various new buildings will have to be pulled down to enable the construction of a new highway. That shows no sense of responsibility towards the demands of a very modern society. That is another case which desires urgent action. After all, improving the infrastructure provides jobs for many people.

As to the contraction of our industrial base over the past 12 years, we lost part of it at the beginning of the 1980s because we were so determined to push up the rate of sterling. Firms in my own constituency which has been established for 100 or 150 years went out of business. They never came back and they never will. That is happening in the present situation, with a further loss of our industrial base. My right hon. Friend the President of the Board of Trade rightly said that we must encourage industry, and he is doing so. Many of the measures in the Budget are extremely useful and make a great deal of sense. I am glad that they are being adopted by my right hon. Friends the Chancellor and the President of the Board of Trade.

In the mid-1980s, small firms went into business with a rush, and we know from the figures that they are in immense difficulty now. The kind of people who start small firms now have learnt the lesson of the 1980s and will not take the same risks. They will not allow themselves to get into that position. They also see how this country's banks behave when small firms get into difficulty. There is no relationship between the banks and industry in this country as there is in Germany and France, and that is what is lacking.

That apart, the major banks have enormous problems as a consequence of unwise investments, debts, loans and property purchases over the past decade. One must keep one's tongue in one's cheek when talking about London being the greatest financial centre in Europe or in the world; people outside know what is happening and can see the problems which have arisen in our banking system in the last 10 years.

My right hon. Friend the President of the Board of Trade mentioned Rolls-Royce. I will add to his remarks, especially as I know the attitude of so many of my hon. Friends on the Benches behind me. We took over Rolls-Royce in 1970 because it was bankrupt and its directors were trading against company law. We took over the company to save it from being prosecuted for tens of millions or hundreds of millions of pounds, but we were careful to do so in terms of a private company so that it could be privatised. That was exactly our plan.

That was not done without an attempt to persuade the private sector to look after Rolls-Royce. When a leading accountant reported to me that the company was not only heavily in debt but under contract to the Americans to produce an engine, would not make the delivery date, and would therefore be liable to a penalty of £400 million—a large amount of money in those days—I invited the chairmen of the four banks concerned to meet me in the Cabinet room. I explained the situation and said, "I hope that you feel that you can support industry in this country." All four flatly refused to help in any way at all. One chairman whose bank had offered a loan of £25 million, of which only £21 million had been taken up, promptly dashed back to his office and cancelled the remaining £4 million.

If we had not taken the action we did, all the military planes with Rolls-Royce engines would have been unable to obtain spares and would have gone out of action. The same would have been true of all civil aircraft with Rolls-Royce engines. It would have been grossly irresponsible for any British Government to fail to stand

That company could have been privatised much earlier, but the management badly miscalculated what would happen to the dollar in the early 1980s, so privatisation had to be postponed. The company was subsequently privatised, and it is now successful, but it would not have remained in existence if the Government had failed to take action. There are instances when a Government is justified in taking action; I hope that my right hon. Friend the President of the Board of Trade will always bear that in mind.

My right hon. Friend also mentioned delegations to various countries in support of British industry. I would take it a stage further. British Industry requires much more support from the Foreign and Commonwealth Office and from our embassies and consulates abroad. I do not in any way blame the Foreign Office—the three years that I spent there as Lord Privy Seal were among the happiest of my life. For a decade, the Foreign Office has been maligned and accused of every possible crime—of always selling out to the foreigner—and its staff has been drastically reduced. It needs its confidence restored and to be provided with an adequate level of staff. That means money from the Treasury. It is not good enough for the Treasury to say, "Where shall we slash? We'll make it the Foreign Office."

The Japanese, for example, have a full consulate in every major city in the People's Republic of China. Britain has only one—in Shanghai—in addition to our embassy in Peking. The British consulate in Shanghai has a staff of seven—the consul-general, deputy, and press officer, and four assistants. Two of the four assistants are the wives of other consulate members. The Japanese have 410 in Shanghai. I am not urging that level, but we must face the challenge from other countries looking after their industries.

Foreign policy should be directed at British interests, industry and finance. We are losing masses of trade in the middle east. That is true also of Iran, because of our relationships over that wretched book. If one writes a book and it offends, one can be protected in one's own country. I thought that the author in question was wealthy enough to protect himself, but we provide public protection—very well, but I see no reason why we should ruin our relationship with Iran, which can be a very profitable market.

We are responsible for the United Nations resolution on trade with Iraq. Unfortunately, it affects companies which traded before Saddam Hussein invaded Kuwait and war broke out. Those companies cannot obtain payment for trade before the war. That cannot be justified. Other countries have already made arrangements with Iraq for the time when sanctions are removed. They will get all the business, because of our foreign policy. The same applies to Libya, where there is massive trade to be done. We are not touching it, because we are standing by the Americans.

All that may sound like heresy to some people, but we must look after our interests through our foreign policy. If I am mistaken in any of my remarks, I am perfectly ready to stand corrected, but the fact remains that foreign policy

[Sir Edward Heath]

must take into account our trading and industrial interests. Much as one welcomes a delegation led by a Minister, it honestly does not have a big effect.

The problem goes much deeper than anything that I have mentioned or that I have heard mentioned. I refer to the nature of our society in this country. That has been a problem for many years. Industry is still not recognised as a prime factor in our society. Do all the best and brightest in our universities say, "I must get into industry"? No; they want to get into the City, if they can—into some bank, preferably a private bank—or into public relations. The last thing they want is to work in industry. Nor am I certain that industry would welcome them; I am afraid that it does not always do so. Why is that? It is because comparatively few are management-trained at the top. Few have been to a top business school.

I recall only too well my visit to INSEAD at Versailles to present prizes. I asked the British contingent which firms they were going back to; only one person was returning to this country, and he was with one of the oil companies. He said, "The company paid for me to come here, and I feel that I am under an obligation to go back. I do not mind, because the company told me that if I was successful I would receive an increase in pay." When I asked the others where they were going, they replied, "There is no point in going back: they do not want us, and they are not prepared to pay us." They said that they would go and work for American, French or German firms.

That is the nature of our society. Despite all the changes of recent years—so many that we cannot even keep up to date with them—we have no satisfactory education system; we have not the major educational, scientific and technical system that the Germans have had since the last quarter of the last century. Moreover, we are not trying to secure such a system; we are not concentrating on that at all. Management feel that it would be rather a bore to employ people who have experienced a form of education that those currently at the top have never had, because there is just a chance that such people will know more than they do.

I emphasise that all the measures in the Budget are desirable, apart from one about which I am not quite sure —the measure relating to self-assessment for tax purposes. A number of my constituents come to me and say, "Look at what the Inland Revenue has said about our accountants' report—can you arrange for some action to be taken?" Heaven knows how many cases there will be in the event of self-assessment, but I will let that pass. I am concerned with the nature of our society; that is what we must aim to change if we are to make up the loss of our industrial base and secure a top management who can return us to a reasonable position in the world economy.

6.12 pm

Mr. Robert Sheldon (Ashton-under-Lyne): In his powerful speech, the right hon. Member for Old Bexley and Sidcup (Sir E. Heath) made a plea for manufacturing industry, with which I shall deal at some length. He made another important point, however: he said that there were greater priorities than a 20 per cent. tax rate, and asked for a larger contribution from those who pay the highest rate. A sad aspect of the debate is that we are unlikely to hear many echoes of that request; that is a great shame.

In the past two years, the Thatcherite adventure has ended. Those 11 long years of folly started with the belief that the philosopher's stone of monetarism had been discovered, and reached the high point of hallucination —the hallucination that we were in the midst of an economic miracle. In fact, as we know, we were living on fool's gold. That is why we squandered £120 billion of North sea oil money, and £40 billion or more of privatisation receipts. Instead of using those enormous and wholly exceptional moneys to recreate our industry and restructure our essential services, we spent them on importing foreign luxuries, thereby ruining our own manufacturers.

Personally, I can never forgive the Government for reducing the number of firms in my constituency by 30 per cent.—manufacturing firms, in the main; firms that provided the goods and services that we see in every country. The closing of some of those firms lowered what had been higher-than-average levels of employment and pay in the constituency.

That period has now come to an end—notably in the Budget—with a suddenness that surprised only those who believed the Thatcherite nonsense that they so readily proclaimed. It was never a free lunch, and now the bill must be paid. The measure of that bill—in just this one year—is a £17·5 billion balance of payments deficit, and a £50 billion public sector borrowing requirement.

How then do the Government intend to restore our finances, both internal and external? That is the critical question. There are no further increases in North sea oil to provide the necessary income; what the North sea is producing we are already spending. There will be few further receipts from privatisation: the barrel has been fairly well scraped. Indeed, whereas in the past the Government could rely on £5 billion a year—and spent it —they will suffer a fall in privatisation receipts from now on.

The position is worsening all the time, which is one reason why the Government are so adamant in opposing the social chapter. They depend on a Britain with cheap labour and weak trade unions, attracting investment on the basis that it is a part of the European Community with certain unique advantages which they wish to advertise. The existence of cheap and docile labour is the Government's solution to the economic problems that they have inflicted on us. The social chapter runs directly counter to that vision; they will therefore fight fiercely to prevent its enactment. That is their solution to the Thatcher years.

The Chancellor has repeatedly said how much assistance he is giving manufacturing industry, and the President of the Board of Trade said today that the Budget was one more step in the strategy for industry. I wish that I had observed any such steps. Undoubtedly, the right hon. Gentleman has been a great disappointment. There were those who strongly disagreed with much of his politics, but, when he said that he would intervene in industry at various times of the day, we thought that he would at least make some sort of effort: we expected something from a person of such energy and drive.

The Budget has given some assistance here and there, but it provides little for manufacturing industry. The £900 million for advance corporation tax relief, the £400 million

for petroleum revenue tax abolition and a few other concessions may help some firms, but they do not matter much to the one industry that really counts in the long term—manufacturing industry.

Let me say in passing that I welcome the easing of certain VAT penalties. The Inland Revenue operates on the basis of an understanding of the real world, whereas VAT is the direct descendant of excise duties that resulted from the fact that, over the centuries, the establishment of a harsh regime was the only way in which to protect revenue. The system of VAT collection did not allow sufficiently for an understanding approach to genuine error.

I often feel that the greatest help that Government can give small businesses is to avoid adding to their burdens. Many small businesses would forgo any Government assistance if they could only be left alone. I know that, in this hard world, that cannot happen; but any help given by Government must be set alongside such a natural aspiration. Governments always require certain information to ensure that financial assistance is properly accountable; I understand that.

In a small firm, however, frequently only one person can provide such information—the person who is engaged in running the business, and who is diverted from the essential operation of the company. That person is even more diverted when there are substantial penalties for not carrying out the tasks required by Government. I therefore welcome the easing of the VAT penalties.

Let me turn to the next Budget that this Chancellor will present. The Chancellor has told the country that he does not wish to harm recovery by introducing large tax increases now; in the main, such increases will come later. Last week's Budget, however, is the first shoe to drop; while waiting for the second, people will be reluctant to spend. They know that the second shoe will soon follow, and their expectations will take account of that. The Government have shown us an unusual vista—the prospect not of jam tomorrow, but of vinegar for some years to come. This was a Government, however, who believed at one time in "rational expectations". Nigel Lawson believed that, by controlling the money supply, employers and trade unions would see that sterling M3 was coming down and would reduce pay claims on the basis of such "rational expectations".

Of course, employers and trade unions did no such thing. It is amusing—though sad—to recount the folly of those times. Rational expectations, however, can work only if people actually believe that things are going to happen. If they truly believe that taxation will affect them in the way that the Government have stated, spending will be curtailed, not just next year and the year after but this year as well. The only way that that will not happen is if people do not believe the Government. There may be something in that view. The Government have already back-tracked on compensation for VAT on fuel for certain groups of people. Who knows what further U-turns might lie ahead? This is, after all, a very weak Government. Many policy changes are possible.

There is a further factor that may change the income/expenditure picture to be painted by the Chancellor of the Exchequer in the autumn: that, while expenditure has to be fixed two or three years ahead, because of the planning required, revenue can be determined within a few weeks of the announcement. One does not have to make revenue plans anything like as far ahead as one has to make expenditure plans. We can be pretty sure how much the Government expect to spend in 1994 and 1995, but how much they will raise in revenue is still an open question. The Chancellor of the Exchequer's statement, although said to be definite, is still only an opening shot.

I particularly regretted, as did my hon. Friend the Member for Livingston (Mr. Cook) in his outstanding speech, the increase in VAT on fuel and power. In 1976, when we held the presidency of the Community, I negotiated the maintenance of our zero rating. That was always under attack by our Community partners, It was defensible, on the basis that it was the most important way of limiting the regressiveness of the tax. Without zero rating, VAT becomes a tax on the least well-off in our society. That remains true today. Those above income support levels, particularly the elderly, already find their gas and electricity bills a special burden. They spent most of their time indoors and have special needs for cooking and heating. They will be very unfairly hit by this tax.

For those who believe in a progressive system of taxation, the excessive reduction in the high rates of tax, the emasculation of capital transfer tax and now the abolition of VAT zero rating on fuel means, in effect, a transfer from a progressive system of taxation to a regressive system. Whatever other policy decisions my hon. Friends will decide upon, the return to more progressive systems of taxation must be an essential part of them.

What I found most depressing in the speech of the Chancellor of the Exchequer was the absence of any real help, which I believe that the right hon. Member for Old Bexley and Sidcup (Sir E. Heath) wishes to see, for manufacturing industry. The many limited measures set out to assist here were not satisfying. They seemed to be designed to placate the sufferers rather than to provide real solutions to real problems. The real problems are investment in our manufacturing industry and the restoration of the broader base, which has been allowed to shrink.

Manufacturing industry alone can provide the goods and the exports that produce the wealth which enable more people to be employed in the service industries. I accept that we cannot assume that there will be a large increase in the number of jobs in manufacturing industry. As manufacturing becomes more efficient and finds more methods of automation—an idea that was prevalent 20 years ago—it is bound to shrink in size. However, manufacturing industry will produce more, and the selling of those goods will provide the wealth to enable us to have the service industries, the infrastructure developments and the various requirements that we expect of our social services.

In the midst of all these problems, we have heard that low inflation and low direct taxation are the priorities, but if we are to have a priority among priorities, it must be our manufacturing industry. That is the fount of our prosperity. If we achieve success there, the balance of payments will improve and more money will be available for infrastructure development and the public services that I mentioned.

Prosperity cannot come from trying to spend our way out of recession. That will lead to yet more imports. The weekly assessment of any rise in retail expenditure is looked upon as a sign that recovery is coming. Those with longer memories of our recent economic experience will

[Mr. Robert Sheldon]

remember that such expenditure does not solve our problems. It is not consumption that will lead us out of recession. There was a case, of some sort, for that argument when we produced most of the goods that found their way into our shops. Today, so many of the goods we made we now import. Therefore, a rise in consumption is more likely to lead to greater imports and to a worsening of our trade deficit.

The only long-term way out of recession is by investment, particularly in the production process, and by a level of the pound that stimulates exports and weakens our partiality to import. I still believe that there is room for the pound to go down, if we are serious about acting upon imports and encouraging exports.

We need to limit the tendency to import, and that means a competitive pound. The voices of the City and the Bank of England, which would dearly like to emulate the power and independence of the Bundesbank, must be resisted. The lack of political influence of our manufacturing industry has always been one of the serious weaknesses of our economy. In any conflict between the needs of industry and the voice of the City, there is only one winner. As Winston Churchill said:

"Finance should be less proud and industry more content."

It is an unequal contest. It arises from our centre of finance being a mile or so down the road and the centre of gravity of our industry being a hundred or more miles up the M1, the M6 and the M4.

Industry and the country require a competitive pound. If that means allowing the pound to decline still further, that will need to be accepted. We should not be in a hurry to return to the exchange rate mechanism, although I should prefer not only a competitive but a stable pound. There are great inefficiencies in foreign trade when the price of the goods purchased and sold cannot be precisely known. It is not sufficient that the forward foreign exchange currency market provides ample opportunities for hedging. The fact is that international trade is conducted on a basis more akin to the home market, with orders being delayed, deferred and cancelled with frequency.

Few overseas orders nowadays are on a letter of credit basis, where the date of delivery is tightly specified. In those conditions, such forward currency precautions used to be a controlled way of limiting currency risks. In the present currency see-saw, the foreign exchange losses can be greater than the profit on a transaction. Therefore, it is far better to have a stable exchange rate that can be adjusted from time to time. In the past few weeks, we have seen variations of up to 5 per cent. in the pound's value against major currencies. Adjustments made as required need not be more, would happen infrequently and would result in the fine pricing of contracts, with advantage to international trade.

What I had hoped to see was a Budget for industry. In 1991, we had a Budget that was supposed to be good for business. In 1992, we had a Budget that was supposed to be good for recovery. This year, we had a Budget for sustained recovery. What we needed was a Budget for industry. We did not get one. Therefore, the basic problems that face our country are no nearer solution.

6.28 pm

Sir Terence Higgins (Worthing): I suppose that this is positively my last appearance in a spring Budget debate. One of the pleasures over the years in these debates has been to follow the right hon. Member for Ashton-under-Lyne (Mr. Sheldon).

I intend to say a few words about the Government's proposals to change the time of the debate from the spring to the late autumn. It raises a number of difficult questions. The Government have published a White Paper on the issue. It referred to a number of Treasury Select Committee reports that were prepared under my chairmanship but, strangely, not a report, also under my chairmanship, that was prepared by the Select Committee on Procedure (Finance).

Trying to deal with public expenditure and taxation provisions at the same time will place a heavy burden on Treasury Ministers. Therefore, I commend to the Chancellor and his Treasury colleagues the Select Committee's suggestion that there is a strong case in future for dividing measures on taxation into three parts.

The first would be a Bill dealing essentially with economic management and, therefore, primarily with changes in tax rates. The second would be a taxes management Bill which could be introduced at any time during the year. The third, if a new tax were introduced, would be the procedure that we adopted when we introduced value added tax—a Green Paper, draft clauses and so on. Unless such changes are made, the burden on the Treasury and on the House of dealing simultaneously with public expenditure and taxation will be a real problem.

Following on from that, there is a danger that the House's opportunities to debate such matters will be significantly diminished. Until recently, we held debates on the autumn statement, on the public expenditure White Paper and on the Budget. If we debate the Budget only in the autumn, the opportunities for serious debate in the House, related to a specific proposal announced by the Treasury, will be reduced to one. We should not contemplate that, because it is important that the House should have the opportunity to debate these vital matters during the year.

I deal now with what has become the political, if not the economic, centre of my right hon. Friend the Chancellor's proposals—the proposals to levy VAT on domestic fuel and power at a rate of 8 per cent. from next April and of 17·5 per cent. from the following April. It is rather curious that, although the date of the Budget is to change from spring to late autumn, the proposals for changing the rate of VAT will still come into effect in April. It is rather like the smile on the Cheshire cat's face remaining after the Cheshire cat has disappeared.

When Iain Macleod and I, together with Professor Wheatcroft and Arthur Cockfield, devised the VAT system that we now have, we spent a great deal of time examining the experience of the countries of the Common Market, as it then was. We came to two clear conclusions. The first was that there should be only a single rate of positive VAT. The second was that there should be relief by way of zero rating for those at the bottom of the income scale. In that sense, the tax that we devised was superior to others in the Common Market.

At the same time, of course, we abolished the selective employment tax and the multi-rate purchase tax. The

change from the SET and a purchase tax to VAT was not regressive because of zero rating. We got rid of a system of variable rates, or multi-rates, which had meant that the pattern of consumer expenditure was being distorted. Those two essential Conservative principles were important changes and meant that we introduced a better tax than those that we found in the European Community.

Having said that, I clearly view with considerable misgivings my right hon. Friend's proposal for imposing a positive rate of VAT on fuel and power consumed domestically. I believe strongly that it is a mistake to change the structure of taxation for short-term or tactical revenue-raising reasons, which is what we are in danger of doing now, or, to put it more accurately, next year.

The change is not likely to be reversible. The right hon. Member for Ashton-under-Lyne intervened on my right hon. Friend the Chief Secretary on the second day of our Budget debate. The Chief Secretary replied:

"The proper argument against Community intervention in our zero rates is the right of the House to determine our taxation rates. It is the right of my right hon. Friend the Chancellor . . . to decide what they should be."—[*Official Report*, 17 March 1993; Vol. 221, c. 302.]

However, we know what enormous pressure there has been on this country to harmonise our system of taxation and bring it in line with that elsewhere in the Community. If we abandon zero rates on fuel and power, it will not be possible to reinstate them at a later date.

Another worrying aspect is that the more one erodes the scope of zero rating, the greater the pressure from the European Community will become to remove it altogether, not only from fuel and power and newspapers but from food and other essential items. I am reminded of a remark made by my permanent secretary when we introduced VAT. The question of harmonisation arose, and he said, "If the Italians collect it, we'll harmonise it." There was something in that. We are increasingly under pressure to harmonise our VAT rate with a European form of that tax, which is less satisfactory than that which we originally devised. Therefore, the current proposal is an unfortunate development.

I am rather worried about the proposal to increase VAT on fuel and power to 17·5 per cent. in stages and the imposition of an 8 per cent. tax next year. That raises the issue of multiple rates which I have always believed that we, as Conservatives, did not favour. Once people have paid their direct tax, we should not use the tax system to distort the pattern of consumer expenditure.

I now come to the difficult question——

Dame Elaine Kellett-Bowman: My hon. Friend says that we should not use the tax system to distort consumer expenditure. What about the differentiation between leaded and unleaded petrol, which is an environmental factor? One could say that the imposition of VAT on domestic fuel and power is also an environmental tax because it has followed on from the Earth summit and we must reduce fuel consumption.

Sir Terence Higgins: I was about to deal with that point, and I hope to be able to satisfy my hon. Friend in that respect.

I am bound to say that there has been a certain amount of confusion about the controversial question of compensation and precisely what the Government have in mind. I hope that my right hon. Friend the Chancellor will manage to clear it up when he winds up the debate this evening. There has been much talk, especially from members of the Opposition Front Bench, about compensation in full for the imposition of VAT on fuel and power. I saw the shadow Chancellor on "Question Time" the other night, saying that the Chancellor would be increasing the cost of fuel by 17·5 per cent. That is, of course, an economically illiterate view. It would be valid only if the elasticity of demand for fuel and power were zero. It is always the case that when an indirect tax is imposed, even at the final stage, a certain amount of the tax is absorbed by the person supplying the goods or services. Therefore, the idea of full compensation——

Mr. Ken Purchase (Wolverhampton, North-East): Not in the case of a monopoly.

Sir Terence Higgins: Whether or not there is a monopoly. The idea of full compensation is, to say the least, difficult to define. In political terms, however much one compensates for the change, people will continue to say that it has not been enough. By way of an example, I cite the fact that we were unable to remove VAT from charities. When we introduced VAT originally, we introduced at the same time a number of proposals to give increased benefits to charities by way of covenants, and so on.

On two, if not three, subsequent occasions, further concessions have been made to charities to compensate for the fact that we have not managed to exclude them completely from the scope of VAT. I have not the slightest doubt that the total of those concessions is vastly in excess of the burden of VAT on charities, but charities will continue to say that they need to be compensated. I fear that the same will happen in this case: if we impose VAT on fuel and power, however much we compensate people, the political reality will be that we shall still be blamed. Overall, I have considerable doubts.

My hon. Friend the Member for Lancaster (Dame E. Kellett-Bowman) said that the tax was helpful for green issues and she referred to the Rio summit. We had a one-line Whip on the second day of the Budget debate and, curiously enough, I was invited to hear a speech at the Royal Geographical Society that evening given by Mr. Robert Swan, who is the United Nations roving ambassador on the environment. Rather more exceptionally, he is the only person to have gone on foot to both the north and south poles. He was desperately concerned about the effects on the ozone layer of global warming. I was impressed by his arguments which he put forward with immense expertise and passion.

The other side to the coin, therefore, is that there is a strong argument on environmental grounds for imposing a tax on fuel and power. However, I am bound to say that the impact is estimated to be 1·5 million tonnes, which is only a small part of the likely decrease that will be needed between now and the deadline of the end of the century, by which time there should have been a reduction of about 10 million tonnes. A big change will be required.

The vital point this year was that the Chancellor should do nothing to damage the present fragile recovery. I am glad that, by and large, the changes he has proposed for this year are broadly neutral. The Budget is not entirely neutral because there will be some increase in taxation. None the less, the Budget will not seriously damage the recovery that we all wish to see.

[Sir Terence Higgins]

I have more serious doubts about the idea of saying that, as we must take account of the future deficit, we must legislate now for what happens next year and the year after, to reassure the City. Our record on forecasts is not so good that we can say that we shall legislate now for what happens in two years' time. I believe that one thing is sure. We do not know how much of our present fiscal deficit is structural and how much of it is cyclical. That is clearly recognised in the Red Book, which makes that point.

We must remember that it was not long ago that we were in budget surplus. That might lead us to suggest that most of the deficit is cyclical. In any event, we need to wait for the recovery to go rather further before we can decide how much is structural and how much is cyclical. to anticipate what will happen and to say that we propose to legislate now for what will happen next year and the year after puts too great a weight on our expectations of what is likely to happen to the fiscal deficit.

We must, of course, take account of the views of the financial markets which are worried about the size of the public sector borrowing requirement. My guess is that the Chancellor and the Treasury have overestimated the likely size of the fiscal deficit next year or the year after. I suspect that the deficit will not be as great as they suppose. That being so, there was a case for waiting until we saw rather more clearly how the economy was developing before proposing increases in taxation such as are suggested in the Budget. We can debate those matters during the proceedings on the Finance Bill and it is important that we should begin to approach the question analytically.

My fundamental feeling is that it is right that the Chancellor has taken no action that will affect the recovery this year. With the successive cuts in interest rates and the significant depreciation in sterling, recovery is likely to come faster than we expect. One point that can always be made about the economy is that one always underestimates turning points, whether from up to down or from down to up. The underestimate of the importance of the turning point has increased over all the cycles. That being so, I believe that we shall see recovery, probably faster than we believe likely, and with a faster decline in the deficit than is supposed. I have considerable doubts, therefore, about anticipating what is likely to happen next year and the year after.

6.44 pm

Mr. Archy Kirkwood (Roxburgh and Berwickshire): It is always a pleasure to follow the right hon. Member for Worthing (Sir T. Higgins). I was interested in two points. He said that the Chancellor had done nothing to damage the prospects for recovery, which was one of the stated aims of the Budget. Why, then, did the Chancellor find it necessary to announce in advance—for the first time, in my experience in the House—imposts of taxation in future years? It would have been perfectly reasonable for him to say that he reserved the right to increase taxes "as and when". That would have been an unexceptional position. By making the announcement in advance, he may have damaged the process of recovery. People are not daft—they can see next year coming and they may begin to take evasive action, especially in relation to the increased costs for fuel and domestic heating. I do not believe that the Chancellor can say that he has done nothing to damage the interests of and the prospects for recovery.

The right hon. Member for Worthing is an eminent figure and his voice is listened to carefully by the Government—as it should be—but he did not carry the House with him when he tried to justify the increases in value added tax on heating and on domestic fuel. He said that such matters were difficult and that there would always be political blame. By taking that line, the right hon. Gentleman is encouraging his right hon. Friend the Chancellor to consider other matters in relation to VAT.

The Government's stated position is that by the end of this Parliament they want to have a 20p rate of income tax. The only conceivable way in which they can do that, against the dire financial position in the past and in the future, is by increasing VAT, not only on newspapers and on sewerage, but on food, on new-build costs, on magazines and on children's clothes. That would be unconscienable. I hope, therefore, that the right hon. Member for Worthing will be careful about how he argues the justification for the changes made.

This has been an interesting debate, apart from the purple passages in which the President of the Board of Trade went native, as he always does. The hon. Member for Livingston (Mr. Cook) made a powerful speech which was witty and well argued. The one point that he established beyond all peradventure was that the Budget is regressive. The House should be concerned about that.

The right hon. Member for Old Bexley and Sidcup (Sir E. Heath) also made a powerful speech. I agree that we need urgently to assist exporters. We need to try to get a more industrial, scientific and technological ethic into our education process. I agree that, most importantly, the precedent for not making promises about taxation in political manifestos at elections should be considered carefully and that we should try to eschew such promises in future. Such promises serve no useful purpose. It does nobody any good to try to get political parties to anticipate financial and economic positions that they cannot foresee, and it does the political process no good to try to do so.

The Chancellor would have had slightly more credibility if he had admitted candidly that although he would not increase income tax, he would increase taxes on income. That is a reasonable action to take when facing deficits which are getting out of control. However, as the hon. Member for Livingston said, the Chancellor did not have to do that through regressive means or to make the poor pay most.

When the Chancellor set out his strategy, he said that he wanted to take no risks with recovery. He rightly said, too, that he had to cope with a burgeoning budget deficit. The economic difficulites that he faces are immense. The tax base has been eroded, and there is a long-term pattern of increase in public expenditure. Given that that is the case, certain things need to be done as a matter of urgency. As regards the balance of trade, the country is running an unsustainable deficit—and, what is worse, has been doing so during a recession. We cannot possibly expect to get away with an ever-deteriorating trade balance. In short, the economy is in a mess.

The right hon. Member for Worthing wondered whether the problem was cyclical rather than structural. I think that the evidence is against him, although I accept that it may be too early to say. In my view, the damage and

the difficulties are structural rather than cyclical. As I said, history may prove me wrong. In any case, it is important to get the answer to that question right.

It is the height of irony that the principal stimulus that the Chancellor said would be the engine of recovery should have originated from a policy that the Government strove, until last autumn, to avoid—namely, devaluation and interest rate reductions. No one has yet asked what is happening to the exchange rate mechanism in all this. Is that question in Ministers' minds? I should be interested to know what will happen in the near future.

The growth forecasts in the Red Book are an awful lot more realistic than they have been in the past. I am staggered, however, to find that the forecasts for export volumes for 1994 are shown at 10 per cent. I am even more staggered to discover that the forecasts for import volumes for 1994 are shown at 9 per cent. Those are extraordinary figures. Frankly, I do not believe that it is possible to achieve such export and import figures in the period to which we are referring. Much of the Budget strategy is based on export-led growth. If the 10 per cent. growth in export volume is not achieved by 1994, all the Government's calculations may prove to have been built on sand. I do not think that the exchange rate is competitive enough to sustain export growth at the levels to which the Red Book refers. I certainly do not think that the European markets that we face at present are buoyant enough to enable us to achieve such targets. The level of market-led growth is therefore highly doubtful.

What of the increase in national insurance contributions? I was interested to discover that the Chancellor had chosen that device. The longer I serve in this place, the more convinced I become that national insurance contributions should be abolished. As I said earlier, the way in which the Chancellor has chosen to introduce revenue-raising tax measures is extremely regressive, but it is both particularly bad and silly to have chosen national insurance contributions as a vehicle.

National insurance contributions are anachronistic and anomalous and there is a strong case for sweeping them away and replacing them with a unified tax system. That would simplify matters and save a lot in administrative costs. We could then move, over a period, to an integrated system of tax and benefit—a partial basic income scheme of the kind that people have been discussing for some years. It would take time and effort, but it would be worth considering carefully the possibility of moving in that direction.

Let me say something about Budget secrecy. The right hon. Member for Worthing has played a valuable role in persuading the Government to make progressive changes in the way in which the Budget is introduced. The departmental White Papers are better than they used to be and although a unified Budget in November and December may cause problems for the Treasury, because it will involve revenue and expenditure being dealt with at the same time, the changes have been well worth while. But we are still left with this ludicrous Budget purdah, which causes all sorts of difficulties. The Government experienced some of them this year.

Other Government Departments need to know what is in the Chancellor's mind. The President of the Board of Trade had the confession dragged out of him that he was told about the proposed change in VAT on domestic fuel. If that is true, that is fine, but how much better it would be if all the Departments—the Department of Trade and Industry and the Department of Social Security, for example—were notified. The campaign to increase council house sales that the Department of the Environment is pursuing may have been significantly affected by the mortgage interest tax relief change in the Budget. Departments are interrelated as regards such matters.

How much better it would be to abolish Budget purdah and secrecy and have a draft Budget, or at least a White Paper outlining the options under consideration by the Chancellor, in the lead-up to the Budget. That would make for a better informed public debate and we should be able to sort out numerous difficulties. Lord Lawson experienced tremendous difficulties when he made changes in mortgage interest tax relief for people who were not married but living together. Such difficulties could be avoided if there were more openness.

Much of the technical dross which took up two hours of the Chancellor's Budget statement could also be avoided. The technical stuff could be dealt with outside the ambit of the Chancellor's strategic statement. We must address that problem as a matter of urgency. People from outside this country think that the way in which we conduct the Budget—with Ministers going into purdah, saying nothing to anyone and having to report to the Chancellor all meetings with financial journalists—is daft and makes no sense in a modern democracy.

What impact will the Budget have on the poor? The other day I heard the Under-Secretary of State for Social Security say that the increase in the 20p income tax band would help the poor. She was talking about increases in heating costs. The change does nothing of the sort. The only way in which we can get increased help to the poor —always supposing that that was what the Chancellor was seeking to do—is to increase personal allowances. The Chancellor did not do that; he froze them, which made the impact of the fiscal changes on the poor worse.

I wonder whether the Secretary of State for Social Security knew about the changes in VAT on heating and fuel. If he did, he should have ensured that the Government's plans for compensation were well thought out in advance so as to avoid the confusion which followed the Budget statement. If he knew, but took no steps to clarify matters from day one, he bears a heavy burden of responsibility because he has caused great concern throughout the country. I still do not understand what the Government have in mind. Newspaper journalists cannot be blamed for engaging in speculation and stories which get more exaggerated every time they go along the rumour chain. It is unconscionable to inflict such concern on people who stand to be deeply affected by such changes.

The Treasury had better look at the consequences outlined in the *Scottish Economic Bulletin* of February 1993. The Institute of Fiscal Studies conducted a study on the distributional aspects of environmental taxation. It ran a model, putting the 17·5 per cent. increase into fuel and petrol costs and running a test across England and Wales on the one hand and Scotland on the other. The conclusion is absolutely clear:

> "Using a tax rate of 17·5 per cent., the additional tax payments amount to some 2 per cent. of total expenditure amongst households in the poorest 20 per cent. of the income distribution, but only around 0·6 per cent. for households in the richest 20 per cent."

That is what we have been saying for the past several days: the measure will have a much more marked impact on the poor. The Institute of Fiscal Studies is a perfectly

[Mr. Archy Kirkwood]

respectable and professional body of researchers. In February 1993, it showed that because of household types and access to different kinds of energy—particularly the lack of gas—there would be a widely disproportionate effect in Scotland. That is the kind of information that the Government should consider before gaily taking decisions to increase energy costs.

Mr. Nicholas Winterton (Macclesfield): The hon. Gentleman is referring to the difference between Scotland and England. Has he considered the difference between urban areas and rural areas? Most rural areas have little, if any, public transport. They are also more exposed to the elements. Households in such areas therefore require more heating.

Mr. Kirkwood: That is absolutely right and that point has been made very clear. I commend the IFS report to the Treasury Front Bench as it would repay careful study.

I have probably been speaking for too long, but I want to make a final point. The Government were elected in 1979. If someone had told me then that I was going to be in Government until 1996, with a working parliamentary majority, access to windfall resources from £100,000 million worth of North sea oil and gas and windfall revenue from £60,000 million of privatisation proceeds, but that I would end up with a public sector deficit of £30 billion, high unemployment and public expenditure running at 44 per cent. of gross national product, I would have considered that to be an absolutely appalling record. The Government forfeit any right to claim that they have a scintilla of economic competence.

If the question is, "Have the Government got a grip on the economic situation in this country?" the answer must certainly be no.

Several Hon. Members *rose*——

Mr. Deputy Speaker (Mr. Michael Morris): Order. Before I call the right hon. Member for Horsham (Sir P. Hordern), I remind right hon. and hon. Members that Madam Speaker has imposed the 10-minute rule from 7pm to 9pm.

7.1 pm

Sir Peter Hordern (Horsham): I hope that my hon. Friend the Financial Secretary will forgive me if I do not mention the favourable parts of the Budget, on which I would otherwise have dwelt extensively. In particular, I applaud the measures to help small businesses. They were admirable and very well thought out.

I expect that the Budget will be judged—as it should be—by its overall effect on the economy. This is the first Budget that I can recall in which reducing the deficit has been postponed deliberately. I understand that the Government certainly do not want to trample on the recovery which is now under way. At the same time, as has been said, the Government must satisfy the City that enough is being done within the medium-term financial strategy to ensure that the deficit is dealt with.

However, I believe that that is a peculiar judgment. It is also strange that the seven wise economists have been given a special section in the Red Book. Those Gentlemen are no doubt very eminent and they are certainly very well paid. However, it is quite extraordinary to include their opinions in the Government's Red Book to give the impression that they have official backing. That gives far too much importance to those sophisticators and necromancers.

I recognised the same names among the 365 economists who wrote to *The Times* in 1982 describing the Government's policy as disasterous. There then followed the most sustained period of economic growth since the war.

The public sector borrowing requirement for 1993-94, at £50 billion, is simply too large to finance without considerable difficulty. I remind my hon. Friend the Financial Secretary of a great change that has occurred in just one year. Last year, the Red Book forecast that the PSBR would be £6 billion in 1996-97. After the proposed tax increases of £10 billion, the deficit is still expected to be £35 billion in 1996-97. That makes a total increase of £45 billion. That shows that extraordinary swings are possible in such forecasts.

The debt interest amounts to £19·4 billion next year, which is an increase of £2 billion over the year before. I calculate that if we delay the rising of those taxes, there will be an extra £400 million a year in debt interest. We will not improve matters by issuing IOUs in promises of future high taxation. Of course I understand the reason behind this: it is dangerous to trample on the recovery. However, surely the promise of higher taxation is likely to have an inhibiting effect on spending. Therefore, we might just as well get on with it, if not by the full £17 billion in the first year, certainly in the first two years.

I know that there is much criticism about VAT on fuel and power. We have become accustomed to thinking that increases in VAT will feed straight through into price increases. I do not believe that that will be the case. In Sussex, Seeboard did not increase its prices last year, allowing for the rebate. I believe that there is every prospect that it will reduce its prices this year. That makes the coal review so important.

So long as the nuclear levy is phased out, the extra VAT may be fully absorbed or nearly absorbed within the increase in the cost of living during the next two years or so. I do not know what that will do to carbon emissions and our Rio target, but I doubt whether the increase in the RPI will be as much as some people believe. We must not neglect the capacity of the privatised electricity distributors to absorb costs.

It would have been better if we had got on with it. As it is, £50 billion is a huge sum to finance. Incidentally, I see that we are not going to finance it through full funding—that is, by selling gilts to the non-bank public. Instead, we are to allow the banks to buy gilts which will form their lending base.

In other words—and perhaps in a more complicated way than in the past—we will resort to printing money for the balance of the funds that we will not be able to raise by selling gilts to the non-banking public. The potential for inflation is there. The argument is that as soon as inflation shows signs of taking off, interests rates will rise once more. I wonder whether we will be quite so precise in making that judgment as one would hope. That is why I believe that the very large borrowing requirement leaves too much to chance for my peace of mind.

We will have to keep a close watch on inflationary signals and I hope that action will be taken at the right time. It would have been better not to have such a high PSBR in the first place.

I understand that we will deal with public spending in the next Budget and spending review. However, we must consider the matter carefully. My right hon. Friend the Chief Secretary to the Treasury is carrying out a careful survey of Government Departments. However, I do not believe that that is enough. Choices will have to be made between Departments and we will have to look at the long-term trends.

Defence is an obvious candidate; in that respect, I am talking about equipment and not personnel. If we consider equipment that was authorised over the past 10 years and the original estimates and compare that with the outturn and then note what would have been available at the time and ask what our forces would have preferred, taking into account overseas defence sales, we discover a surprising result.

We must also consider the cost of research and development on defence and the enormous sums involved. We must consider that in the context of an independent think tank to perform much the same function as the Rand Corporation in the United States. I served on the Public Accounts Committee with the right hon. Member for Ashton-under-Lyne (Mr. Sheldon) for many years and I do not believe that it is good enough to expect the Ministry of Defence to make the estimates for us. The amount of money that we have spent on defence equipment, much of which has been absolutely wasted, is a standing disgrace. My hon. Friend the Financial Secretary should consider the matter very carefully.

The same sort of problem will arise with social security. By the year 2021, one in five of the population will be over 65, compared with one in 10 in 1951. There will be fewer young people to pay. There were only 11·5 million people under 16 in 1988 compared with 14·3 million in 1971. There will be a major problem to tackle in providing for social services in the future.

We must look to the future to see how social services will be provided. We must examine whether social services will need to be provided entirely through the state or whether they could be as they were of old—provided by the friendly societies or in some other way. We need to examine carefully the whole national insurance system and the national insurance fund to see what might be done. There is a great deal of scope.

I commend my right hon. Friend the Chancellor for the Budget in all sorts of ways, especially in bringing spending and revenue together. I hope that it will concentrate the mind wonderfully.

7.10 pm

Mr. Ken Purchase (Wolverhampton, North-East): Value added tax on domestic fuels has been the main talking point in my constituency since the Budget was announced. Indeed, older people can talk of little else. Their fear is already clear: they will not be turning on the heating in the way in which they should simply to protect their welfare in future years. That must be wrong. It was damnable that the Government did not have a plan to ameliorate the effects of that imposition of VAT on those at the margin of poverty. It is an absolute disgrace.

I shall refer to what was in the Chancellor's speech as a veiled but rather gratuitous insult suggesting that, first, his advanced corporation tax proposals were complex and, secondly, they would, as if by definition, be understood by only a few.

Mr. Alex Salmond (Banff and Buchan): Is the hon. Gentleman one of them?

Mr. Purchase: I do not know; the hon. Gentleman will find out in a moment. He should not second-guess what I have to say.

If it seems to many that the Chancellor—by his lack of common sense, he has got into more scrapes than most—can understand advanced corporation tax, by similar definition it should be possible for the rest of us at least to get a grip of the subject.

Advanced corporation tax was introduced by the Tory Government in 1972-73. Amazingly, it worked well during the 1970s, when companies were making profits and could claim back their tax credits through the mainstream corporation tax. However, since the advent of Conservative anti-manufacturing policies and the determination to reward those who make money through shareholding rather than those who earn it through real work, advanced corporation tax has become a real problem for large and small companies.

The tax system is simple rather than complex. It takes tax which is due at source from those receiving dividends, and is then set off as a credit against mainstream corporation tax. That is done on the assessable profits of the dividend-paying company. The arrangement allows for the Exchequer to gather tax earlier than would otherwise be the case, and sets the final tax bills against that credit.

All that is okay while companies are profitable and able to use the tax credit which they have earned. However, recently companies have been obliged to pay dividends even though they have not made profits. In essence, that has meant that, first, an unprofitable company is producing a tax credit which it cannot reclaim in the relevant period for which it was paid and thus creating a surplus of tax; and, secondly—this is my theme—payment of the dividend has tended to reduce the net worth of such companies by bringing forward retained profits, which are properly intended for investment, to pay shareholders.

On the tax credit and the subsequent surplus advanced corporation tax, the scale of the surplus is estimated at £5 billion. That is a tax mountain equivalent to the infamous EC beef mountain. I do not know whether all the beef will ever be eaten. My hon. Friend the Member for Wolverhampton, South-East (Mr. Turner) could make a go of it, but we shall have to wait to see whether that works out.

I can say something about the tax mountain. Although companies are allowed to roll forward their credits against future profits, many thousands of firms will never benefit, for the simple reason that the Government have driven them out of business, especially those in manufacturing in the west midlands. Our wealth-creating base has been crucified by, first, the obsession with money supply and, secondly, phenonmenal real interest rates. Although interest rates are falling, they are still some distance from the historic norms of 1 and 2 per cent.

I recall many companies in the west midlands falling under the Thatcher/Howe axe of the early 1980s. I especially remember a typical local firm in Wolverhampton which specified and ordered special machinery—machinery at the cutting edge of technology. The development period was about two years. The plant had scarcely been fully commissioned and brought into profitable use when the monetarist experiment closed down the opportunities in manufacturing for which the

[Mr. Purchase]

special machinery had been planned and designed. The plant was unable to find new markets in time to meet the bank's demand for interest payments. A fine company of good managers and highly skilled workers was finished, and its surplus advanced corporation tax was lost for ever.

Earlier, I said that many companies are forced into making dividend payments even when the current year's profits are non-existent. Such payments eat into the value of a company but are demanded by the short-term considerations of shareholders who have become accustomed to dividends which bear no relation to work or effort, especially in the privatisation programme. The privatisation programme deliberately undervalued share prices and then rewarded those buyers who became sellers —and they were able to make a killing on the way.

In addition, the outrageous levels of interest which were offered to lenders and passed on as loans to borrowers by banks became more profitable and a safer haven for spare cash than the longer-term investments needed by manufacturing industry. Nevertheless, industry had to compete, which meant paying dividends at a time when none should have been available and at rates comparable to those available elsewhere from banks and building societies. In that way, companies were forced to damage themselves to keep the level of traded share values sufficient to attract investors.

The changes to advanced corporation tax which have been trumpeted by the Chancellor should not be seen as unproblematic, except perhaps by the relatively few profitable companies and those which have large overseas earnings. Because the changes could be disadvantageous to pension funds in some circumstances, managers may well be tempted to be cautious and buy gilts rather than take a positive view about the long-term equity and earnings of manufacturers who desperately need a continuing share of investment.

All in all, that aspect of the Budget does not provide a boost for industry. Indeed, the Chancellor claims that the measure will take £900 million in extra revenue from 1995-96 and that the benefit to companies will be restricted merely to reducing the rate at which advanced corporation tax surplus accumulates. Rather than being a boost for industry, the proposal serves to illustrate the appalling mess which has resulted from the Government's damning lack of interest in or knowledge of our country's wealth and welfare-creating manufacturing sector.

7.17 pm

Mr. Nigel Forman (Carshalton and Wallington): Because of the constraints on time imposed by the Speaker, I shall not follow the hon. Member for Wolverhampton, North-East (Mr. Purchase) or some of his hon. Friends in the way in which I would have wished in my remarks. I should like to preface my comments by saying that the appropriate test to apply to the Budget is what I would describe as the Barry Riley test. Those who read *The Financial Times* on Saturdays will know Barry Riley's column. On Saturday 13 March before the Budget, Barry Riley said, among other things:

> "So the government's responsibility is not to engineer some kind of economic miracle, but rather to establish a stable financial framework and to attempt to reconcile people to the real world."

In a world of modest expectations—to which, alas, we have had to become accustomed recently due to the depth of the recession—that admonition from Mr. Riley is especially appropriate. By that test, the Chancellor will be seen to have succeeded—but, most clearly, in some months' time.

The dual curse of all Budgets and debates on Budgets is that commentators and Members of the House tend to rush to judgment, which is usually a mistake. Almost everyone expects too much of a Budget which in this case may tighten the fiscal stance by somewhere between £500 million and £2 billion, depending on how one assesses the real effect, in an economy of more than £600 billion. I remind the House that our economy represents no more than perhaps 3 or 4 percentage points of world gross domestic product. If one puts all these figures together, it is clear that one should have modest expectations for the national Budget of a country of Britain's size and weight in the world.

The Budget measures can be considered in greater and more appropriate detail in later debates on the Finance Bill. I wish to make a few comments on some of the key Budget judgments of my right hon. Friend the Chancellor and to examine his overall approach to economic policy. I intend to make my points as quickly as I can for reasons of brevity.

First, my right hon. Friend chose absolutely the right objectives for his Budget at this stage of the economic cycle. He described his objectives in the following words: "first, to support the recovery in the year ahead; and secondly, to set out a clear medium-term strategy for bringing the borrowing requirement back towards balance."—[*Official Report*, 16 March 1993; Vol. 221, c. 169.]

Secondly, my right hon. Friend was right to remind the House in his Budget statement of the profound impact of global developments on our national economic well-being. That is a truism, but one which is not sufficiently taken into account. For example, our export markets are principally—although not exclusively—in the rest of the European Community, as Opposition Members will know. Those countries are all going into recession after us, so just when we need them to pull us out on an export-led basis they will not be there in the strength that we would wish.

Mr. Salmond: Will the hon. Gentleman give way?

Mr. Forman: I am afraid that I cannot give way in view of the time available.

Equally, there is the super-competitive threat from the Pacific rim countries. That does not exactly assist us other than by sharpening the spur of competition, which is a good thing, of course.

Thirdly, unemployment is obviously the most critical factor in both the symptoms and causes of our economic difficulties. It is responsible in itself, either directly or indirectly, for a large part of both the cyclical deficit and, increasingly, the structural deficit. Indeed, one could argue on that point like mediaeval schoolmen and not get far. It is all deficit, whatever one calls it. Therefore, my right hon. Friend the Chancellor was right to say that a deep-seated problem needs more fundamental solutions. That is what he said about the medium-term deficit. I shall say a few words later about the fundamental solutions.

Fourthly, in the short run, my right hon. Friend the Chancellor was also right not to tighten his fiscal stance too much. Here I agree with my right hon. Friend the

Member for Worthing (Sir T. Higgins) and I disagree with my right hon. Friend the Member for Horsham (Sir. P. Hordern). If my right hon. Friend the Chancellor had tightened his fiscal stance too much by taking what would have been largely symbolic action to increase taxes now, that could have had serious behavioural consequences which would have damaged confidence. Confidence is fragile at the moment, and such action would have prejudiced the recovery that we all want to encourage.

It is arguable that any Chancellor should act decisively for one year only at a given time. I agree with my right hon. Friend the Member for Worthing on that. A Chancellor should not imperil or mortgage the future by putting key decision-makers on the financial equivalent of death row —in other words, awaiting future fiscal execution. There is a great deal to be said for the old annuality approach of the Treasury, particularly on the revenue side of the accounts. My right hon. Friend the Chancellor's judgment for this year is right, but I hope that he will feel free to loosen policy still further if that proves necessary. He should do so preferably on the monetary side if the behavioural consequences of the Budget produce a half-hearted recovery. I very much hope that they will not, but we must guard against the possibility.

The growth in the economy in the next few years predicted in the Red Book, coupled with the underlying growth in productivity, which goes ahead almost regardless of recessions because it is a function of technology, and so on, will probably not be enough to reduce unemployment or significantly lift economic confidence for at least the next three years. That needs to be considered. With that sombre prospect, my right hon. Friend was right to say:

"Our strategy for sustained growth rests on three principles: first, that growth comes from the private sector, not from Whitehall; secondly, that a continuing commitment to low inflation is vital if competitiveness is to be maintained; and thirdly, that the only way to increase the country's long-term growth rate is by improving the supply side performance of the economy."—[*Official Report*, 16 March 1993; Vol. 221, c. 172.]

I agree with that.

The process of recovery is also critically dependent on events with a capital E outside the United Kingdom and largely outside my right hon. Friend's influence, let alone his control. Therefore, any British Government must concentrate on doing the positive things which are in their control. That is why I welcome so much the support for improved quantity and quality in our education and training system, and I was pleased to be involved with the recently planned boost for further education, which will do important things of benefit to Britain's competitiveness. That makes some of the comments of my right hon. Friend the Member for Old Bexley and Sidcup (Sir Edward Heath) on that point slightly dated.

Looking to the future, my right hon. Friend the Chancellor may have been right to say:

"interest rates at their current level are consistent with the achievement of the Government's inflation objectives."—[*Official Report*, 16 March 1993; Vol. 221, c. 173.]

That may well be true, but the dilemma is that we shall probably need a sustained period of even lower interest rates to give us a real chance of achieving our objectives for economic growth. It is the old conflict between the growth interest and the anti-inflation interest.

My right hon. Friend was right to warn of the medium-term threat of excessive public borrowing, especially when it starts as a cyclical deficit and could easily degenerate into a structural deficit unless we safeguard against it. As my right hon. Friend the Member for Horsham said, it is significant that next year the debt interest is likely to amount to almost 3 per cent. of GDP. That is pushing up towards the limit set in the Maastricht guidelines.

Both the personal and corporate sectors are rapidly restoring their balance sheets and will soon move into surplus rather than deficit. That would imply a further period of debt deflation. It is appropriate that the public sector should have a countervailing deficit until the effects of the private sector purgative have worn off and confidence and growth have reappeared. In other words, timing is everything. We cannot afford to allow the deficit to continue into the medium term. That is why it was essential that my right hon. Friend the Chancellor took the measures that he did. Equally, however, he was right to be cautious in the forthcoming financial year.

I welcome my right hon. Friend's determination to take a radical look at what the public sector does, and how. Indeed, he intends to examine the very boundaries and definitions of the public and private sectors respectively. That is likely to yield much bigger savings and make a much larger contribution to eliminating the public sector deficit than even the hardest fought public expenditure survey round.

I illustrate the argument with some examples. Should we continue for ever with a universal state pension and different pension ages for men and women? Probably not. Should we make a sustained attack on the tax expenditures and structural reliefs which now cost the Exchequer at least £90 billion—or £30 billion, according to the narrow definition? Those are some of the long-term questions that we need to consider. I commend the Budget for addressing them.

7.28 pm

Mr. Andrew Mackinlay (Thurrock): After the general election, unhappily I found that I represented not just Thurrock but a large proportion of south-east England. Apart from my hon. Friend the Member for Oxford, East (Mr. Smith) and my hon. Friend the Member for Southampton, Itchen (Mr. Denham), who are on the geographical edge of the south-east region, I am the only Opposition Member in the south-east outside Greater London. That gives me a special responsibility to speak for millions of people who are suffering the full brunt of the Government's policies and feel betrayed.

More than half a million people are unemployed in the south-east region outside Greater London. The rate of male unemployment is 12 to 13 per cent. and I believe that it is rising. That area can legitimately be described as Thatcher's country, as the people who live in the south-east gave the Conservative party its successive parliamentary majorities and they now feel particularly betrayed by the Budget.

People in the south-east can remember the 1979 poster, "Britain under Labour isn't working", which showed a queue of allegedly unemployed people. If that poster were replicated today, there is not a billboard in the land that could accommodate the length of the queue—I should love us to try to construct one. In 1979 there were 1·1 million unemployed people. Now it is 4 million. Half a million in

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the south-east, outside Greater London, are unemployed, and languishing in the dole queue. Many of them have no hope of retrieving their quality and standard of life.

One year ago, many of those people fell for the lie that the cost of a Labour Government would be £1,250 per annum for each family. They heard the Prime Minister say, "Vote Conservative on Thursday and the recovery continues on Friday." Now these people, many of whom are unemployed, and have lost their businesses during the past year, are wondering which Friday the Prime Minister was referring to. Has it been? Is it yet to come? Is it Good Friday? They have been betrayed and they know that the cost of electing a Conservative Government one year ago has been much more than £1,250. Many of them are on short-time working and many have lost their jobs or their businesses. It is time that the Conservative Government were indicted for cheating at the polls and for betraying the people of the United Kingdom.

During the debate, Conservative Members have boasted, with a great deal of relief, about the slight drop in unemployment last week; but that is not the pattern in south-east England. Unemployment has increased in the counties of Essex, West and East Sussex and Berkshire and in many constituencies and travel-to-work areas including Crawley, Slough, Brighton and Heathrow. Unemployment is up and people cannot escape the fact that there is no sign that the rate will abate during the coming months.

Throughout the region there is great anger at the way that the Government are clutching at straws, in this minor decrease in the figures, and at their apparent indifference to the unemployed and to those who are struggling to maintain small businesses in which they have invested their life savings and who are working seven days a week and doing everything that they can to protect and promote the interests of their families. The situation is tragic and Conservative Members are to blame because of their indifference and the policies that they have prosecuted during the past 14 years and not merely the past 12 months.

In my county and in Kent, Harlow has more than 5,500 unemployed. Dover and Gravesend both have more than 5,000, while more than 6,500 betrayed people of Basildon are unemployed.

The Financial Secretary to the Treasury (Mr. Stephen Dorrell) *rose——*

Mr. Mackinlay: No, I shall not give way because I do not have time and because the President of the Board of Trade discourteously refused to give way when I tried to speak on behalf of the people of south-east England just over a week ago.

We have been told that the Labour party is talking Britain down—what hypocrisy and humbug. The fact is that we wish to protect and to promote the people of this country and its enterprise and industry.

The President of the Board of Trade painted a picture of time and space. He did not mention what we expected to hear—what will be done to create employment and maintain enterprise in the United Kingdom and particularly in the south-east, which is my concern. Instead, he took us to every corner of the globe and back in time. He even referred to George Brown, as if he were to blame for the present situation. The Chancellor's Parliamentary Private Secretary was four when George Brown came to office and he was 18 when the Conservatives came to office. It was a long time ago. Only one group of people are to blame for the situation that the country is in—it is Conservative Members who have presided over Britain's decline and let Britain down.

Great play is made of the fact that the Government have brought down inflation. Certainly it is down substantially but that is no achievement if there are 4 million unemployed and if businesses are going bust. Surely, the art and skill of government should be to temper and to balance those difficult areas, to ensure that one constrains inflation as well as maintaining employment. The Government have singularly failed to do so.

Conservative Members have said a great deal about patriotism and implied that somehow we are letting Britain down. I and other Opposition Members are proud of our country, of its hills and landscape, of its great history and culture, and, above all, we are proud of its people. What is a nation but its people? Our people are being stabbed in the back by the Government's total indifference to the plight of those languishing in the dole queues, of those whose businesses are going bust and of the retired and poor people of this land, who will have to pick up the tab because of the imposition of value added tax on their essential fuel.

That is the failure of the Government, and it is only the beginning—a trailer for subsequent Budgets, when the Government will extend the base of VAT, which will hit the poorest hardest. Labour Members are making a stand and the Labour party will resist that all the way. We shall watch tonight as Conservative Members go into the Lobby to support the Chancellor who hit the poorest hardest.

The Chancellor's reference to the channel tunnel route was another feature of the Budget and it was a smoke screen for his inactivity and not knowing where to go. The Secretary of State for Transport also referred to the route in a statement this afternoon. The route, they argue, is important for the regeneration of south-east England and to create jobs. We must distinguish between enterprise which will create jobs in the south-east and this particular route, which is perverse and is dictated partly by the fact that the Chancellor needed something to divert attention from his inadequacies this week and partly to minimise the political impact on Conservative seats in Kent and south-east London.

The route has not been tested against any of the normal planning criteria that should be applied in a democratic country. If you wanted to put up a structure in your back garden, Mr. Deputy Speaker, or if you decided to build an airport in Northampton, you would have to go through a rigorous planning application, and no doubt if you were refused you would have access to a planning inquiry. The people of Kent and of south-east England are being denied that opportunity over the channel tunnel route, and that is outrageous. The route has been brought to us as a smoke screen, which shows that we have a bankrupt Government who have repeatedly failed over employment and the environment.

7.37 pm

Mr. Iain Mills (Meriden): I represent a constituency in the heart of England, in the centre of the car and car component manufacturing areas, and I am joint chairman

of the all-party motor industry group—[HON. MEMBERS: "Hear, hear."] I thank my colleagues for their encouragement.

I have carefully examined the effect of the Budget on new car sales. The combination of the autumn statement and the removal of special car tax, which seems to have been forgotten, as well as aspects of measures in the Budget, have been helpful. As a result, in December, car sales in the home market were extremely encouraging, especially sales of Rover cars. I welcomed the President of the Board of Trade's mention of Rover, which has its headquarters in my constituency. In addition, in terms of export sales, would my hon. Friend the Minister pass on to his right hon. Friend the Chancellor the fact that the Peugeot 405 model sold in France is made at Ryton in Coventry on the edge of my constituency, which is a marvellous achievement?

Land Rover has also increased its sales through exports, as has Vauxhall, Ford and the Japanese manufacturers who have moved to Britain. The doom and gloom spread by Opposition Members ignores the fact that we not only managed to attract Nissan, the first Japanese car manufacturing company to come to Britain, which is now exporting cars made in Britain to Japan, but Peugeot, which is making French cars in Coventry and exporting them to France. They are not French cars but British ones. We have also attracted Toyota and Honda. All those companies have encouraged and sustained many component manufacturers. We have created a car manufacturing base that is a vast improvement on that of the past.

Opposition Members often get confused because our productivity rate is now so competitive that it no longer requires a high level of employment. Our output has improved greatly, but, because of that improved efficiency, there are fewer available jobs.

How has the Budget helped the car industry? The changes to car tax have produced excellent results, but I am rather suspicious about the changes in fuel duties and the recoupment of £750 million. The figures that have been provided to me by the Society of Motor Manufacturers and Traders, Ford and others suggest that between £1 billion and £1·1 billion has been recouped as a result of the changes in vehicle excise duty and the fuel duties. That is a lot more than £750 million, and I would be grateful if my right hon. Friend the Chancellor could comment on that difference.

The Budget was a lost opportunity, because if those who use leaded petrol had been penalised heavily, that could have provided a great encouragement to the use of unleaded fuel and diesel. I was disappointed that that was not done, because that change could have offered an environmental improvement. It could also have recouped some of the revenues lost when the Government got rid of the special car tax, which was a welcome move.

The future establishment of a simple system of company car taxation would be most welcome, because it is important. The Government have gone down the right route by offering a 35 per cent. discount, but I have a number of questions for my right hon. Friend the Chancellor. He said that, overall, the changes would have a neutral effect and that there would be gainers and losers. I believe that the proposals may create losers because some people's companies may have negotiated a low price for a car. In the proposed six or nine-month period, how will my right hon. Friend establish the cost of such a car?

If one company gets a better discount than another, will that be reflected in the taxation on an employee? Will the cost of the Austin Montego or the Rover 800 be established as a national figure in terms of the price at which a company could buy such cars, or will certain companies get a better deal?

Mr. Peter Bottomley (Eltham): It is calculated on the list price.

Mr. Mills: The changes relate to the cost price. Those in the industry were aiming for the list price.

Mr. Dorrell: The answer is that the assessment will be made on the list price.

Mr. Mills: I am glad to know that, because I was not clear about the actual cost involved. If a company can get a better discount, however, that can create confusion, which is somewhat unfair.

I do not know whether my hon. Friend the Minister has seen the article in today's edition of *The Daily Telegraph*, which states that the latest changes may discourage company car use. That is something I fear. A saving of perhaps £510 on a two-litre or 1·8 litre car could result if a person gave up his company car and bought a car or was given money by his company to do that. That would result in a great loss of revenue to the Treasury. It would also lead to lower company car sales. I am keen to encourage such sales, because those cars are normally produced in Britain by manufacturers of all kinds rather than imported.

Representatives of Rolls-Royce came to talk to the all-party motor industry group and expressed great concern about possible changes in the Budget. I have spoken to Mr. Peter Ward, the chairman of Rolls-Royce, in the Select Committee on Employment, and I have corresponded with him in detail about the Budget changes. I have also written to my right hon. Friend the Chancellor about them, because I am concerned about how they will affect that company, which is facing great difficulties. The President of the Board of Trade referred to that company's success, but largely in terms of the aerospace industry.

There may not be too much sympathy from Opposition Members for Rolls-Royce owners, but under the changes proposed in the Budget, as the result of the new formula, some of those owners will be paying more than £7,000 in terms of their personal obligations to the Inland Revenue through taxation. That may seem a tiny sum in view of the cost of those cars, but given today's depressed market, there is every likelihod that the sale of Rolls-Royce cars will be seriously affected at a time when that company is close to its margins on performance.

It is desperately important to consider that issue, because the new arrangement imposes a burden of taxation on Rolls-Royce cars that is totally disproportionate to that imposed on other manufacturers. I shall be glad to correspond with the Financial Secretary on this, but I should appreciate his initial thoughts. The Chancellor should impose a cap on the new price structure at no more than £60,000 to avoid such unfair discrimination and distortion.

The effect of the Budget changes on home market car sales will be neutral, provided that those changes do not lead to a change from company car ownership. I am slightly disappointed about formula one motor racing cars. I know that the Financial Secretary is aware that

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their manufacture represents a major, high-technology industry in the south-east. Our industry dominates motor racing throughout the world. Despite the sad loss of our hero, Nigel Mansell, those companies will still produce the cars and the technology. I congratulate Nigel on his win in Australia on Sunday, and I wish that he would come back and join us.

Capital allowances would have helped motor racing as well as many other industries. I know the complex arguments about the advantages and disadvantages of such allowances, but it is important to encourage high-technology industries such as the manufacture of formula one motor racing cars. I am aware, however, that the extension of such allowances would provide widespread and unspecific help to industries, but I should appreciate my hon. Friend's comments on that.

As a member of the Select Committee on Employment, and as an hon. Member, I welcome the change in VAT regulations on horses. I congratulate the Paymaster General on his excellent ability to listen with sympathy and to make the right judgment on this matter. I am speaking on behalf not of the owners, but of the many thousands of people who are employed as grooms and stable lads, and in other occupations in the horseracing industry. I know that those Opposition Members who are punters will agree that the change is a good move.

I must end on a slightly negative note, however. When I met members of my association and others at the weekend, the concern about VAT on heating fuels was marked. The imposition of VAT will take place in two stages, but it is causing great concern to pensioners who are above the income support level.

Many such pensioners live in the older parts of my constituency, such as Castle Bromwich, and they feel that their savings have been eroded, particularly those who are dependent on the return on savings. The low levels of interest rates may be excellent for industry, but they offer a poor rate of return for those who have savings and who depend on interest payments. I ask the Financial Secretary to consider the effects of the VAT imposition on those pensioners who are not on income support.

7.47 pm

Mr. Alex Salmond (Banff and Buchan): The speeches by Conservative Back Benchers could be described as downbeat, pessimistic and almost fatalistic. I hope that they have considered the economic aggregates that lie behind the Budget, because they would certainly then know that economics could be considered the dismal science.

In the past week, I have been greatly impressed by the writings of Anatole Kaletsky in *The Times*. On 17 March, he wrote:

> "Mr. Lamont is assuming that the economy will never grow by more than 2·75 per cent. a year in the foreseeable future. Last year, even when the economy was still in the depth of recession, the medium-term assumptions always contained several years of 3·5 per cent. growth."

That raises an important and serious point, particularly for an economy that faces a £50,000 million deficit in its public sector borrowing requirement.

A 2·5 per cent. average growth rate will not be enough to close that deficit in the economy. That inevitably means that extremely painful choices will have to be made about tax increases. It also shows the mirage of the so-called economic miracle of the 1980s.

One might expect that any restructuring of the United Kingdom economy after the longest and most prolonged recession in living memory would bounce the economy dramatically into recovery. In fact, the Chancellor's figures do not forecast a bounce back in the economy, but a stagger back into some form of positive growth. It will be extremely difficult to square the circle of the £50 billion deficit in the public sector borrowing requirement and the disappointing growth rates predicted in the Chancellor's figures.

In terms of the economic aggregates, the underlying reality of the balance of payments shows a £12 billion deficit at the pits of the recession. That deficit is forecast to rise to £17 billion over the coming year. Although there will be some quantity effect after the depreciation of sterling, it is arguable that there is no equilibrium in the United Kingdom's balance of payments, and successive devaluations of sterling will chase down an economy that is fundamentally out of balance and out of equilibrium. It may be that the destruction of vast parts of the manufacturing sector over the 1980s has been so great that there are now black holes in the economy that will keep it in a permanent state of disequilibrium.

The dismal truth of those two underlying statistics is that there will be a strong emphasis on chasing the tail of recession, with constant tax increases, in a vain attempt to close a PSBR deficit which, because of the underlying poor performance of the economy, cannot be closed. That process would occur whatever Government were in charge of the United Kingdom, as the underlying message of the Budget is that Britain is bankrupt.

It is true that other Governments elsewhere have faced tough choices on tax increases. However, the difference between our Chancellor and President Clinton is that, when the President faced a tough choice over tax increases, he tried to ensure that the taxes fell on those who were able to pay them, whereas every choice taken by the Chancellor has aimed taxation at those least able to pay. Every decision has been aggressive, which means that the losers of the boom of the 1980s will turn into the double losers of the recession through the 1990s.

I shall mention three aspects of the Budget that are not just anti-poor—as the whole Budget is—but produce anti-Scottish effects. The first of those aspects involves the constant year-by-year increases in petrol taxation.

Rural regions will suffer greatly, and transport costs in the Scottish economy will increase substantially. Those of us who are active in Scottish politics remember only too well the Kincardine and Deeside by-election, when the Liberal Democrats were slated by the Secretary of State for Scotland for proposing, not a constant annual increase, but a one-off increase, in petrol duty. The Secretary of State for Scotland waxed eloquent about the impact of that surcharge—as it was called—on the rural areas and the economy of Scotland, but now the Chancellor's Budget predicts a substantial year-by-year impost on petrol duty.

The petrol increase might have been defended in environmental terms if some consequent attempt had been made to reinforce the transport infrastructure north of the border to sustain and develop the public transportation system. However, all the investments in public transport in the Budget are made in the south-east of England, where

billions more pounds are being poured into the transport infrastructure. The Budget contains nothing for anywhere north of Potters Bar.

The second aspect involves oil taxation. The Chancellor announced with a flourish that he was abolishing some aspects of petroleum revenue taxation. Some commentators were even gullible enough to describe that measure as a boost for the oil industry. The consequence of the taxation will be perhaps as much as £600 million accrued by the Exchequer from the oil industry over the next year or so.

There is a case for increasing oil taxation at a boom time, because oil is a cyclical industry, and a taxation increase can be defended as a means of lowering the pressure of demand in the sector. But what possible case can there be for increasing taxation when the sector is already depressed? The immediate impact of the Chancellor's Budget measures announced last Tuesday has been the cancellation of drilling contracts in the North sea over the weekend, and hundreds of job losses in a sector that was already moving into a downturn.

The third aspect was the taxation on heating—by far the most controversial measure in the Budget. For many years, the Scottish National party has argued for a cold climate allowance to take account of the fact that, in some areas of Scotland, it costs 30 per cent. more to heat a home than in the south-east of England. We did not expect to achieve that allowance from the Government, but even we did not expect a cold climate surcharge, with the Budget measures increasing that disadvantage.

A number of statistics lie behind my concern. The report "Warm Homes in Cold Weather", released in October 1991, showed that, while deaths in January between 1976 and 1984 were 4 per cent. above the monthly average in west Germany, and 7 per cent. above the average in Sweden and Norway, deaths in Scotland in January were 16 per cent. higher than the average. Many Chancellors have been slated for not acting on the cost of living, but the present Chancellor deals in statistics that involve the cost of dying—the most severe aspect of the Budget.

Scotland is the most energy-rich country in Europe, and one of the most environmentally sensitive in terms of energy production. The Scottish electricity industry is either low-carbon or no-carbon in its production. It is ironic that poor people in Scotland—pensioners and those on low incomes—will suffer poverty amid plenty. Those are the serious effects of the Chancellor's Budget, which will not save the world through green taxation. The Budget sacrifices the poor and those most vulnerable in Scottish society and society elsewhere.

The House should vote against the first Budget resolution, on amendment of the law. If we passed that resolution, it would gag and bind the Bill in Committee. The first resolution does not allow subsequent discussion of the Bill to include any amendment proposing zero rating or reduced rates of value added tax. If the first Budget resolution is passed this evening, it will mean that, in Committee, hon. Members will have no chance to move zero rating on fuel for specific categories or even to lower the rate for some categories. No Minister has specified the amounts and funds available to help those most vulnerable in society as a result of the Budget impost. It would be incredible if, in Committee, hon. Members could not substantially amend the measure.

I have heard concern expressed on the issue, both over the weekend and by Conservative Members tonight. Even if they are not prepared to vote directly against the Budget measure, they should at least vote against the first resolution. Unless we vote against it this evening, it will be impossible later to ensure justice for the pensioners and those most vulnerable in society.

7.57 pm

Mr. Nicholas Winterton (Macclesfield): We are having a most interesting debate and I have much sympathy with a number of the contributions that have been made—not least that of my hon. Friend the Member for Meriden (Mr. Mills) and my right hon. Friend the Member for Old Bexley and Sidcup (Sir E. Heath). I particularly agree with what my hon. Friend the Member for Meriden said about Rolls-Royce motors. The Budget will greatly penalise one of the great motor companies of this country. It produces expensive cars, but I do not believe that its production should be penalised, as the Budget has done.

I am deeply concerned about the impact of placing value added tax on heating and light, and the effect that it will have on those on low income, the unemployed and the elderly. I refer particularly to those on low incomes who fall just outside eligibility for assistance available under state income-related benefits.

Unless we get categorical assurances from the Government that the position of these groups will be fully taken into account in respect of this large additional impost, I shall not be able to support the Government's measure.

I come from an area where we have a good balance of industry and an excellent range of manufacturing industries, modern and traditional—Zeneca plc, the pharmaceutical division of ICI, Ciba plc, and a number of video technology, information technology and computer companies. We also have many companies in the traditional industries of textiles and clothing, such as Rieter Scragg, Mowbrays, Cressys and Adamley Textiles. These are traditional but still substantial employers, I am glad to say. We also have paper and board companies, and engineering firms, so we have a fine balance. I always seek to participate in these debates from a position of knowledge of manufacturing industry.

When I spoke in the debate nearly a fortnight ago I made six suggestions for consideration by the Government: the introduction of 100 per cent. capital allowances; a commitment to a further reduction in interest rates; the abolition of stamp duty; the creation of a new task force to identify import substitution; a more favourable tax regime for fees for part-time study; and an explicit political commitment to promote British exports. I also called for a review of our laws on liquidation and bankruptcy.

For the very first time, the Chancellor has shown a receptiveness to the vital role that our manufacturing and construction industries play in providing employment and generating wealth. I am aware of the difficult balancing act that the Chancellor had to perform between the need to deal in the medium term with the threat of a spiralling PSBR and the need to ensure that the first weak breaths of economic recovery were not stifled by the dead hand of swingeing tax increases.

I make these comments to show that I fully appreciate the problems faced by the Government and that I welcome

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the greater attention that is being paid to our manufacturing and construction industries. The Manufacturing and Construction Industries Alliance, launched in this House about three weeks ago, together with the new all-party manufacturing group launched by my hon. Friend the Member for Coventry, South-West (Mr. Butcher) and the hon. Member for Huddersfield (Mr. Sheerman), and the initiatives in which the CBI and the Engineering Employers Federation are involved, have, I hope, had something of a catalytic, if not a causal, effect in concentrating the attention of the House and of Ministers on these important sectors.

It is also clear that the Chancellor sought to deal with a number of the principles that I highlighted by giving greater and welcome assistance to our exporters through a boost in the export credit guarantee schemes, by reviewing the stamp duty on the sale of houses in the lower price bands, and by renewing his commitment to greater public spending, in partnership with the private sector, on infrastructure development projects. I also warmly welcome the change to the loan guarantee scheme, which will cut the cost and improve the availability of bank finance for smaller businesses. We want more long-term, fixed-interest loan schemes. We want more equity taken by the clearing banks, and fewer businesses financed by overdrafts.

There is also much-needed help for small businesses in the form of a review of VAT procedures and an extension of the freezing of the business rate. Many thousands of small and not so small businesses will greatly benefit.

If the Chancellor, however, is being asked by the House to walk a tightrope between curbing the PSBR and encouraging economic growth, we should not overlook the fact that he is being required also to juggle. If, as the Prime Minister and the Chancellor have both said, the conditions for economic growth—low inflation and low interest rates—are in place, then, in the absence of growth, we must look around for the missing factor in the equation. It is, of course, consumer confidence. In the months ahead, the success or otherwise of last week's Budget will be assessed against its impact on consumer spending intentions.

That view, expressed by the alliance last week in a press release, is echoed by Mr. Howard Davies of the CBI, who, writing in the current edition of "The House Magazine", comments on the possible impact of the tax increases that have been announced by rightly saying:

"There is a risk that they will affect spending decisions this year"—

not in the years thereafter. If the fears of the alliance and the CBI prove to be justified, the Chancellor's Budget will have failed to give consumer confidence the boost that is so desperately required, and the overall impact of his proposals will not be, as he has said, neutral: they will be negative.

When I spoke two weeks ago in a debate about manufacturing and construction, I called on all political parties to lay the foundations for a new cultural and political consensus that places the needs, problems and potential of these industries firmly on the parliamentary agenda. The intentions behind the Budget show that the Chancellor's mind is receptive to the proposals that I espouse, but, unfortunately, its practical proposals clearly show that he is not with us yet.

I ask the Paymaster General to assure me that any responsible proposals for greater help for manufacturers and exporters that are suggested in subsequent debates on the Finance Bill will be given careful and sympathetic consideration; and that if we make a convincing case for the introduction of 100 per cent. capital allowances, for example, it will be accepted and policies will be changed as a result.

We have heard some first-class contributions to this debate. I am delighted to see the right hon. Member for Ashton-under Lyne (Mr. Sheldon) in his place. I agreed with much of what he said; it is only a pity that so few hon. Members are present to be influenced by these considered speeches. When we come to vote, we will be voting not on the merit of the debate but in accordance with party lines. That is tragic, because there is great ability in all parts of the House.

Hon. Members on both sides have taken up the cudgels on behalf of manufacturing and construction. Let that expertise, experience and knowledge be put to good effect, so that we can once again regenerate the only source of non-inflationary economic growth: our manufacturing base. If we do, we will pass on a legacy to future generations of which the House and this Government can be proud.

8.7 pm

Mr. Gordon Prentice (Pendle): I am pleased to follow the hon. Member for Macclesfield (Mr. Winterton). I represent the manufacturing capital of Britain. A higher percentage of people in Pendle than in any other constituency in the land work in manufacturing industry. My hon. Friend the Member for Livingston (Mr. Cook) opened the debate by referring to the fact—it is a fact—that the Government cheated their way back to power last 9 April. I want to pick up that theme, and to return to the Tory manifesto, "The Best Future for Britain".

Manifestos are important, and this one is no exception. It represents a contract entered into between the Government and the people, so the Conservative manifesto cannot be lightly cast aside after 11 short months. In that time a great many things have been cast aside, most notably honesty. The whole political process in Britain has been corrupted by this Government, who told the British people that the Conservatives are

"the only party that understands the need for low taxation."

That rings hollow now.

In the foreword to that manifesto the Prime Minister told the British people that he believed in low taxes—no doubt in the same way that he believed that the Government's duty should be

"to protect the value of the currency without which all spending pledges are worthless."

That was the man who devalued our currency. I doubt now whether he could talk about pledges, manifesto or otherwise, without being blown away in a gale of laughter. His pledges are totally devalued.

The right hon. Gentleman used to believe in manifesto pledges and the mandates that they conferred. On 29 October, *The Times* informed us that he told a packed meeting of the 1992 Committee—in the context of the internal debate within the Tory party on Maastricht, which rages now as it did then:

"The Conservative manifesto was not an à la carte menu from which they"—

that is, Conservative Members—

"could merely pick the juicy items."

The fact is that the manifesto was not a menu at all; it was a work of fiction.

At the CBI conference on 9 October last year, Mr. Philip Goldenberg of S. J . Berwin told the delegates, if that is what they were:

"If the Government's election manifesto had been a company prospectus it would have had the entire Cabinet in jail."

Quite so, but it is not just fabrication and invention that characterise the Government's record—it is also incompetence. The chairman of GKN, Sir David Lees, told the same conference:

"A new economic theorem is developing known as Lamont's Law. It states that any economic indicator will invariably turn down once the Chancellor identifies it as a portent of economic recovery."

He was telling us something that we already knew about—the green shoots syndrome.

People have woken up to the difference between what the Chancellor has been telling them and what has actually been happening. The scale of duplicity and mendacity perpetrated on the people of Britain is truly spectacular. *The Sunday Times*, in an excellent editorial yesterday, said that the Budget was not

"a budget for growth, or for jobs, or for business though it should have been for all three . . . It was a budget to pay for the past mistakes of John Major and Norman Lamont."

There have been many mistakes.

The Prime Minister of manufacturing presides over the relentless deindustrialisation of Britain. In my constituency a fortnight ago, Progress Engineering went down the tube, taking 40 jobs with it. Last week Wadkin Colne of Trawden folded, with a loss of 65 jobs. Those come on top of the cascade of job losses in my constituency month on month and year on year.

The Prime Minister believes in protecting the value of the currency, but devalues at a move costing the country £5 billion. The Prime Minister pulled out of the exchange rate mechanism, although he had said that staying in the ERM was absolutely central to the Government's policy. The Prime Minister won the election on the basis of slogans such as "A double whammy" and "Labour's tax bombshell", but went on to hike taxes massively. I do not know what is worse—what was perpetrated on the British people 11 months ago, or what happened in 1979 when Saatchi and Saatchi said, "Labour isn't working" and employment stood at 1·1 million: there are now 3 million unemployed.

The £17·5 billion tax rise announced in the Budget is the biggest in British history. Allowances have been frozen, mortgage tax relief has been cut and value added tax has been loaded on to domestic fuel. Yet at the end of our debates on the Budget there are still no cast-iron guarantees that the poorest in society will be fully compensated. As the hon. Member for Macclesfield said, it is people just above the income support level who lose, and who will always lose unless there are such guarantees.

What does it all mean for people in my region? In the north-west, 1,130,000 households will lose because MIRAS is to be restricted to the 20 per cent. rate and some 2,734,000 people will pay higher tax bills because allowances and thresholds have been frozen. Despite everything that the Government said at the time of the election about national insurance contributions—they lambasted Labour for its plan to remove the ceiling—there is to be a 1 per cent. rise which will affect 18 million employees generally, and 2,405,000 in the north-west. Raising national insurance contributions is more regressive than a 1p rise in income tax because of the lower levels at which people start paying contributions.

As my hon. Friend the Member for Livingston (Mr. Cook) said, about 500,000 people on wages so low that they do not pay income tax will be caught by the increases in national insurance contributions. What a state of affairs. *The Sunday Times* yesterday said that income tax was effectively being increased in the Budget through the sleight of hand of an extra 1 per cent. on national insurance contributions. Sleight of hand comes easily to a Chancellor who is also a conjuror and a member of the Magic Circle. However, it is not how everyone sees the Budget.

I was speaking at a lunch meeting of the Pendle business club last Friday, which was presided over by Mr. Philip McIvor, the chairman of Farmhouse Biscuits. He told the meeting that the Budget was a Budget for jobs. That was pure fantasy, especially in Pendle where unemployment has risen by 85 per cent. since the Prime Minister entered No. 10. In the constituency in 1991—almost predating the current deep recession—269 companies registered for VAT, but 285 deregistered. It is not a Budget for jobs. In so far as Britain is pulling out of the recession, it is because there is a more competitive exchange rate which is likely to encourage export-led growth. That is purely fortuitous, because of what happened on 16 September when the Prime Minister and the Chancellor pulled Britain out of the ERM.

The right hon. Member for Old Bexley and Sidcup (Sir E. Heath) said that he feared for the future of Britain because of the destruction of so much of our industrial base. Lord Prior, a former Conservative Cabinet Minister, said that it would take 20 years to repair the damage that has been done——

Mr. Deputy Speaker (Mr. Geoffrey Lofthouse): Order. The hon. Gentleman's time is up.

8.17 pm

Mr. Peter Bottomley (Eltham): Before discussing taxation and spending, I want to refer to what happened in Warrington on the weekend.

We have our debates and our arguments; other people use bombs and bleeding, bullets and maiming as a substitute for political argument. I believe that the House would want the message to go out that we prefer debate and rational argument.

If people want to put a point of view on Irish nationalism, they should get elected and come here, or get more than 2 per cent. of the votes for the Dail and speak in the Irish Parliament. They should not destroy children and crucify three-year-olds in pursuit of political argument.

The Government should be praised for giving so much information to the House and to the country. In the autumn statement, they provided "Public Expenditure Analyses"—Cm. 2219—and gave most of the hints and clues on tax expenditure in appendix D, pages 135 to 138. In effect, they stated the options that they would be considering for reducing some of the gap between spending and taxation.

In terms of extra duty on motor fuels, the Government were right. There are also strong arguments for their proposal to impose value added tax on domestic fuel. I criticise those hon. Members and commentators who take

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it for granted that some of the factors that increase fuel costs cannot easily be changed. Sixty per cent. of pensioners live in homes that have inadequate heating systems. That should be tackled under a five-year programme that would create worthwhile work for those who need it most—in the same way that we tackled roofing problems some time ago during an earlier period of high unemployment.

This coming week, we shall see the end of the coal obligation on generating companies—the requirement for them to pay an extra £1,000 million for the higher price of coal. The cost of burning coal to generate electricity and the extra profit margin involved probably have the same effect as VAT on domestic fuel. That obligation was accepted because it was felt that keeping more people under ground was a good thing, even though the cost must be met by electricity consumers. We have already heard that a higher proportion of that cost will be paid by those on low incomes, or the cost will account for a higher proportion of the incomes of those who are not earning. We should be realistic about both.

In the same way, I suspect that some hon. Members and people outside the House would have regarded it as better if the cost of domestic gas had remained as high as in 1986, when British Gas was privatised, to avoid the 17·5 per cent. VAT imposition over the next two years, even if that made people worse off. After privatisation and competition, the real price of gas has become 20 per cent. lower than it has been, so even a 17·5 per cent. increase on that reduced index would have left users better off. We must be rational.

As to reducing unemployment levels, I have a horror of not just the way that the coal communities appeared to have been disregarded but of the way that the debate has developed. If last autumn's argument was for an extra £100 million of spending a month to maintain an extra 25,000 jobs in mining communities, that represents £4,000 per miner job per month, or £48,000 a year.

On the fringes of my constituency in south-east London, seven miles from this place, is the Woolwich Arsenal site. Over the past 70 years, it has lost 73,000 jobs —the equivalent of a colliery closing every single year for 70 years. The last 1,000 jobs go this year. Unemployment is running at 60 per cent. in the Arsenal ward of the hon. Member for Woolwich (Mr. Austin-Walker). That affects many of my constituents as well.

A city challenge application asked for £12 million a year over five years—a total of £60 million—to generate between 2,000 and 4,000 jobs, with much private sector money coming in as well. It would have involved a development on derelict land seven miles from Westminster.

We should ask whether the Government can rationally decide expenditure over and above the level of their taxation revenue, and whether the subsidy provided by the consumer or taxpayer to help transition in the mining industry could not be partly diverted to meet some of the city challenge applications that could not be approved by the Department of Environment. Both the economic and employment effects would be substantially better—in the same way that an extra £500 million of capital investment in British Rail and London Underground would have a better economic and employment effect than transition being delayed too long for too many pits.

Getting the framework of taxation right does not get proper attention. If I had longer to speak, I might question whether there should not be the same VAT arrangements in respect of greyhounds as those made for horses. Why should not the sport of kings' arrangement work for those of us who are going to the dogs?

I praise the Government for acknowledging that they have lost £500 million a year in revenue on whisky—with or without an "e". We find that, because of fashion, recession and strangling the golden goose, whisky sales have been declining. In leaving whisky out of the count, and reducing the duty on that and other spirits, there may be a rebalance and people will be able to make a choice —especially when they are not driving.

We should also examine the properness of tax expenditure. I have argued for most of my 17 years in the House that mortgage interest relief is counter-productive. I repeat also my comments on previous occasions about personal allowances. It is back to the Grey Book, which details the large sums of tax forgone by permitting personal allowances—and I refer not just to the married man's personal allowance. I welcome its reduction to 20 per cent. I would reduce the personal allowance to 20 per cent. and do the same in many other areas, so that help is concentrated where people need it.

I remind of the House for the reason for the child benefit scheme, which was not mentioned in the Budget because it is dealt with relatively automatically. Child benefit is not a form of income support. I suspect that the Treasury would do better to wrap up the Department of Social Security and make its functions an adjunct to the Treasury, in the same way that the Inland Revenue and Customs and Excise are.

There are further important measures to be taken in respect of income support. Child benefit should not be part of that. What is the justification for a cash child allowance? Looking at the family life cycle in social and economic policies, when people have children their taxable capacity is reduced and their needs increase. That is the justification for the allowance. It should not be a tax allowance that gives most help to people in the 40 per cent. tax band, about the same help to those in the 20 per cent. or 25 per cent. band, and no help to those below the tax threshold. Would it be better to have a flat cash allowance? The answer is yes.

My right hon. and noble Friend Lady Thatcher understood that, which is why in 1983 and after what I call the Lawson fallacy on child benefit, she made sure that the Chief Secretary to the Treasury and the Secretary of State for Social Security increased it. She understood, but we often forget. Every three or four years, it is worth making the argument again out in the open.

If I had time to make a longer speech, I would talk about the effects of the Budget on trade. It is right, too, to encourage small business.

We should ask when we will be willing to give up tax benefits at some stage or in some circumstances so that others—or people like ourselves in different circumstances —can gain more benefit either from tax expenditure, real benefits, or the chance of employment.

It is not a question of from whom we will take and to whom we will give. It is in each person's life cycle. When will they be willing to give up what they have, so that they and others can gain it when they need it?

Matching needs and resources better requires a debate that goes beyond the scope of a Budget debate. I hope that is something that Labour's social justice commission will examine and that the Tory party will find a way of making that match. I hope that some of those issues will be considered across the Floor of the House, so that the Budget deficit will be reduced, people's well-being will be increased, and avoidable disadvantage, stress and handicap are minimised.

8.27 pm

Mr. Clive Betts (Sheffield, Attercliffe): The Budget stands condemned on four grounds. It contains broken promises, offers no hope to the unemployed, is based on a Government act of faith that recovery will somehow occur, and provides no means of dealing with the British economy's long-term structural problems.

We are told that, at the time of the 1992 general election, the Government had no plans to increase the scope of value added tax. Those are weasel words. The majority of people who voted for a Conservative Government did so in the firm belief that VAT would not be levied on goods or services such as domestic fuel during the lifetime of this Parliament. For the Government to claim now that they had no such plans in 1992 but that they might at some time during the next five years is dishonest.

The Government claim that their promises were made sincerely in 1992. What of current Government commitments not to extend VAT to children's clothes, food or books? Are those commitments just as sincere as those made in 1992?

The impact of the Budget measures was mentioned by several of my hon. Friends. We have not yet been given a figure by the Government, but they could still cushion the impact of their actions on people receiving income support and pensions. They cannot, however, protect the low-paid who are just above income support levels and for whom fuel expenditure represents pay a higher than average percentage of their income. Those same people must, on average, pay out a higher percentage of their incomes because of the national insurance increases. They, not the higher-paid, will suffer. The Government have offered those in low-paid employment a real double whammy.

I personally welcome the changes in mortgage tax relief. I do not consider the mortgage tax relief scheme defensible; I have held that view for many years. But why did not the Government use the money to introduce a benefit scheme for low-income earners with mortgages—people who are not only struggling to make their mortgage payments now, but, in many thousands of cases, facing the prospect of repossession? The Government could have used the savings resulting from the change in the mortgage tax relief system to introduce benefits to assist those whose earnings place them just above income support level.

What have the unemployed been offered? They have been offered no help and no hope. No help or hope has been offered to the 100-plus who are to lose their jobs at Whitbread in Sheffield, the 100-plus who will lose their jobs at Trebor Bassett and the 100-plus who will lose their jobs at Avesta Sheffield. All those job losses have been announced in the last few weeks.

What do we offer a 50-year-old ex-steel worker, made redundant up to 10 years ago, or a 25-year-old who has never had a job? Do we offer the possibility of one of 100,000 training places, when those people know, and we know, that there is no possibility of their getting a job at the end? That is not merely dishonest; it is immoral.

The Government could have done so much. They could have released the capital receipts that are still locked up in local authority coffers; they could have presented sensible proposals for the development of a proper transport infrastructure, rather than the shambles and the constant delays of the channel tunnel link and the fiasco of the Jubilee line extension.

When will the Government recognise that public investment must be in place before we can create a climate in which private investment can follow, instead of trying to cobble together deals that simply result in years of delay and no action on the ground? All that the Government appear to offer the unemployed is protection from the Labour party and the social chapter. That is a real bargain basement offer: "no pay or low pay" seems to be their policy.

The whole Budget seems to have been motivated by faith—the belief that the recession will end, some time, somehow. In imposing VAT on fuel, the Government have admitted that they got it wrong: they thought that recovery was coming 12 months ago, but it did not materialise; hence the increase in the public sector borrowing requirement. Their economic approach is almost equivalent to the national health service abandoning medical science in favour of faith healing. Behind the facade of the "seven wise men" arguing away, we can almost see Treasury Ministers and their civil servants in a room in No. 11 Downing street—on their knees, eyes closed, holding their hands in front of them, willing the green shoots to appear. There seems to be no more substance than that to Government medium-term strategy.

Every so often, a cry of joy will be heard as unemployment falls for a month—although every serious commentator recognises that that is merely a blip. Cries of delight will be heard when industrial production goes up in one month, but the fact that the far more important three-month average has not shifted will not be recognised. Retail sales have risen since Christmas, but, year on year, they are still down in real terms. Housing activity is increasing slightly, but the scale of the depression has been so great that that increase will not feed into the construction industry for a long time, and the Government are offering the industry no real assistance.

The Government are willing recovery to occur, but what will happen if it does not? What will happen if it is delayed for another year—delayed until the tax increases begin to bite? Where in the Budget is the recognition that recovery is not certain, and that the timing is problematic? Where do we read of the consequences of the Government's getting it wrong, and—as they did 12 months ago—predicting a recovery that does not happen?

Let us turn to the long-term problems. Where is Government policy in that regard? Since 1979, unemployment, manufacturing investment and the balance of payments have worsened. The Government's problem with the economy is not cyclical; it is a fundamental,

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structural problem. The 1980s were a decade of private consumption and borrowing, which created personal debt. The Government should be turning the 1990s into a decade of investment in manufacturing and infrastructure, but there are no signs that they are doing so.

The Government's dilemma—the PSBR is rising to record levels, while unemployment is doing the same—is a product of the real weakness of the British economy: the inherent failure of our manufacturing industry, its collapse in the 1980s, the loss of a third of manufacturing jobs and the dereliction and destruction of areas such as the lower Don valley in Sheffield, where 50,000 jobs were lost during that decade. The same fundamental problems have brought about our balance of payments crisis at the depth of the longest recession that the country has experienced since the war.

The one thing for which the Government can claim some credit, in their terms, is getting inflation down; but we must ask whether they have solved even that problem. They have brought inflation down to below 4 per cent., but that was at the depth of a recession; they have never managed to achieve the same result at any of the peaks of economic activity since 1979, although each of those peaks has coincided with a higher level of unemployment than the previous one. That is the scale of the problem that the Government not only face—as we do—but have created, and for which they will not accept responsibility.

The Budget does not recognise the existence of such problems. It does not attempt to solve the long-term difficulties of financing British industry, and the relationship between banks and manufacturing industry, which clearly is not working; it makes no attempt to deal with the long-term problems of financing and offering equity capital to small firms, and the skills gap that affects the whole of industry; and it does not try to stimulate research and development to secure long-term recovery. None of those issues is mentioned.

On all counts, the Budget has failed. It has failed the whole nation with its broken promises. It has failed the unemployed by offering them nothing; it has failed to give a clear direction on medium-term strategy, offering faith and hope as a substitute; and it has failed to recognise the inherent structural failings of the economy, or to provide any policies to deal with those failings. It is a failed Budget from a failed Government.

8.36 pm

Mr. Anthony Steen (South Hams): That was a merry speech.

I do not know whether the 10-minute rule will apply to me, as I am the last Conservative Back Bencher who will speak this evening; hon. Members on both sides of the House may wish to hear a little more from the Conservative party, and I am happy to speak for a little longer. The 10-minute rule means that hon. Members cannot mention all the speeches that they have heard, although I know that they will be mentioned in the winding-up speeches. Some interesting speeches have been made—for instance, the speech of my hon. Friend the Member for Eltham (Mr. Bottomley), who always speaks so brilliantly that his tour de force must be read very carefully if the reader is to understand all the finer points. I am sure that the House will wish to return to that subject.

In the nine minutes available to me, I want to speak about the Budget's interesting proposals for small businesses. Unlike its predecessors, which have tended to introduce fiscal measures of one kind or another, this Budget recognises that the administrative arrangements for small businesses are often equally important. It is no good giving companies tax breaks if there are so many rules and regulations that they are prevented from being profitable. I welcome the introduction of self-assessment for income tax purposes, the fact that self-employed people will pay tax based on current and not preceding year' estimates, and the fact that companies that are not incorporated will not be required to have a statutory audit.

The Budget, however, must be seen in the context of other initiatives to help small firms. The Government have abolished 5,000 business forms and 10,000 others. What did those forms do? How can the Government simply get rid of 5,000 forms? What were they all produced for, and what is the result of losing them? Why were they put there in the first place? What have we lost by taking them away? Will the number of civil servants and bureaucrats be reduced?

Does bureacracy in this country increase in direct proportion to the number of rules and regulations that are abolished? Is there a new Parkinson's law whereby the more things we get rid of, the more staff employed increase? The Palace of Westminster is a good example. I have my office in one of the outbuildings, where a very expensive security system has been installed. The door opens only after a card has been inserted. Before this high security system was installed, there were no security guards. Now, with the system, there are two full-time security officers as well as a very expensive security system. There seem to be more and more opportunities to duplicate our staff as well as our technology.

Mr. Patrick Cormack (Staffordshire, South): And the doors often do not work.

Mr. Steen: That is perfectly true, but that is another matter.

Since 1957, the rate of introduction of Government rules and regulations has increased steadily. The trend has accelerated during the past six years. This most recent trend has been caused by the Government's practice of introducing new rules and regulations—statutory instruments—under ministerial powers, following primary enabling legislation. In 1992, the Government introduced 2,439 statutory instruments. It is not surprising that, in the same year, 24,424 companies became insolvent. It was not just the recession; it was the impact of the plethora of rules and regulations on enterprise. Many of the rules and regulations emanate from this place, as well as Europe.

Each set of regulations develops a life force of its own. As it spins into orbit, it attracts lots of people around it. It is self-generating; it attracts more and more officials as it spins off into space. Officials will fight to the death to keep each regulation in place. Every time we introduce a regulation, either in this House or in Europe, we also introduce a new bureaucracy to service that regulation. Far too much stick and not enough carrot is given to companies to implement the rules and regulations.

The Prime Minister has already said that he intends to do something about reversing that trend, but the buck starts and stops in Westminster. Just as central Government are trying to make local government more

cost effective, so we need to apply the same rules to ourselves. I wonder whether machinery exists in the House to deal with central Government Departments that are churning out rules and regulations. Some hon. Members may say that the advantage of the Mastricht debate is that it is preventing the Government from introducing more and more rules and regulations.

I welcome both the Prime Minister's and the Government's intention, but we have to translate their belief into freeing up enterprise and reducing the amount of bureaucracy and the number of rules and regulations imposed on small businesses.

What is the problem? By privatising companies, we have produced two organisations: first, the provider of the service; secondly, the regulator. That has led to a new scenario. Water authorities used to provide both water and water services. They also used to be the gamekeeper. Today, the job of water authorities is to provide clean water and to free the sea from pollution. The job of the National Rivers Authority—the gamekeeper—is to scrutinise the work of the water authorities and to prosecute them if they do not comply. It is rather like a man with the stick chasing a dog.

The reason for the introduction of more and more rules and regulations and for their application with such ferocity and enthusiasm is because those two functions have been separated. We have not dealt with the effect of the introduction of the regulator.

The Audit Commission is breathing down the necks of local authorities. It spends most of its time pressing local authorities to increase their standards of performance. Some standards incur the more rigorous application of statutory duties and regulatory enforcement. Consequently, enforcement officers are more zealous when faced with target enforcement standards. It is the classic mistake of using input rather than output measurement —an increase in efficiency but not effectiveness. In general, the Audit Commission adopts a regulatory approach. That is a fundamental error, as there are other ways of encouraging British management and industry to comply.

The problem with negative enforcement is that it has resulted in a new approach that accepts accountability for compliance, with health, hygiene and safety standards, but oblivious to the current economic position. Rules and regulations shall be brought into force only when the nation can afford to do so.

How are we now to proceed? First, there are 70,000 rules and regulations on the books. We cannot repeal many of them. Furthermore, all these officials are implementing the rules and regulations. They would not give up their jobs lightly.

Secondly, we could starve the enforcement agencies, such as the National Rivers Authority or the local authorities so that they no longer had the money or the bureaucracy to enforce the regulations. The Chancellor of the Exchequer might find that approach attractive. He could save a lot of money by not providing resources to the enforcement agencies.

Thirdly, we could slow down the enforcement of the rules and regulations. We ought not to be the first of all the European Community countries to enforce the regulations. We should not necessarily be among the slowest, such as Greece and Portugal, but we should slow down the pace of enforcement. That would be extremely helpful.

Lastly, a new civil service culture is needed. That may be the result of the scrutiny team's recommendations. An announcement was made earlier this month that a team would be set up, and 500 small firms would be asked to tell the Government what should be done about the regulations from which they suffer.

Last year, red tape killed nearly 25,000 companies. Although I welcome the Prime Minister's initiative, I am concerned about how it will be translated into action. We shall be unable to compete with the rest of Europe so long as we smother business with rules and regulations which——

Mr. Deputy Speaker: Order. The hon. Gentleman's time is up.

8.46 pm

Mr. Bill Etherington (Sunderland, North): I appreciate being called to speak in the debate, Mr. Deputy Speaker, having been absent for so much of it. However, I heard the President of the Board of Trade's speech this afternoon, and it was like a trip down memory lane. He referred to the dissatisfaction of the Conservatives with what they inherited when they took office in 1979. I am surprised that he did not go back to 1924 and castigate Ramsay Macdonald, or to 1945 and castigate Clement Attlee. What has to be realised, above all, is that the Government have been in power for so long that they cannot castigate anybody else for what has happened. They have been in power for over half a generation.

My constituency is very depressed. The Budget has given no encouragement to many of my constituents. Nevertheless, I welcome three things. I welcome the fact that mortgage interest relief is to be reduced. I have long believed that property prices have been kept artificially high for many years because of mortgage interest relief. It would be a good thing if it were abolished altogether, although I realise that that will take time. I am also very pleased about the abolition of stamp duty on premises that are sold for less than £60,000. That will be very good for first-time buyers who are short of money.

Most important of all, I am pleased not so much by what is in the Budget as by what was left out of it, although the Chancellor of the Exchequer made a playful reference to it. He told us that there is to be no imposition of VAT at this time on reading material. I very much welcome that announcement.

We must view the Budget in the context of what has been happening in the past 14 years. It is an ironic coincidence that the Library issued a very good publication earlier this month. It could not have come at a better time. Research paper 92/93, entitled "The Burden of Taxation", points out that, since 1979, those who have been on above-average earnings have gained at the expense of those on below-average earnings. I recommend that Conservative Members read the document instead of trying to mislead the public by telling them otherwise. It is now possible for a person earning 150 per cent. of average earnings to pay a smaller proportion of his earnings in direct taxation than a person on average earnings.

Every hon. Member is well aware that indirect taxation, such as VAT, bears more heavily on the poor. I wish to comment especially on the proposed imposition of VAT on domestic fuel at 8 per cent. next year and at 17·5 per cent. in 1995. Hon. Members, and especially Ministers, probably will not notice the increase in their fuel bills. It is fine for them to say that it is a good system, but they have clearly not considered the low-paid. I am not talking only

[Mr. Bill Etherington]

about poor pensioners. Many pensioners have small pensions in addition to their state pensions, which takes them above the income support level. They will be hit especially hard, but 12 million people live below the European decency threshold, and they will be hit even harder.

It does not take much understanding to realise that many people whose incomes are not very high—perhaps both partners are having to work to give their children a reasonable standard of living—often live in premises that are not very well insulated. They do not always have a choice of fuel, and matters have not been helped by the fact that many councils have not been able to bring properties up to the required standard, because of a lack of cash. It is an indictment of the Government that they should consider a fuel tax when there is already so much fuel poverty. It is no exaggeration to say that, every year, people perish from hypothermia, largely because of the cost of fuel but also because many premises are not up to standard.

I always remember a good comrade of mine saying many years ago that one can always judge a society by the way it treats its very old and very young. Just as many pensioners will suffer from this pernicious taxation, so many young people will also suffer. It does not bear thinking about.

One of the most annoying aspects about the proposal is that, during the so-called boom years, many of those on above-average incomes did very well, and it seems only right and proper that, when the country runs into more stormy times, they should be expected to pay a little more, not less. Once again, the Government have shown just what sort of Government they are, how unfair and unjust, and how little respect they have for those who create the wealth, who are not necessarily those on high pay—indeed, I suggest, just the opposite.

It must also be said that the fuel tax will affect charities. It is worth bearing in mind that, because of the failure of so many of the Government's social policies, more pressure is being put on charities. Charities will not be able to claim back the extra VAT that they will have to pay on fuel, and they will also suffer a loss of income tax relief on their investments.

I may not know as much about finances as most Conservative Members, but I have been involved with charities. I know how they work, and I know that there often is a very thin line between them continuing to exist and having to wind up. I am very much afraid that the imposition of VAT will cause charities to suffer badly, especially those charities looking after old people, which will have to bear a disproportionate burden because of heating costs.

There has been a tremendous amount of hypocrisy about the green effect of the proposal, and about our having to meet emission standards. If this country were sincere about meeting those standards, we would be spending money to ensure that all properties were properly insulated; we would be doing something about transferring freight and passengers from road to rail; and we would be investing in tram systems to take buses off the road. We would also be interested in combined heat and power schemes as an alternative to the seedy system of so-called competition in the electricity generation and distribution industries, which, in addition to being monopolistic, have a vested interest against the efficient use of energy. Only when such measures are contemplated will I begin to believe that the Government are sincere in trying to meet their obligation to do something about emissions.

8.55 pm

Mr. Patrick Cormack (Staffordshire, South): I did not expect to have the pleasure of participating in this debate, but I am glad to do so, if only briefly.

I congratulate my right hon. Friend the Chancellor on an extremely innovative and thoughtful Budget. I am especially glad to be able to do that, as he is a very old friend of mine, and it is good to see him produce a Budget which will be something of a landmark Budget. He has been especially helpful to small businesses and, in spite of what the hon. Member for Sunderland, North (Mr. Etherington) said, he has done a great deal for charities, not only in this Budget but in a series of Budgets.

I am delighted that my right hon. Friend has come into the Chamber. I wish to appeal to him on the subject that has occupied many of the headlines in the past few days—his understandable but controversial decision to impose value added tax on domestic fuel. I understand what prompted him to do it, and I appreciate that there must have been a great deal of mental wrestling in deciding where revenue was to be raised. Of course, many of us would have been up in arms had he put VAT on books and newspapers. Whatever he had decided to do, he would undoubtedly have been the target for some criticism.

However, I ask my right hon. Friend to think very carefully in the year ahead. We have a year before any VAT is imposed on domestic fuel. It will first be imposed at 8 per cent., and will not reach its 17·5 per cent. level for two years. My right hon. Friend is well aware, as we all are, of the particular plight of the elderly. I worry very much about how many of them will be able to cope with a rate of 17·5 per cent. We have had assurances from the Prime Minister and others, for which we are grateful, that something will be done to compensate, but it has not been spelt out carefully or clearly enough. We want to know the full details as soon as possible.

I am confident that something will be done adequately to compensate those who are on benefit, but I point out that many elderly people do not qualify for benefit—through their thrift and frugality they have been able to look after themselves, and they take great pride in that. It is on them that the burden will fall with especial and peculiar severity.

I suggest to my right hon. Friend that there is a good solution. I have felt for a long time that there is a case for two-tier VAT. If my right hon. Friend puts 8 per cent. on domestic fuel next year, he should leave it at that. He should not raise the figure to 17·5 per cent. in the subsequent year. If the rate remains at 8 per cent., it will be far easier to cope with in terms of the increase in benefits. It will also be easier for those who do not have recourse to benefits to budget for the increase.

My right hon. Friend could also set a useful precedent. I fully agree with him that it is a fundamental belief of our party that we should increase indirect rather than direct taxation. However, many people feel that 17·5 per cent., on whatever it is levied, is a high level of VAT. It is certainly a high level on fuel, one of the basic necessities of

life. I completely comprehend the green argument, and I was interested to receive from Friends of the Earth a paean of praise for the courage of my right hon. Friend——

Mr. Patrick Nicholls (Teignbridge): Surely not.

Mr. Cormack: One can echo that to a degreee. Friends of the Earth are not always right.

In congratulating my right hon. Friend on what he has done and in thanking him for producing a far-reaching and innovative Budget, I say to him as a very old friend, "Please think again about VAT at 17·5 per cent. on domestic fuel, especially as it affects our elderly citizens."

9 pm

Ms Harriet Harman (Peckham): I welcome the comments of the hon. Member for Staffordshire, South (Mr. Cormack). The way in which he, on behalf of his constituents, can get the Chancellor to think again about imposing VAT at 17·5 per cent. on gas and on electricity is to join us in the Lobby tonight and to vote against that proposal.

This is a Budget of betrayal and of failure. It betrays the hope of the unemployed and it fails to set the economy on course for growth and investment. It puts up everyone's taxes to pay for the Tories' economic mistakes and it is unfair. Those who will pay most are those who can least afford it.

The Tories' election promises on public services are now also threatened by spending cuts. The Tory manifesto promised that health spending would be increased year on year, that there would be more police on the beat, that there would be more nurseries and more help for students, and that pensions and child benefit levels would be protected. Yet it is to consider precisely those areas that the Chief Secretary is now to preside over a review of the Department of Health, of the Department for Education, of the Department of Social Security and of the Home Office. If the Tories can break their promises on taxation, how much easier they will find it to break their promises to defend a welfare state which few of their families use and which many of them despise.

The Budget not only threatens vital services and fails to set the economy on course for jobs, for investment and for growth—it breaks the Tories' central election pledge to reduce taxes. The economy needed a Budget for jobs and for economic recovery. We should have had a Budget to break out of the vicious circle of unemployment, of waste and of decline. We should have had a Budget which forged a new cycle of skills, of productivity and of growth.

In the past 14 years, manufacturing has grown by 50 per cent. in Japan and by 25 per cent. in America, but in Britain it has barely grown at all. We are falling behind on investment. The German industrial worker is backed by an average of £4,000 capital investment. The Japanese worker is backed by an average of £6,000. The British worker has only £2,500 capital investment behind him.

We are also behind on skills. West Germany, Japan, Hong Kong, Singapore, Taiwan and South Korea have more of their young people at college and in further education than is the case in Britain. The competitive edge of an economy will be the skills of its people, so falling behind on skills and leaving people unemployed is not only a waste of people's individual talent and potential—it means that we shall fall further behind as economies compete in future.

We are also behind on research and development. Japan sees eight times as much of its profits ploughed back into research and development as we do. The fragile state of our manufacturing industry was revealed in the *Sunday Times* leak of the Department of Trade and Industry report, which the Government still refuse to publish—indeed, they still deny the facts that were clearly set out in it.

Mr. Geoffrey Hoon (Ashfield): Does my hon. Friend agree that we get a lot of lectures from Conservative Members about the success of Japanese companies investing in the United Kingdom but that they rarely mention the fact that, threatened by recession, the Japanese Government have invested £40 billion to try to ensure that Japan remains competitive? Why are the British Government not trying to do the same?

Ms Harman: I agree with my hon. Friend. Japan and the United States are investing and the EC wants to invest; the British Government alone, it seems, are blind to the lack of investment in our economy and try to tell us that everything is perfectly fine.

Mr. Nicholls: As the hon. Lady applauds a Government investment of £40 billion, will she now tell us what she thinks the public sector borrowing requirement should be?

Ms Harman: The high level of the PSBR is the result of high unemployment and a failure in our economy. What we would do is to bring down unemployment, introduce a proper strategy for industry and growth and bring down the PSBR. The PSBR is too high as a result of the failure of this Government's economic policy and particularly as a result of their allowing unemployment simply to grow.

Mr. Peter Thurnham (Bolton, North-East): The hon. Lady blames the Government for unemployment. Is it not a fact that every Labour Government who have ever been in power have left unemployment higher than when they came to power?

Ms Harman: Unemployment has more than doubled since 1979. It increased by 61 per cent. between December 1990 and December 1992. We have the highest rate of increase in unemployment in the European Community.

The Tories' economic judgment has been wrong throughout. They have been wrong about the fact of the economy going into recession. They have been wrong about the impact of the recession—particularly on our beleaguered manufacturing industry. They have been wrong about the length of the recession and they have been wrong about the depth of the recession. In 1989, the Prime Minister—then the Chancellor—said:

"I do not believe that a recession is likely".

In September 1990, in true King Canute style, he said:

"We are not in recession".

As soon as the Tories acknowledged that Britain was in recession, they began predicting the end of the recession. In December 1990, the Chancellor told the Select Committee on the Treasury and Civil Service that the recession would be

"relatively short-lived and relatively shallow."

Now, as unemployment remains at more than 3 million, with predictions in the Budget statement that 200,000 more people will lose their jobs by the end of this year, and when the prospect ahead is a yawning trade gap, we are told that we have had a five-star week for the economy.

[Ms Harman]

The Government have repeatedly had to revise their figures on the economy as, time and again, predictions of growth have been too high and predictions of national debt too low. While the Chancellor has become famous as the star of the movie, "Honey, I Shrunk the Economy", the Chief Secretary to the Treasury is now breaking box office records with the sequel, "Honey, I Blew Up the PSBR".

The human cost of unemployment is painfully high, with families and communities around the country blighted, but unemployment is also taking its toll on the public purse. It costs the taxpayer £9,000 per unemployed person per year in benefits paid out and lost tax revenue. The annual bill for keeping 3 million people who want to work unemployed is £270 billion a year. No wonder public finances are in a mess.

While unemployment has risen, training programmes have been cut and the Budget offers extra help to only half the people who are expected to lose their jobs by the end of this year. The net new money that the Government have agreed for schemes to help the unemployed—schemes which were trumpeted before the Budget—simply has not materialised. The figure is only £125 million. Since 1987, the Government have cut £1·5 billion in real terms from spending on training and help for the unemployed. As unemployment has increased, the Government are hardly creeping back to the situation which existed before the cuts.

Businesses have gone to the wall. There were 63,000 insolvencies this year, an increase of 31 per cent. since 1991. Against that background, the Department of Trade and Industry has suffered cuts. As my right hon. Friend the Member for Ashton-under-Lyne (Mr. Sheldon) and my hon. Friend the Member for Wolverhampton, North-East (Mr. Purchase) explained, the Budget does nothing for business. In fact, it anticipates a fall in business investment this year. It anticipates that there will be £400 million less invested in business this year than was invested last year.

The President of the Board of Trade referred to a survey by the Institute of Directors as optimistic; yet that survey shows that half its members plan no investment this year. We would not be in this situation if the Government had taken the action that Labour has urged. Unless there is increased investment in capacity, skills and technology, British industry simply cannot recapture the markets that have been lost at home and abroad.

Mr. Nicholls: The hon. Lady talks about our losing markets at home. Will she bear in mind the fact that, as a result of the social chapter, we are actually gaining markets from overseas countries?

Ms Harman: Countries in the rest of the European Community which believe that it is important to have high-skill, high-wage, high-tech economies are going ahead of us. There is no future for our economy if it is a low-wage, low-skill economy competing with under-developed countries.

Unless British industry is competitive, the trade deficit will grow and there will be no hope of a sustainable reduction in the PSBR. Raising taxes without tackling unemployment and industrial decline merely deals with the consequences of the economic problems we face. It does not deal with the causes.

The Government have not suffered from a shortage of public money. They received £115 billion in revenue from North sea oil and £62 billion in privatisation receipts, but that has all been frittered away. If the Government are hemmed in now—as they are—it is not as a result of lack of public money in the past. Rather, it is the result of a complete absence of ideas for the future. While our competitors invested, the Tories gave tax handouts to the rich. They were also content to see more and more millions paid out in benefits for the growing dole queue which they believed was a price worth paying. They have broken their promises, increased taxes and failed on the economy.

In this Budget, the Government have sought to remedy the soaring public debt by raising taxes. Public debt is soaring as a result of the Government's mismanagement of the economy. The high level of public borrowing is a consequence of their economic failure, not a cause of it. This is a Budget in which everyone else has to pay for the Tories' mistakes. However, they still have not learnt from those mistakes.

As my hon. Friend the Member for Sheffield, Attercliffe (Mr. Betts) said, this is a Budget of yet more broken promises. Before the election, the Chancellor said:

"We will not have to increase taxes."

He went further and said:

"I cannot see any circumstances in which that will be necessary."

Before the election, the Prime Minister said:

"We have no plans to increase value added tax."

Indeed, he went further than that and said:

"There will be no VAT increase."—[*Official Report*, 28 January 1992; Vol. 202, c. 808.]

and he repeated:

"We have no need and no plans to extend the scope of VAT."

Dr. Liam Fox (Woodspring): As the hon. Lady finds it so unpleasant to raise taxes, will Labour now give a definite pledge to revoke the VAT—*[Interruption.]*

Ms Harman: Could the hon. Gentleman repeat his question? His hon. Friends were shouting and I could not hear him.

Dr. Fox: I am glad to give the hon. Lady more time to think about my question. We have had a lot of confusion from Labour Members in the past week about whether a Labour Government would revoke the VAT on fuels. Can the hon. Lady clear up the confusion and give the House and the country a clear answer—would a Labour Government revoke the imposition of VAT on fuels?

Ms Harman: The question before the House tonight is whether those Conservative Members who promised their constituents that they would not increase VAT and extend its scope will vote against the VAT increase. During the election campaign the Prime Minister said:

"We have no plans and no need to extend the scope of VAT."

Labour Members will vote against the measure tonight to make the Government keep their election promises.

The Prime Minister also said:

"I have no plans to raise the top rate of tax or the level of national insurance contributions."

In the first Budget after the election, the Government have increased taxes and national insurance contributions and put VAT on gas and electricity. It is hard to overstate the cynicism and betrayal that that represents.

The pledges on VAT and national insurance were not side issues: they were the centrepiece of the Conservative election campaign to cut taxes. It was put precisely by the President of the Board of Trade in a Conservative election release of 21 March 1992:

"This election in the first week is about tax, in the second week is about tax and in the third week is about tax."

Following the re-election of the Conservatives, we know that the first year is about tax, the second year is about tax and the third year is about tax.

Mr. John Bowis (Battersea): The hon. Lady and her party will vote against taxes, especially the tax on domestic fuels. Can she now tell us whether a Labour Government would repeal it?

Ms Harman: I have made it absolutely clear that we shall be voting against the imposition of VAT on gas and domestic fuel. We shall not support the Government in breaking their promise—and if the hon. Gentleman had any conscience and sense of accountability to his constituents, neither would he. *[Interruption.]*

Mr. Nicholls: On a point of order, Mr. Deputy Speaker. I cannot hear whether a Labour Government would repeal the imposition of VAT or not.

Mr. Deputy Speaker: Order. The noise seems to be coming from both sides of the House.

Ms Harman: If 11 Conservative Members voted against the measure, it would be defeated. I hope that that will happen tonight.

The pledges were echoed in speeches and Tory political broadcasts nightly: "You can trust the Tories—they won't put up your taxes." No one can be in any doubt now—the Government have put up taxes and they can never be trusted again.

Last week the hon. Member for Brigg and Cleethorpes (Mr. Brown) boasted that the Chancellor had sought his views. If ever we were in any doubt about the Chancellor's judgment, there is the evidence. The hon. Gentleman told us:

"The only thing I asked my right hon. Friend"—

the Chancellor—

"to do was tax, tax hard, tax heavily and tax as soon as possible."—[*Official Report*, 17 March 1993; Vol. 221, c. 317.]

That is not what he told his constituents when he asked for their votes less than a year ago. I shall give him the opportunity to remind the House what he told his constituents before I quote from the election special in the *Evening Telegraph*.

Mr. Michael Brown (Brigg and Cleethorpes): The hon. Lady should be aware that, since 1979, I have always told my constituents that, when it comes to a public sector borrowing requirement, we will have none of it.

Ms Harman: Curiously enough, I find it difficult to reconcile that with what the hon. Gentleman said in the Grimsby *Evening Telegraph* in the election special headed "The Last Words". The hon. Member for Brigg and Cleethorpes, seeking election, said:

"Only a Conservative Government can continue the process of empowering the people with lower taxation."

Not only have the Government broken their election promises, but they are hitting the poor hardest. When money is to be given away, the Tories give it to the richest. When money is to be taken, they take it back from the poorest. Chancellor Lawson gave £6 billion to the richest in 1988, and £6 billion is to be taken back in 1993 by the present Chancellor from everyone. The department of applied economics at Cambridge has calculated that all households will eventually be hit, but the full implementation of the measures over the next three years will cost the poorest tenth twice as much as the wealthiest tenth.

Mr. Ian Bruce (South Dorset): When Labour presented its Budget for jobs—eight pages of A3—why were the only proposals for taxation a tax on water, a tax on gas, a tax on electricity and a tax on telephones? Why is Labour's so-called windfall tax, which would have hit both industry and the poor, good for Labour while the tax which has been introduced by the Conservatives, which will protect the poor, is somehow flawed?

Ms Harman: That neatly illustrates the difference between Labour and the Government. We suggested using the accumulated profits. That would have had no impact on the ordinary consumer whereas the Government tax ordinary people, including pensioners and the low-paid, in order to protect the vested interests of their friends whom they put on the boards of the privatised utilities.

Taken together, the Budget's proposals for 1p on national insurance contributions, 17·5 per cent. VAT on fuel, a real cut of 2·6 per cent. in tax-free allowances, the limiting of the married couple's allowance to relief at 20 per cent. and the reduction of mortgage tax relief to 20 per cent., impose a tax increase on all households. Most will lose about 2 per cent. of their income in extra tax under the measures in the Budget, but on average the 10 per cent. of households with the highest incomes will lose less than 1·5 per cent. of their income while those with the lowest 10 per cent. of income will lose twice that and 3 per cent. extra of their income will go in tax.

The increase in tax will begin in April this year when 200,000 people who currently do not earn enough to pay tax start to pay it for the first time. Not only has the Chancellor increased taxes, but those least able to pay will pay most and those most able to pay will pay least. As my hon. Friend the Member for Pendle (Mr. Prentice) said, the 1p increase on national insurance will mean that half a million people who do not earn enough to pay income tax will have to pay an extra 1p in the pound.

The Financial Secretary owned up on the ITN "Talking Points" programme on Wednesday when he explained to us why the richest must pay least. He said:

"We mustn't kill the goose that lays the golden egg."

That is the discredited trickle-down theory of economics. But while trying to protect the geese which at some future date may lay some golden eggs, the Chancellor has refused to answer the concern that the poorest will be hit by the increase in their fuel bills.

Let us examine what Ministers have said about compensation for pensioners and people on low incomes. There has been Government confusion before breakfast, before lunch and before dinner. The next day we get up and the Government are in confusion again. On Tuesday the Chancellor said that he would take the VAT rise into account. On Wednesday the Chief Secretary said that it was all a matter of swings and roundabouts. On Thursday the junior Social Security Minister said that the rise was

[Ms Harman]

nothing special and not out of the ordinary. By lunch on Thursday, the Social Security Minister said that extra help would be provided. On Sunday, the Chancellor ruled out full compensation as too expensive and too complicated.

So what is the Government's position? We know that that they have to compensate people for the rise in retail prices. They must give us a commitment tonight that they will compensate pensioners and people on low incomes in full for the rise in value added tax. Pensioners and families on low incomes spend £1 in every £7 on fuel. The average bill is £12 per week, so for many people VAT will mean up to £2 more per week on their fuel bill. Will the Chancellor compensate them in full? Will he not just say that there are swings and roundabouts, but compensate in full? Will he not just dismiss it as nothing special, but compensate in full? Will he not just give extra help, but compensate in full?

The Government went to the electorate with a commitment. They did not say that they had no plans to raise VAT; they said that they would not raise it. When they went to the electorate, they did not say that they might not raise VAT; they said that there were no circumstances in which they would raise it.

Mr. Forman: Will the hon. Lady give way?

Ms Harman: No, I have given way at least eight times and I shall not do so again.

If Conservative Members vote with the Government this evening they, too, will be guilty of breaking their election promises and no one will trust them again. Having said that they would not put VAT on fuel, they did so. Having said that there will be compensation, they are refusing to say how much. How can people trust them? The Government expect the House to vote for tax measures that we know will hit the poorest, but they have given no details of the compensation scheme. I suppose that we are expected simply to take them on trust.

Mr. Forman *rose——*

Ms Harman: I shall not give way.

Mr. Forman *rose——*

Mr. Deputy Speaker: Order. The hon. Lady has made it clear that she is not giving way.

Ms Harman: Last Wednesday, the Chief Secretary to the Treasury explained to the House how those promises came to be broken. He said that the Government had not intended to put up VAT, or to increase national insurance contributions. After the election, no one was more surprised than the Government to discover that the recession went from bad to worse—for reasons which were quite out of their control, of course. So the Government put VAT on gas and electricity and increased national insurance contributions, and the Chancellor told us that that was the plain truth. What are we to make of that?

The Chancellor also blamed circumstances beyond his control for the state of the economy in an interview with *The Independent on Sunday* on 14 March, when he said: "what I think happened last year was that the situation deteriorated very much internationally".

But the Treasury forecast for the economy cannot have been blown off course because in the 1992 Budget forecast just about the only prediction that the Government got right was about the world economy. Either their judgment about the economy was disastrously wrong, or they were practising the politics of deception, or they made those promises without bothering much whether they would be in a position to honour them.

They used to say that George Washington could not tell a lie and that Richard Nixon could not tell the truth. Our Prime Minister cannot tell the difference. Under this Government, it is not merely the pound that has been devalued, but democracy itself.

If the Government's economic judgment was so disastrously wrong, why should the British people ever trust them again? They stand condemned not only for an unforgivable lack of foresight, but because they did not have the wit to listen to people who were warning them about the true state of the economy. Did they engage in deception, or did they fail to understand what was happening in the economy? The answer probably lies somewhere in between the two. The Government have such contempt for the electorate that they did not care whether they would be in a position to stand by their promises, just so long as they got in again.

There does not appear to be any sign of anguish on the Government Bench—no sign of regret for breaking their promises. The brows of the Chancellor and of the Chief Secretary remain unfurrowed. In fact, they have both been smirking their way through these debates and through radio and television studios. They think that they have pulled a fast one on the electorate and that they will be able to get away with it. It is the true sign of a party that has been in government too long when it sees the democratic process as nothing more than something to be manipulated to secure one more term of office. The British people will not be treated with such arrogance and contempt, and the party that did it will never stop paying the price.

I suggest to Tory Members, particularly those on the Back Benches, that if they have a conscience, now is the time that they should examine it. Tory Members have a choice tonight: what we have before us is an election fraud, and they can either go along with it or reject it. They can either follow discredited Ministers through the Lobby, or they can keep the promises that they made to their constituents and vote with us against the Budget.

9.30 pm

The Chancellor of the Exchequer (Mr. Norman Lamont): This is the fourth day of the Budget debate. Inevitably, I have been unable to listen to all the speeches, but I have read the *Hansard* reports of all the speeches that have been made hitherto.

Almost everyone has acknowledged that the Budget was framed against exceptionally difficult circumstances. That was the theme of the speeches made by my hon. Friends the Members for Aylesbury (Mr. Lidington) and for Staffordshire, Moorlands (Mr. Knox). I have had to make some very difficult decisions and face up to some very unpalatable choices. We know that the Labour party can never face up to difficult decisions.

Above all, in framing my Budget, I believe that I had to do two things. First, I had to ensure that nothing should damage recovery this year. Secondly, I had to address the problem of mounting Government debt to ensure that the nation's finances are put on a sound footing for the future.

I have no doubt that, unless Government borrowing is kept under firm control, it will be the biggest threat to sustained recovery in the 1990s. That was the theme of the speeches of my hon. Friends the Members for Rutland and Melton (Mr. Duncan), for Brigg and Cleethorpes (Mr. Brown), and for Cirencester and Tewkesbury (Mr. Clifton-Brown), who made a powerful speech—one which his predecessor, Lord Ridley, whom we remember with affection, would have agreed strongly with and commended.

Beyond those two specific objectives, I also wanted to show the country that the Government have a clear strategy for getting Britain back on the road to sound finance. As I said, that is the way in which to sustain recovery. That is the lead for which I believe the country was looking, and it was given in the Budget.

I have spelt out the tax and revenue plans not just for one year, but for three. With public spending ceilings now firmly established for the years ahead, I have laid down a medium-term fiscal strategy to match our medium-term financial strategy. I have made it clear that the strategy should be legislated for as far as possible in this year's Finance Bill so that it should carry credibility with the markets.

The result of my measures will be to reduce borrowing over the years by up to 1·5 per cent. of GDP and to cut the deficit by more than half in the next five years. Difficult decisions are involved, but those reductions represent a considerable step towards addressing the problem that must be addressed today.

In the year ahead, I have been able to give extra help to industry, so strengthening the recovery in its early stages. The Budget contained a huge variety of measures to help business in the short-term. First, there are measures to help the self-employed and small businesses, which have played such a crucial role in the past in the British economy and which can, again, lead us out of recession in the 1990s.

I doubt whether there has even been a Budget that has contained such a wide range of deregulatory measures that will sweep away so much of bureaucracy and red tape, which are extremely aggravating to, and time-consuming for, so many small businesses. I know from the speech of my hon. Friend the Member for South Hams (Mr. Steen) that that is of particular interest to him.

There are proposals to lessen the burden of the statutory audit. I am also making far-reaching changes to the VAT penalty regime—moving from a regime of automatic penalties to one that is more discretionary. I know that those changes will relieve much of the burden and many of the anxieties felt by many small business men. The changes have been widely welcomed by the organisations for small businesses.

I have proposed to introduce self-assessment for up to one third of all taxpayers. My right hon. Friend the Member for Old Bexley and Sidcup (Sir E. Heath) was worried that some people might find that difficult, but there is a choice. There is no compulsion over the matter. However, I believe that many people will find it an attractive option. It goes together with the drastic simplification of the taxation of the self-employed that I announced at the same time. Taken together, those proposals represent the most fundamental reform to the administration of tax since the pay-as-you-earn system was introduced in 1944.

I announced proposals for extending and improving the loan guarantee system in a way to give an added incentive to fixed-rate borrowing, of which there is too little in this country. Over future years, it could give stability and security for small businesses.

Those measures add up to formidable package of help for small businesses. It was welcomed by my hon. Friends the Members for Cambridgeshire, South-West (Sir A. Grant), for Ribble Valley (Mr. Evans) and for Surrey, North-West (Sir M. Grylls), who rightly called it a five-star Budget for small business. One might have thought that the Opposition would welcome at least one of the measures, but they did not welcome any of them.

I have introduced a range of measures to help larger British businesses. The first of those is a massive increase in the Export Credits Guarantee Department facilities for companies operating in the most important and fastest-growing markets around the world. As a result of what I announced on Budget day, British firms will be able to go out and compete knowing that they do so on equal terms with their competitors.

Secondly, I introduced measures to deal with the admittedly highly technical problem of advance corporation tax. My hon. Friend the Member for Surrey, East (Mr. Ainsworth) said that he thought that he noticed some fluttering of the eyelids among hon. Members during that part of the Budget speech. That may be so, but, nevertheless, the proposals responded to great concern and were of great interest to some of the international businesses that operate in this country. The proposals will help to make Britain an even more attractive location for inward investment than it already is. I also took action over the uniform business rate to ensure that no business will face a real increase in rates this year. That will help 800,000 premises, many of them in the south, whose owners have given the move a warm welcome.

Finally, I made announcements about some private infrastructure projects, including the channel tunnel rail link. Those announcements have been widely welcomed; they followed on from the policy changes that I announced in the autumn statement. As my right hon. Friend the Member for Guildford (Mr. Howell) said, they will enable this country to do what many other countries do: tap private savings in order to finance large infrastructure projects in cities and elsewhere.

Those are substantial measures. Therefore, it is little surprise that, contrary to what the hon. Member for Peckham (Ms Harman) said, the Budget was warmly welcomed by organisations representing British industry and commerce. We heard a few quotations from Opposition Members who have tried to find the odd organisation here and there with critical views of the Budget. In a Budget that raised revenues by £6·5 billion and £10 billion, it would be surprising if somebody did not have something critical to say.

The list of organisations that have given a warm welcome to the Budget include the Confederation of British Industry, the Association of British Chambers of Commerce, the Institute of Directors, the Society of Motor Manufacturers and Traders, the Council of Mortgage Lenders, the Forum of Private Business and the Federation of Small Businesses. The chairmen and chief executives of many individual companies went on record as welcoming the Budget. They included GKN, GEC, Coats Viyella, Abbey National and BP. They are some of the most successful companies in the country, and they know that this Budget is good for them and good for business.

Mr. Stuart Bell (Middlesbrough): Will the right hon. Gentleman deal with a significant point that I have not heard mentioned so far? Value added tax is a tax on value added, obviously, for those who wish to buy goods. Why, then, did he use VAT on heating and fuel bills to hit poor people who need to use electricity anyway?

Mr. Lamont: Much of this debate has centred on that very point—my decision to extend VAT to domestic fuel and power. I fully recognise the concern felt about the effect that these proposals will have on poorer households, particularly those of poorer pensioners. That is why I clearly stated in my Budget speech that we fully intend to give extra help to those on income-related benefits, over and above the automatic impact on pensions and other benefits through the higher retail prices index. I wholly understand the anxiety of some households, but we have clearly said that we will bring forward the uprating of income-related benefits so that the extra help that we provide will be available at the time that it is needed—before the increased fuel bills arrive next spring.

Mr. Gordon Brown (Dunfermline, East) *rose*——

Mr. Lamont: This party has an excellent record of helping the worst-off, not by keeping expensive, across-the-board subsidies, benefiting both rich and poor, but by doing what should be done in any modern welfare state: targeting the resources on the most needy and the worst off. That has been our priority. No Government have done more for poorer pensioners and families with children——

Mr. Brown: Will the Chancellor accept that he said during the election campaign that there would be no circumstances in which a VAT increase would be imposed? Will he give us a straightforward answer to a simple question? Will he compensate pensioners and others on low income in full—yes or no?

Mr. Lamont: I have explained exactly what we are doing, and I assure the House that it will be our intention to protect the poorest people in the country. *[Interruption.]* The hon. Gentleman can shout all he likes. We do not want to put poorer people in a position in which they cannot pay their fuel bills because of the changes. We have made it clear that we will adjust the income-related benefits. We have an excellent record on that, and since 1988 we have provided additional help for less well off pensioners and disabled people—help that will be worth about £700 million in real terms next year. We have continued to increase the income-related benefits even while average fuel charges have been falling, by more than 8 per cent. in real terms since 1986. There is still downward pressure on domestic electricity and gas bills.

Because of these reductions, my proposal to put VAT on fuel will not necessarily mean that prices rise by anything like 17·5 per cent. over the next three years. Those on income support will also be able to keep the additions made to their benefits to reflect their liability to pay 20 per cent. of the community charge, even though they will not be required to make any contribution to the council tax. That alone is worth £2·80 to a married couple and £1·60 to a single person from next month. That shows our commitment to looking after those who are worst off.

Mr. Gordon Brown: Why cannot the Chancellor give a straightforward answer to a simple question? Does he not understand that it is because he fails to do so that no one in the country trusts him? Will he compensate pensioners and others on low incomes in full—yes or no?

Mr. Lamont: I have answered the question. I will take no lectures from a party which, when in government, put up electricity bills by 30 per cent. in real terms. We know who the Minister at the Department of Energy was at the time. It was the Leader of the Opposition. That was what he did for poorer people then; what price his rhetoric now?

Mr. John Smith: The Chancellor has been asked a very simple and clear question—will he compensate pensioners in full? Why cannot he say yes or no?

Mr. Lamont: The right hon. and learned Gentleman, as always, cannot face up to the facts of his own record. I note that when he put forward his manifesto for the leadership of the Labour party, he even told us in his election address:

"We should . . . consider the increased use of the fiscal system to promote environmental protection and conservation."

According to the Opposition, the idea of VAT on fuel and power never crossed their minds; they never considered it. How strange it is then that, in their policy document "Looking to the Future", under the heading "Value Added Taxation", they say:

"Zero rating on items such as food, fares, books and children's clothing should remain."

But where, the country will want to know, was fuel and power—the zero rate that did not bark? I expect that the right hon. and learned Gentleman will tell us that it was a typing error. The trouble is that in the very next sentence the document says:

"we will look at ways of . . . increasing taxes on environmentally damaging products."

This Government went to the environmental conference in Rio, fought for a reasonable and achievable deal, and have taken steps to reach it. The Opposition have wrapped themselves in greenery and chanted incantations about global warming, yet they now oppose the very steps that we are taking to deal with that. They are the people whose word means absolutely nothing.

Mr. Morgan: The Chancellor cannot have it both ways. At one point he told us that the reason for the imposition of VAT on domestic fuel was the unexpectedly high increase in public sector borrowing subsequent to the election, of which he was wholly unaware at the time of the election. What he has just said directly contradicts that: he now says that the Rio summit is the reason. If my memory serves me right, the Rio summit was held before the election. Which is it?

Mr. Lamont: The hon. Gentleman is completely wrong; the Rio summit was in June last year.

As always, the most important question asked in the debate was the one asked not by the Opposition, but by Conservative Members. It was the question posed by my right hon. Friends the Members for Shropshire, North (Mr. Biffen) and for Westmorland and Lonsdale (Mr. Jopling)—whether the action that I propose in the Budget is extensive enough and early enough to meet the objectives that I have set. That is the real question and it is precisely the most difficult and central matter on which I had to make a judgment.

I very much took the view taken by my right hon. Friend the Member for Worthing (Sir T. Higgins) and my

hon. Friend the Member for Woodspring (Dr. Fox), that we had to take account of the fact that confidence had been knocked hard by the length of the recession and that large tax increases too early would undermine recovery. Therefore, in my opinion, it was right not to raise taxes this year, but to go for a neutral Budget which, as my hon. Friend the Member for Woodspring said, would increase taxation as economic growth gets fully under way. I believe that to be a reasonable and appropriate reaction to the position that we face.

For those of us on the Conservative Benches, raising revenue is never a welcome task; it is something which we consider only when that is vital for the public finances. In this Budget, I had in mind two objectives in deciding how to raise revenue—first, that my particular tax measures should not hit particular sectors that would impede recovery; secondly, that the tax changes that I made should be sensible tax reforms in their own right. For that reason, I concentrated on tax measures that accord with the philosophy of this Government and of this party—that is, rather than increasing marginal tax rates, I concentrated on broadening the base of the tax system and on reducing the value of allowances.

Above all, I reconfirmed in many of my changes—particularly the reduction to 20 per cent. of certain allowances—our commitment as a Government to getting the basic rate of income tax down to 20p in the pound eventually. That remains our target and our objective.

As my hon. Friend the Member for Bridlington (Mr. Townend) pointed out, raising revenue is just one side. We must look additionally at public spending, which must also be expected to take part of the strain. We made a start on that process in last year's autumn statement. The settlement that we achieved then shows that the growth of public spending will be under control, because the growth in the new control total is set to be below the trend growth in the economy as a whole. The long-term review of public spending under my right hon. Friend the Chief Secretary is designed to address the problem.

If we want to control public spending, we must continually re-examine each and every Department and function of government and question whether it is appropriate and necessary to continue with it today.

This Budget is genuinely addressed to meeting the problems of the country. It is not something which Labour would ever understand because it is a Budget designed to do what is right—not to curry favour or popularity. It is a Budget designed to give the country hope for the future, by giving a clear lead.

What has been Labour's reaction? In four days of debate, we have heard not one word of policy. The hon. Member for Dunfermline, East (Mr. Brown) seems to have made a conscious decision not to have a policy. He is the first shadow Chancellor to give an hour-long speech about the economy, as he did the other day, without ever mentioning monetary or fiscal policy.

In all the hon. Gentleman's outpourings, sound bites, new approaches, fresh starts, agendas for the 1990s and new beginnings, he has not told us whether he thinks that Government borrowing is too high, too low or just right. The hon. Gentleman cannot tell us whether taxes are too high or too low. In four days of debate, the hon. Gentleman has not produced one constructive suggestion.

Since the hon. Gentleman became shadow Chancellor he has, we are told, made two important speeches about the economy. One was about agriculture. It was an interesting speech, but the hon. Gentleman is certainly the first would-be finance Minister to talk more about the suckler cow premium than about narrow money.

What of the hon. Gentleman's right hon. and hon. Friends? The right hon. and learned Member for Monklands, East (Mr. Smith) had just one suggestion. Replying to my Budget statement, he said that I should abolish Budget purdah. That certainly would not affect him very much, because the right hon. and learned Gentleman does not have any policies to hide.

All we heard from Labour in the debate was endless whining and harking back to the last general election. The right hon. and learned Member for Monklands, East is the last person who should complain about the general election. He did not do badly out of it. First, he lost the election for his party with his own tax proposals—then had himself made party leader as compensation.

If Labour wants to talk about the last general election, let us talk about it—I am happy to do so. The Labour party, as always, needs to have its myths if it is to exist. We heard in the debate the myth that somehow Labour was cheated at the last general election. In 1992, as in 1979, the Conservative party was elected as the party of sound finance and of low taxation—particularly low direct taxation. In 1979 and in the two years thereafter, the needs of the times dictated a rise in taxes. That happened in 1979 and 1981, but once we had borrowing down, taxes and spending were steadily reduced as a percentage of gross domestic product.

Mr. John Smith: Does the right hon. Gentleman remember saying, during a Channel 4 news broadcast—*[Interruption.]* I know that Conservative Members do not want to hear this. He said:

"We will not have to increase taxes. I cannot see any circumstances in which that will be necessary."

What meaning did the right hon. Gentleman wish to convey to his listeners then?

Mr. Lamont: I have explained, and explained fully. I believe that not to have addressed the problem of the budget deficit would have been to run away from the most fundamental promise that we made to the British people.

There is a real difference and distinction between the two parties, and it is one that cannot be fudged or obfuscated. In 1992—as was shown by the speeches of all Opposition Front Benchers—the Labour party was committed to massive increases in public spending, and high public spending means high taxes: the two go hand in hand. It is impossible to pretend otherwise; to seek to deny the connection is truly to deliberately deceive the British people.

Opposition Members should listen to the hon. Member for Dagenham (Mr. Gould). He talks a lot more sense, especially after his lunches with my right hon. Friend the Chief Secretary. The other day, he said:

"I think the Labour party ought to accept that we will always be likely to have a higher tax burden than our opponents".

We know that, he knows that and so do the British people.

If the Labour party wants to know why it lost the last general election, let me explain. It was for two reasons. First, there was the disastrous shadow Budget introduced by the Leader of the Opposition. This is the difference between the tax increases that he proposed, and the tax increases in this Budget: he proposed tax increases to expand public spending. He was trying to bribe one part of

[Mr. Lamont]

the electorate with the other part's money. Moreover, he could not add up and discover that many people in the south earn more than £20,000 a year.

Secondly, Labour lost the election because the shadow Budget was not the whole story; it was the beginning of Labour's potential tax hike. Labour's own spending programme amounted to massively more than those on the Opposition Front Bench ever admitted.

Mr. Brian Wilson (Cunninghame, North): Will the right hon. Gentleman give way?

Mr. Lamont: No.

I have always said that, as we move out of a phase of recession into recovery, there will be good figures and bad figures. One indicator, however, does not appear in the books: it can be seen only from the Conservative Benches. That indicator is the length of the faces of Opposition Treasury spokesmen. As the news gets better, those faces get longer—none more so than that of the hon. Member for Dunfermline, East, who likes nothing more than a relentless diet of gloom and depression.

What a miserable time the hon. Gentleman had last week. On Monday, there was the news that manufacturing output had risen by 0·8 per cent., to its highest level since August 1991. Then, on Wednesday, retail sales were shown to have been nearly 2 per cent. higher in the last three months than they were a year earlier. On Thursday, the hon. Gentleman's face grew longer and longer as unemployment actually fell. A few more weeks like that, and he will be positively suicidal.

Opposition Members complain when we accuse them of talking Britain down. I shall set a simple test, in which I may have to involve my right hon. and learned Friend the Home Secretary. We shall launch a nationwide hunt over the next week: no stone will be left unturned, no avenue unexplored. We shall look everywhere. Nothing will stop us from finding the hon. Member for Dunfermline, East's press release welcoming Thursday's drop in unemployment.

Of course, the hon. Gentleman has a long track record. On Wednesday, he told us—we know how much weight to place on it—

"I make one Budget forecast—that, after the Budget, unemployment will rise this month".—*[Official Report, 17 March; Vol. 221, c. 289.]*

True to form, the hon. Gentleman was wrong, as always.

British business is well placed to succeed and expand in the rest of 1993. My Budget will keep Britain on track for recovery. It is good for exporters; it is good for jobs; it will ensure sound finance; it will bring taxes down. And at the next election we shall bring Labour down—to their fifth and final defeat.

Question put:—

The House divided: Ayes 306, Noes 279.

Division No. 195] **[10pm**

AYES

Adley, Robert
Ainsworth, Peter *(East Surrey)*
Aitken, Jonathan
Alexander, Richard
Allison, Rt Hon Michael *(Selby)*
Allason, Rupert *(Torbay)*
Amess, David
Ancram, Michael
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Arnold, Sir Thomas *(Hazel Grv)*
Ashby, David
Atkins, Robert
Atkinson, Peter *(Hexham)*
Baker, Rt Hon K. *(Mole Valley)*
Baker, Nicholas *(Dorset North)*
Baldry, Tony
Banks, Matthew *(Southport)*
Banks, Robert *(Harrogate)*
Bates, Michael
Batiste, Spencer
Bellingham, Henry
Bendall, Vivian
Beresford, Sir Paul
Biffen, Rt Hon John
Blackburn, Dr John G.
Bonsor, Sir Nicholas
Booth, Hartley
Boswell, Tim
Bottomley, Peter *(Eltham)*
Bottomley, Rt Hon Virginia
Bowden, Andrew
Bowis, John
Boyson, Rt Hon Sir Rhodes
Brandreth, Gyles
Brazier, Julian
Bright, Graham
Brooke, Rt Hon Peter
Brown, M. *(Brigg & Cl'thorpes)*
Browning, Mrs. Angela
Bruce, Ian *(S Dorset)*
Budgen, Nicholas
Burns, Simon
Burt, Alistair
Butcher, John
Butterfill, John
Carlisle, John *(Luton North)*
Carlisle, Kenneth *(Lincoln)*
Carrington, Matthew
Carttiss, Michael
Cash, William
Churchill, Mr
Clark, Dr Michael *(Rochford)*
Clarke, Rt Hon Kenneth *(Rushcl)*
Clifton-Brown, Geoffrey
Coe, Sebastian
Colvin, Michael
Congdon, David
Conway, Derek
Coombs, Anthony *(Wyre For'st)*
Coombs, Simon *(Swindon)*
Cope, Rt Hon Sir John
Cormack, Patrick
Couchman, James
Cran, James
Currie, Mrs Edwina *(S D'by'ire)*
Curry, David *(Skipton & Ripon)*
Davis, David *(Boothferry)*
Day, Stephen
Deva, Nirj Joseph
Devlin, Tim
Dickens, Geoffrey
Dorrell, Stephen
Douglas-Hamilton, Lord James
Dover, Den
Duncan, Alan
Duncan-Smith, Iain
Dunn, Bob
Durant, Sir Anthony
Eggar, Tim
Elletson, Harold
Emery, Rt Hon Sir Peter
Evans, David *(Welwyn Hatfield)*
Evans, Jonathan *(Brecon)*
Evans, Nigel *(Ribble Valley)*
Evans, Roger *(Monmouth)*
Evennett, David
Faber, David
Fabricant, Michael
Fenner, Dame Peggy
Field, Barry *(Isle of Wight)*
Fishburn, Dudley
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Sir Norman
Fox, Dr Liam *(Woodspring)*
Fox, Sir Marcus *(Shipley)*
Freeman, Roger
French, Douglas
Fry, Peter
Gale, Roger
Gallie, Phil
Gardiner, Sir George
Garel-Jones, Rt Hon Tristan
Garnier, Edward
Gill, Christopher
Gillan, Cheryl
Goodlad, Rt Hon Alastair
Goodson-Wickes, Dr Charles
Gorman, Mrs Teresa
Gorst, John
Grant, Sir Anthony *(Cambs SW)*
Greenway, Harry *(Ealing N)*
Greenway, John *(Ryedale)*
Griffiths, Peter *(Portsmouth, N)*
Grylls, Sir Michael
Gummer, Rt Hon John Selwyn
Hague, William
Hamilton, Rt Hon Archie *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, Sir John
Hargreaves, Andrew
Hawkins, Nick
Hawksley, Warren
Hayes, Jerry
Heald, Oliver
Heath, Rt Hon Sir Edward
Heathcoat-Amory, David
Hendry, Charles
Heseltine, Rt Hon Michael
Higgins, Rt Hon Sir Terence L.
Hill, James *(Southampton Test)*
Hogg, Rt Hon Douglas *(G'tham)*
Horam, John
Hordern, Rt Hon Sir Peter
Howarth, Alan *(Strat'rd-on-A)*
Howell, Rt Hon David *(G'dford)*
Hughes Robert G. *(Harrow W)*
Hunt, Rt Hon David *(Wirral W)*
Hunt, Sir John *(Ravensbourne)*
Hunter, Andrew
Hurd, Rt Hon Douglas
Jack, Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert B. *(W Hertfdshr)*
Jopling, Rt Hon Michael
Kellett-Bowman, Dame Elaine
Key, Robert
Kilfedder, Sir James
King, Rt Hon Tom
Kirkhope, Timothy
Knapman, Roger
Knight, Mrs Angela *(Erewash)*
Knight, Greg *(Derby N)*
Knight, Dame Jill *(Bir'm E'st'n)*
Knox, David
Kynoch, George *(Kincardine)*
Lait, Mrs Jacqui
Lamont, Rt Hon Norman
Lang, Rt Hon Ian
Lawrence, Sir Ivan
Legg, Barry
Leigh, Edward
Lennox-Boyd, Mark
Lester, Jim *(Broxtowe)*
Lidington, David
Lilley, Rt Hon Peter
Lloyd, Peter *(Fareham)*
Lord, Michael
Luff, Peter
Lyell, Rt Hon Sir Nicholas

MacGregor, Rt Hon John
MacKay, Andrew
McLoughlin, Patrick
McNair-Wilson, Sir Patrick
Maitland, Lady Olga
Major, Rt Hon John
Malone, Gerald
Mans, Keith
Marland, Paul
Marshall, John *(Hendon S)*
Marshall, Sir Michael *(Arundel)*
Martin, David *(Portsmouth S)*
Mates, Michael
Mawhinney, Dr Brian
Mayhew, Rt Hon Sir Patrick
Mellor, Rt Hon David
Merchant, Piers
Milligan, Stephen
Mills, Iain
Mitchell, Andrew *(Gedling)*
Mitchell, Sir David *(Hants NW)*
Moate, Sir Roger
Monro, Sir Hector
Montgomery, Sir Fergus
Moss, Malcolm
Needham, Richard
Nelson, Anthony
Newton, Rt Hon Tony
Nicholls, Patrick
Nicholson, David *(Taunton)*
Nicholson, Emma *(Devon West)*
Norris, Steve
Onslow, Rt Hon Sir Cranley
Oppenheim, Phillip
Ottaway, Richard
Page, Richard
Paice, James
Patnick, Irvine
Patten, Rt Hon John
Pattie, Rt Hon Sir Geoffrey
Pawsey, James
Peacock, Mrs Elizabeth
Pickles, Eric
Porter, Barry *(Wirral S)*
Porter, David *(Waveney)*
Portillo, Rt Hon Michael
Powell, William *(Corby)*
Rathbone, Tim
Redwood, John
Renton, Rt Hon Tim
Richards, Rod
Riddick, Graham
Robathan, Andrew
Roberts, Rt Hon Sir Wyn
Robertson, Raymond *(Ab'd'n S)*
Robinson, Mark *(Somerton)*
Rowe, Andrew *(Mid Kent)*
Rumbold, Rt Hon Dame Angela
Ryder, Rt Hon Richard
Sackville, Tom
Sainsbury, Rt Hon Tim
Scott, Rt Hon Nicholas
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shephard, Rt Hon Gillian
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Skeet, Sir Trevor
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Soames, Nicholas
Speed, Sir Keith
Spencer, Sir Derek
Spicer, Sir James *(W Dorset)*
Spicer, Michael *(S Worcs)*
Spink, Dr Robert
Spring, Richard
Sproat, Iain
Squire, Robin *(Hornchurch)*
Stanley, Rt Hon Sir John
Steen, Anthony
Stephen, Michael
Stern, Michael
Stewart, Allan
Streeter, Gary
Sumberg, David
Sweeney, Walter
Sykes, John
Tapsell, Sir Peter
Taylor, Ian *(Esher)*
Taylor, John M. *(Solihull)*
Taylor, Sir Teddy *(Southend, E)*
Temple-Morris, Peter
Thomason, Roy
Thompson, Sir Donald *(C'er V)*
Thompson, Patrick *(Norwich N)*
Thornton, Sir Malcolm
Thurnham, Peter
Townend, John *(Bridlington)*
Townsend, Cyril D. *(Bexl'yh'th)*
Tracey, Richard
Tredinnick, David
Trotter, Neville
Twinn, Dr Ian
Vaughan, Sir Gerard
Viggers, Peter
Waldegrave, Rt Hon William
Walden, George
Walker, Bill *(N Tayside)*
Waller, Gary
Ward, John
Wardle, Charles *(Bexhill)*
Waterson, Nigel
Watts, John
Wells, Bowen
Wheeler, Rt Hon Sir John
Whitney, Ray
Whittingdale, John
Widdecombe, Ann
Wiggin, Sir Jerry
Wilkinson, John
Willetts, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macc'f'ld)*
Wolfson, Mark
Wood, Timothy
Yeo, Tim
Young, Sir George *(Acton)*

Tellers for the Ayes:
Mr. David Lightbown and
Mr. Sydney Chapman.

NOES

Abbott, Ms Diane
Adams, Mrs Irene
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Allen, Graham
Alton, David
Anderson, Donald *(Swansea E)*
Anderson, Ms Janet *(Ros'dale)*
Armstrong, Hilary
Ashdown, Rt Hon Paddy
Ashton, Joe
Banks, Tony *(Newham NW)*
Barnes, Harry
Barron, Kevin
Battle, John
Bayley, Hugh
Beckett, Rt Hon Margaret
Beggs, Roy
Bell, Stuart
Benn, Rt Hon Tony
Bennett, Andrew F.
Benton, Joe
Bermingham, Gerald
Berry, Dr. Roger
Betts, Clive
Blair, Tony
Blunkett, David
Boateng, Paul
Boyes, Roland
Bradley, Keith
Bray, Dr Jeremy
Brown, Gordon *(Dunfermline E)*
Brown, N. *(N'c'tle upon Tyne E)*
Bruce, Malcolm *(Gordon)*
Burden, Richard
Byers, Stephen
Caborn, Richard
Callaghan, Jim
Campbell, Mrs Anne *(C'bridge)*
Campbell, Menzies *(Fife NE)*
Campbell-Savours, D. N.
Canavan, Dennis
Cann, Jamie
Carlile, Alexander *(Montgomry)*
Chisholm, Malcolm
Clapham, Michael
Clark, Dr David *(South Shields)*
Clarke, Eric *(Midlothian)*
Clarke, Tom *(Monklands W)*
Clelland, David
Clwyd, Mrs Ann
Cohen, Harry
Connarty, Michael
Cook, Frank *(Stockton N)*
Cook, Robin *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Corston, Ms Jean
Cousins, Jim
Cryer, Bob
Cummings, John
Cunliffe, Lawrence
Cunningham, Jim *(Covy SE)*
Cunningham, Rt Hon Dr John
Dafis, Cynog
Dalyell, Tam
Darling, Alistair
Davidson, Ian
Davies, Bryan *(Oldham C'tral)*
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Ron *(Caerphilly)*
Davis, Terry *(B'ham, H'dge H'l)*
Denham, John
Dewar, Donald
Dixon, Don
Dobson, Frank
Donohoe, Brian H.
Dowd, Jim
Dunwoody, Mrs Gwyneth
Eagle, Ms Angela
Eastham, Ken
Etherington, Bill
Evans, John *(St Helens N)*
Fatchett, Derek
Field, Frank *(Birkenhead)*
Fisher, Mark
Flynn, Paul
Forsythe, Clifford *(Antrim S)*
Foster, Rt Hon Derek
Foster, Don *(Bath)*
Foulkes, George
Fraser, John
Fyfe, Maria
Galbraith, Sam
Galloway, George
Gapes, Mike
Garrett, John
George, Bruce
Gerrard, Neil
Gilbert, Rt Hon Dr John
Godman, Dr Norman A.
Godsiff, Roger
Golding, Mrs Llin
Gordon, Mildred
Gould, Bryan
Grant, Bernie *(Tottenham)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Gunnell, John
Hain, Peter
Hall, Mike
Hanson, David
Hardy, Peter
Harman, Ms Harriet
Harvey, Nick
Hattersley, Rt Hon Roy
Henderson, Doug
Heppell, John
Hill, Keith *(Streatham)*
Hinchliffe, David
Hoey, Kate
Hogg, Norman *(Cumbernauld)*
Home Robertson, John
Hoon, Geoffrey
Howarth, George *(Knowsley N)*
Howells, Dr. Kim *(Pontypridd)*
Hoyle, Doug
Hughes, Kevin *(Doncaster N)*
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport E)*
Hughes, Simon *(Southwark)*
Hume, John
Hutton, John
Illsley, Eric
Ingram, Adam
Jackson, Glenda *(H'stead)*
Jackson, Helen *(Shef'ld, H)*
Jamieson, David
Janner, Greville
Johnston, Sir Russell
Jones, Barry *(Alyn and D'side)*
Jones, Ieuan Wyn *(Ynys Môn)*
Jones, Jon Owen *(Cardiff C)*
Jones, Lynne *(B'ham S O)*
Jones, Martyn *(Clwyd, SW)*
Jones, Nigel *(Cheltenham)*
Kaufman, Rt Hon Gerald
Keen, Alan
Kennedy, Charles *(Ross,C&S)*
Kennedy, Jane *(Lpool Brdgn)*
Khabra, Piara S.
Kinnock, Rt Hon Neil *(Islwyn)*
Kirkwood, Archy
Leighton, Ron
Lestor, Joan *(Eccles)*
Lewis, Terry
Litherland, Robert
Livingstone, Ken
Lloyd, Tony *(Stretford)*
Llwyd, Elfyn
Loyden, Eddie
Lynne, Ms Liz
McAllion, John
McAvoy, Thomas
McCartney, Ian
McCrea, Rev William
Macdonald, Calum
McFall, John
McKelvey, William
Mackinlay, Andrew
McLeish, Henry
Maclennan, Robert
McMaster, Gordon
McNamara, Kevin
McWilliam, John
Madden, Max
Maginnis, Ken
Mahon, Alice
Mandelson, Peter
Marek, Dr John
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester, S)*
Martin, Michael J. *(Springburn)*

Martlew, Eric
Maxton, John
Meacher, Michael
Michael, Alun
Michie, Bill *(Sheffield Hesley)*
Michie, Mrs Ray *(Argyll Bute)*
Milburn, Alan
Miller, Andrew
Mitchell, Austin *(Gt Grimsby)*
Molyneaux, Rt Hon James
Moonie, Dr Lewis
Morgan, Rhodri
Morley, Elliot
Morris, Rt Hon A. *(Wy'nshawe)*
Morris, Estelle *(B'ham Y ..dley)*
Morris, Rt Hon J. *(Aber. ..on)*
Mowlam, Marjorie
Mudie, George
Mullin, Chris
Murphy, Paul
Oakes, Rt Hon Gordon
O'Brien, Michael *(N W'kshire)*
O'Brien, William *(Normanton)*
O'Hara, Edward
Oiner, William
Orme, Rt Hon Stanley
Parry, Robert
Pendry, Tom
Pickthall, Colin
Pike, Peter L.
Pope, Greg
Powell, Ray *(Ogmore)*
Prentice, Ms Bridget *(Lew'm E)*
Prentice, Gordon *(Pendle)*
Prescott, John
Primarolo, Dawn
Purchase, Ken
Quin, Ms Joyce
Radice, Giles
Randall, Stuart
Raynsford, Nick
Redmond, Martin
Reid, Dr John
Robertson, George *(Hamilton)*
Robinson, Geoffrey *(Co'try NW)*
Robinson, Peter *(Belfast E)*
Roche, Mrs. Barbara
Rogers, Allan
Rooker, Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Ross, William *(E Londonderry)*
Rowlands, Ted
Ruddock, Joan
Salmond, Alex
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon Robert
Shore, Rt Hon Peter
Short, Clare
Simpson, Alan
Skinner, Dennis
Smith, Andrew *(Oxford E)*
Smith, C. *(Isl'ton S & F'sbury)*
Smith, Rt Hon John *(M'kl'ds E)*
Smith, Llew *(Blaenau Gwent)*
Snape, Peter
Soley, Clive
Steinberg, Gerry
Stevenson, George
Stott, Roger
Strang, Dr. Gavin
Straw, Jack
Taylor, Mrs Ann *(Dewsbury)*
Taylor, Matthew *(Truro)*
Thompson, Jack *(Wansbeck)*
Trimble, David
Turner, Dennis
Tyler, Paul
Vaz, Keith
Walker, Rt Hon Sir Harold
Wallace, James
Walley, Joan
Wardell, Gareth *(Gower)*
Wareing, Robert N
Watson, Mike
Welsh, Andrew
Wicks, Malcolm
Williams, Rt Hon Alan *(Sw'n W)*
Williams, Alan W *(Carmarthen)*
Wilson, Brian
Winnick, David
Worthington, Tony
Wray, Jimmy
Wright, Dr Tony

Tellers for the Noes:
Mr. Peter Kilfoyle and
Mr. Alan Meale.

Question accordingly agreed to.

Resolved,

That it is expedient to amend the law with respect to the National Debt and the public revenue and to make further provision in connection with finance; but this Resolution does not extend to the making of any amendment with respect to value added tax so as to provide—

(a) for zero-rating or exempting any supply, acquisition or importation;
(b) for refunding any amount of tax;
(c) for varying the rate of that tax otherwise than in relation to all supplies, acquisitions and importations; or
(d) for relief other than relief applying to goods of whatever description or services of whatever description.

Madam SPEAKER *then proceeded, pursuant to paragraph (3) of Standing Order No. 50 (Ways and Means motions), to put forthwith the Questions necessary to dispose of the further motions.*

2. BEER (RATE: EXISTING REGIME)

Resolved,

That, as from 6 o'clock in the evening of 16th March 1993, the rate of duty specified in section 36 of the Alcoholic Liquor Duties Act 1979 as that section has effect apart from section 7(1) of the Finance Act 1991 shall be increased from £1·108 per hectolitre for every degree by which the original gravity of beer exceeds 1000 degrees to £1·163 per hectolitre for every such degree.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

3. BEER (RATE: NEW REGIME)

Resolved,

That—

(1) In section 36(1) of the Alcoholic Liquor Duties Act 1979, as substituted by section 7(1) of the Finance Act 1991, for "£10·60" there shall be substituted "£10·45".

(2) This Resolution shall come into force on 1st June 1993.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

4. BEER (ABOLITION OF CERTAIN RELIEFS)

Resolved,

That provision may be made amending sections 42 and 45, and repealing section 43, of the Alcoholic Liquor Duties Act 1979.

5. WINE AND MADE-WINE

Resolved,

That, as from 6 o'clock in the evening of 16th March 1993, for the Table of rates of duty in Schedule 1 to the Alcoholic Liquor Duties Act 1979 there shall be substituted the following Table—

"TABLE OF RATES OF DUTY ON WINE AND MADE-WINE

PART I

WINE OR MADE-WINE OF A STRENGTH NOT EXCEEDING 22 PER CENT.

Description of wine or made-wine	Rates of duty per hectolitre
	£
Wine or made-wine of a strength not exceeding 2 per cent.	13·23
Wine or made-wine of a strength exceeding 2 per cent. but not exceeding 3 per cent.	22·04
Wine or made-wine of a strength exceeding 3 per cent. but not exceeding 4 per cent.	30·86
Wine or made-wine of a strength exceeding 4 per cent. but not exceeding 5 per cent.	39·69
Wine or made-wine of a strength exceeding 5 per cent. but not exceeding 5·5 per cent.	48·50
Wine or made-wine of a strength exceeding 5·5 per cent. but not exceeding 15 per cent. and not being sparkling	132·26
Sparkling wine or sparkling made-wine of a strength exceeding 5·5 per cent. but not exceeding 15 per cent.	218·40
Wine or made-wine of a strength exceeding 15 per cent. but not exceeding 22 per cent.	220·43

PART II

WINE OR MADE-WINE OF A STRENGTH EXCEEDING 22 PER CENT.

Description of wine or made-wine	Rates of duty per litre of alcohol in the wine or made-wine
	£
Wine or made-wine of a strength exceeding 22 per cent.	19·81"

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

6. MIXING OF WINE AND SPIRITS

Resolved,

That section 58 of the Alcoholic Liquor Duties Act 1979 may be amended.

7. SPARKLING WINE OR MADE-WINE

Resolved,

That provisions may be substituted for paragraphs 1 and 2 of Schedule 1 to the Alcoholic Liquor Duties Act 1979.

8. CIDER

Resolved,

That, as from 6 o'clock in the evening of 16th March 1993, the rate of duty specified in section 62(1) of the Alcoholic Liquor Duties Act 1979 shall be increased from £21·32 per hectolitre to £22·39 per hectolitre.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

9. TOBACCO PRODUCTS (RATES)

Resolved,

That, as from 6 o'clock in the evening of 16th March 1993, for the Table in Schedule 1 to the Tobacco Products Duty Act 1979 there shall be substituted—

"TABLE

1.	Cigarettes	An amount equal to 20 per cent. of the retail price plus £48·75 per thousand cigarettes.
2.	Cigars	£72·30 per kilogram.
3.	Hand-rolling tobacco	£76·29 per kilogram
4.	Other smoking tobacco and chewing tobacco	£31·93 per kilogram."

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

10. HAND-ROLLING TOBACCO

Resolved,

That the definition of hand-rolling tobacco in the Tobacco Products Duty Act 1979 may be amended.

11. HYDROCARBON OIL (RATES)

Resolved,

That, as from 6 o'clock in the evening of 16th March 1993, the Hydrocarbon Oil Duties Act 1979 shall have effect with the following amendments—

(1) In section 6(1) for "£0·2779" and "£0·2285" there shall be substituted "£0·3058" and "£0·2514" respectively.

(2) In section 11(1) for "£0·0095" and "£0·0135" there shall be substituted "£0·0105" and "£0·0149" respectively.

(3) In section 13A(1) for "£0·0437" there shall be substituted "£0·0482".

(4) In section 14(1) for "£0·0095" there shall be substituted "£0·0105".

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

12. HYDROCARBON OIL DUTIES (MEASUREMENTS)

Resolved,

That provision may be made for the purposes of the Hydrocarbon Oil Duties Act 1979 as to the methods of ascertaining or determining—

(a) the volume of any substance; and

(b) the amount of any duty that has been paid, or of any rebate that has been allowed, in respect of any substance.

13. HYDROCARBON OIL DUTIES (FUEL SUBSTITUTES)

Resolved,

That provision may be made for charging excise duty on—

(a) mineral oils within the meaning of the Directive of the Council of the European Communities dated 19th October 1992 No. 92/81/EEC, as amended; and

(b) substances which are set aside for use or used as fuel for engines, motors or other machinery or as additives or extenders in any such fuel.

14. GAMING MACHINE LICENCE DUTY (RATES)

Resolved,

That—

(1) The Tables set out in section 23(1) of the Betting and Gaming Duties Act 1981 shall be amended as follows—

(a) in Table A for "£375" there shall be substituted "£450";

(b) in Table B for "£375" there shall be substituted "£450" and for "£960" there shall be substituted "£1,150".

(2) This Resolution applies in relation to licences for any period beginning on or after 1st May 1993.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

15. LOTTERY DUTY

Resolved,

That provisions may be made for and in connection with the imposition of a duty of exise on the taking of tickets or chances in lotteries.

16. VEHICLES EXCISE DUTY (RATES: GENERAL)

Resolved,

That—

(1) The Vehicles (Excise) Act 1971 shall be amended as follows.

(2) In Schedule 1, in the Table set out in Part II—

(a) in the second column of paragraph 2 for "30·00" there shall be substituted "35·00";

(b) in the second column of paragraph 3 for "50·00" there shall be substituted "55·00";

(c) in the second column of paragraph 5 for "50·00" there shall be substituted "55·00".

(3) In Schedule 2, in the Table set out in Part II—

(a) in the second column of the first entry for "110" there shall be substituted "125";

(b) in the second column of the second entry for "130" there shall be substituted "150".

(4) In Schedule 3, in the Table set out in Part II—

(a) in the second column of paragraph 1 for "30·00" there shall be substituted "35·00";

(b) in the second column of paragraph 2 for "90·00" there shall be substituted "100·00";

(c) in the second column of paragraph 4 for "75·00" there shall be substituted "85·00".

(5) In Schedule 4, in paragraph 1(1) of Part I for "130" there shall be substituted "150".

(6) In Schedule 4, in paragraph 6 of Part I—

(a) in sub-paragraph (1) for "£75" there shall be substituted "£85";

(b) in sub-paragraphs (2)(a), (2)(b) and (4) for "£90" (in each place) there shall be substituted "£100".

(7) In Schedule 5, in the Table set out in Part II—

(a) in the second column of paragraph 1 for "60·00" there shall be substituted "70·00";

(b) in the second column of paragraph 2 for "110·00" there shall be substituted "125·00".

(8) This Resolution shall apply in relation to licences taken out after 16th March 1993.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

17. VEHICLES EXCISE DUTY (EXCEPTIONAL LOADS: 1)

Resolved,

That—

(1) The Vehicles (Excise) Act 1971 shall be amended as follows.

(2) In paragraph 2 of Schedule 4A for "£3,250" there shall be substituted "£4,250".

(3) This Resolution shall apply in relation to licences taken out after 16th March 1993.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

18. VEHICLES EXCISE DUTY (EXCEPTIONAL LOADS: 2)

Resolved,

That paragraph 2 of Schedule 4A to the Vehicles (Excise) Act 1971 may be amended in relation to licences taken out on or after a day appointed by the Secretary of State.

19. VEHICLES EXCISE DUTY (OLD BICYCLES)

Resolved,

That—

(1) The Vehicles (Excise) Act 1971 shall be amended as follows

(2) In Schedule 1 for paragraph 2 there shall be substituted—

"2. Where a bicycle the cylinder capacity of whose engine exceeds 150 cubic centimetres is one constructed before 1933 it shall be treated for the purposes of this Schedule as having an engine of cylinder capacity not exceeding 150 cubic centimetres."

(3) In paragraph 4(a) of that Schedule for "2(a)" there shall be substituted "2".

(4) This Resolution shall apply in relation to licences taken out after 16th March 1993.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

20. VEHICLES EXCISE DUTY (TRADE LICENCES)

Resolved,

That—

(1) The Vehicles (Excise) Act 1971 shall be amended as follows.

(2) In subsection (5) of section 16, including that subsection as set out in paragraph 12 of Part I of Schedule 7—

(a) for "£100" there shall be substituted "the rate mentioned in subsection (5A)(a) below", and

(b) for "£20" there shall be substituted "the rate mentioned in subsection (5A)(b) below".

(3) In that section the following subsection shall be inserted after subsection (5)—

"(5A) The rates referred to in subsection (5) above are—

(a) the annual rate applicable to a vehicle falling within paragraph 2 of Part II of Schedule 5 to this act in relation to a licence taken out when the trade licence is taken out;

(b) the annual rate applicable to a vehicle falling within paragraph 3 of Part II of Schedule 1 to this act in relation to a licence taken out when the trade licence is taken out."

(4) This Resolution shall apply in relation to licences taken out after 16th March 1993.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

21. VALUE ADDED TAX (FUEL AND POWER)

Motion made, and Question put:—

That provision may be made—

(a) for supplies falling within Group 7 of Schedule 5 to the Value Added Tax Act 1983 to cease to be zero-rated, and

(b) as to the rates at which tax is to be charged on those supplies and on the equivalent acquisitions and importations.

The House divided: Ayes 303, Noes 278.

Division No. 196] **[10.15 pm**

AYES

Adley, Robert
Ainsworth, Peter *(East Surrey)*
Aitken, Jonathan
Alexander, Richard
Allason, Rupert *(Torbay)*
Amess, David
Ancram, Michael
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Arnold, Sir Thomas *(Hazel Grv)*
Ashby, David
Atkins, Robert
Atkinson, Peter *(Hexham)*
Baker, Rt Hon K. *(Mole Valley)*
Baker, Nicholas *(Dorset North)*
Baldry, Tony
Banks, Matthew *(Southport)*
Banks, Robert *(Harrogate)*
Bates, Michael
Batiste, Spencer
Bellingham, Henry
Bendall, Vivian
Beresford, Sir Paul
Biffen, Rt Hon John
Blackburn, Dr John G.
Bonsor, Sir Nicholas
Booth, Hartley
Boswell, Tim
Bottomley, Peter *(Eltham)*
Bottomley, Rt Hon Virginia
Bowden, Andrew
Bowis, John
Boyson, Rt Hon Sir Rhodes
Brandreth, Gyles
Brazier, Julian
Bright, Graham
Brooke, Rt Hon Peter
Brown, M. *(Brigg & Cl'thorpes)*
Browning, Mrs. Angela
Bruce, Ian *(S Dorset)*
Budgen, Nicholas
Burns, Simon
Burt, Alistair
Butcher, John
Butterfill, John
Carlisle, John *(Luton North)*
Carlisle, Kenneth *(Lincoln)*
Carrington, Matthew
Carttiss, Michael
Cash, William
Churchill, Mr
Clark, Dr Michael *(Rochford)*
Clarke, Rt Hon Kenneth *(Rushcl)*
Clifton-Brown, Geoffrey
Coe, Sebastian
Colvin, Michael
Congdon, David
Conway, Derek
Coombs, Anthony *(Wyre For'st)*
Coombs, Simon *(Swindon)*
Cope, Rt Hon Sir John
Cormack, Patrick
Couchman, James
Cran, James
Currie, Mrs Edwina *(S D'by'ire)*
Curry, David *(Skipton & Ripon)*
Davis, David *(Boothferry)*
Day, Stephen
Deva, Nirj Joseph
Devlin, Tim
Dickens, Geoffrey
Dorrell, Stephen
Douglas-Hamilton, Lord James
Dover, Den
Duncan, Alan
Duncan-Smith, Iain
Dunn, Bob
Durant, Sir Anthony
Eggar, Tim
Elletson, Harold
Emery, Rt Hon Sir Peter
Evans, David *(Welwyn Hatfield)*
Evans, Jonathan *(Brecon)*
Evans, Nigel *(Ribble Valley)*
Evans, Roger *(Monmouth)*
Evennett, David
Faber, David
Fabricant, Michael
Fenner, Dame Peggy
Field, Barry *(Isle of Wight)*
Fishburn, Dudley
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Sir Norman
Fox, Dr Liam *(Woodspring)*
Fox, Sir Marcus *(Shipley)*
Freeman, Roger
French, Douglas
Fry, Peter
Gale, Roger
Gallie, Phil
Gardiner, Sir George
Garel-Jones, Rt Hon Tristan
Garnier, Edward
Gill, Christopher
Gillan, Cheryl
Goodlad, Rt Hon Alastair
Goodson-Wickes, Dr Charles
Gorman, Mrs Teresa
Gorst, John
Grant, Sir Anthony *(Cambs SW)*
Greenway, Harry *(Ealing N)*
Greenway, John *(Ryedale)*
Griffiths, Peter *(Portsmouth, N)*
Grylls, Sir Michael
Gummer, Rt Hon John Selwyn
Hague, William
Hamilton, Rt Hon Archie *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, Sir John
Hargreaves, Andrew
Hawkins, Nick
Hawksley, Warren
Hayes, Jerry
Heald, Oliver
Heath, Rt Hon Sir Edward
Heathcoat-Amory, David
Hendry, Charles
Heseltine, Rt Hon Michael
Higgins, Rt Hon Sir Terence L.
Hill, James *(Southampton Test)*
Hogg, Rt Hon Douglas *(G'tham)*
Horam, John
Hordern, Rt Hon Sir Peter
Howarth, Alan *(Strat'rd-on-A)*
Howell, Rt Hon David *(G'dford)*
Hughes Robert G. *(Harrow W)*
Hunt, Rt Hon David *(Wirral W)*
Hunt, Sir John *(Ravensbourne)*
Hunter, Andrew
Hurd, Rt Hon Douglas
Jack, Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert B. *(W Hertfdshr)*
Jopling, Rt Hon Michael
Kellett-Bowman, Dame Elaine
Key, Robert
King, Rt Hon Tom
Kirkhope, Timothy
Knapman, Roger
Knight, Mrs Angela *(Erewash)*
Knight, Greg *(Derby N)*
Knight, Dame Jill *(Bir'm E'st'n)*
Knox, David
Kynoch, George *(Kincardine)*
Lait, Mrs Jacqui
Lamont, Rt Hon Norman
Lang, Rt Hon Ian
Lawrence, Sir Ivan
Legg, Barry
Leigh, Edward
Lennox-Boyd, Mark
Lester, Jim *(Broxtowe)*
Lidington, David
Lightbown, David
Lilley, Rt Hon Peter
Lloyd, Peter *(Fareham)*
Lord, Michael
Luff, Peter
Lyell, Rt Hon Sir Nicholas
MacGregor, Rt Hon John
MacKay, Andrew
McLoughlin, Patrick
McNair-Wilson, Sir Patrick
Maitland, Lady Olga
Major, Rt Hon John
Malone, Gerald
Mans, Keith
Marland, Paul
Marshall, John *(Hendon S)*
Marshall, Sir Michael *(Arundel)*
Martin, David *(Portsmouth S)*
Mates, Michael
Mawhinney, Dr Brian
Mayhew, Rt Hon Sir Patrick
Mellor, Rt Hon David
Merchant, Piers
Milligan, Stephen
Mills, Iain
Mitchell, Sir David *(Hants NW)*
Moate, Sir Roger
Monro, Sir Hector
Montgomery, Sir Fergus
Moss, Malcolm
Needham, Richard
Nelson, Anthony
Newton, Rt Hon Tony
Nicholls, Patrick
Nicholson, David *(Taunton)*
Nicholson, Emma *(Devon West)*
Norris, Steve
Onslow, Rt Hon Sir Cranley
Oppenheim, Phillip
Ottaway, Richard
Page, Richard
Paice, James
Patnick, Irvine
Patten, Rt Hon John
Pattie, Rt Hon Sir Geoffrey
Pawsey, James
Peacock, Mrs Elizabeth
Pickles, Eric
Porter, Barry *(Wirral S)*
Porter, David *(Waveney)*
Portillo, Rt Hon Michael
Rathbone, Tim
Redwood, John
Renton, Rt Hon Tim
Richards, Rod
Riddick, Graham
Robathan, Andrew
Roberts, Rt Hon Sir Wyn
Robertson, Raymond *(Ab'd'n S)*
Robinson, Mark *(Somerton)*
Rowe, Andrew *(Mid Kent)*
Rumbold, Rt Hon Dame Angela
Ryder, Rt Hon Richard
Sackville, Tom
Sainsbury, Rt Hon Tim
Scott, Rt Hon Nicholas
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shephard, Rt Hon Gillian
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Skeet, Sir Trevor
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Soames, Nicholas

Speed, Sir Keith
Spencer, Sir Derek
Spicer, Sir James *(W Dorset)*
Spicer, Michael *(S Worcs)*
Spink, Dr Robert
Spring, Richard
Sproat, Iain
Squire, Robin *(Hornchurch)*
Stanley, Rt Hon Sir John
Steen, Anthony
Stephen, Michael
Stern, Michael
Stewart, Allan
Streeter, Gary
Sumberg, David
Sweeney, Walter
Sykes, John
Tapsell, Sir Peter
Taylor, Ian *(Esher)*
Taylor, John M. *(Solihull)*
Taylor, Sir Teddy *(Southend, E)*
Temple-Morris, Peter
Thomason, Roy
Thompson, Sir Donald *(C'er V)*
Thompson, Patrick *(Norwich N)*
Thornton, Sir Malcolm
Thurnham, Peter
Townend, John *(Bridlington)*
Townsend, Cyril D. *(Bexl'yh'th)*
Tracey, Richard
Tredinnick, David
Trotter, Neville
Twinn, Dr Ian
Vaughan, Sir Gerard
Viggers, Peter
Waldegrave, Rt Hon William
Walden, George
Walker, Bill *(N Tayside)*
Waller, Gary
Ward, John
Wardle, Charles *(Bexhill)*
Waterson, Nigel
Watts, John
Wells, Bowen
Wheeler, Rt Hon Sir John
Whitney, Ray
Whittingdale, John
Widdecombe, Ann
Wiggin, Sir Jerry
Wilkinson, John
Willetts, David
Winterton, Mrs Ann *(Congleton)*
Wolfson, Mark
Wood, Timothy
Yeo, Tim
Young, Sir George *(Acton)*

Tellers for the Ayes:
Mr. Sydney Chapman and
Mr Andrew Mitchell.

NOES

Abbott, Ms Diane
Adams, Mrs Irene
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Allen, Graham
Alton, David
Anderson, Donald *(Swansea E)*
Anderson, Ms Janet *(Ros'dale)*
Armstrong, Hilary
Ashdown, Rt Hon Paddy
Ashton, Joe
Banks, Tony *(Newham NW)*
Barnes, Harry
Barron, Kevin
Battle, John
Bayley, Hugh
Beckett, Rt Hon Margaret
Beggs, Roy
Bell, Stuart
Benn, Rt Hon Tony
Bennett, Andrew F.
Benton, Joe
Bermingham, Gerald
Berry, Dr. Roger
Betts, Clive
Blair, Tony
Blunkett, David
Boateng, Paul
Boyes, Roland
Bradley, Keith
Bray, Dr Jeremy
Brown, Gordon *(Dunfermline E)*
Brown, N. *(N'c'tle upon Tyne E)*
Bruce, Malcolm *(Gordon)*
Burden, Richard
Byers, Stephen
Caborn, Richard
Callaghan, Jim
Campbell, Mrs Anne *(C'bridge)*
Campbell, Menzies *(Fife NE)*
Campbell-Savours, D. N.
Canavan, Dennis
Cann, Jamie
Carlile, Alexander *(Montgomry)*
Chisholm, Malcolm
Clapham, Michael
Clark, Dr David *(South Shields)*
Clarke, Eric *(Midlothian)*
Clarke, Tom *(Monklands W)*
Clelland, David
Clwyd, Mrs Ann
Cohen, Harry
Connarty, Michael
Cook, Frank *(Stockton N)*
Cook, Robin *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Corston, Ms Jean
Cousins, Jim
Cryer, Bob
Cummings, John
Cunliffe, Lawrence
Cunningham, Jim *(Covy SE)*
Cunningham, Rt Hon Dr John
Dafis, Cynog
Dalyell, Tam
Darling, Alistair
Davidson, Ian
Davies, Bryan *(Oldham C'tral)*
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Ron *(Caerphilly)*
Davis, Terry *(B'ham, H'dge H'l)*
Denham, John
Dewar, Donald
Dixon, Don
Dobson, Frank
Donohoe, Brian H.
Dowd, Jim
Eagle, Ms Angela
Eastham, Ken
Etherington, Bill
Evans, John *(St Helens N)*
Fatchett, Derek
Field, Frank *(Birkenhead)*
Fisher, Mark
Flynn, Paul
Forsythe, Clifford *(Antrim S)*
Foster, Rt Hon Derek
Foster, Don *(Bath)*
Foulkes, George
Fraser, John
Fyfe, Maria
Galbraith, Sam
Galloway, George
Gapes, Mike
Garrett, John
George, Bruce
Gerrard, Neil
Gilbert, Rt Hon Dr John
Godman, Dr Norman A.
Godsiff, Roger
Golding, Mrs Llin
Gordon, Mildred
Gould, Bryan
Grant, Bernie *(Tottenham)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Gunnell, John
Hain, Peter
Hall, Mike
Hanson, David
Hardy, Peter
Harman, Ms Harriet
Harvey, Nick
Hattersley, Rt Hon Roy
Henderson, Doug
Heppell, John
Hill, Keith *(Streatham)*
Hinchliffe, David
Hoey, Kate
Hogg, Norman *(Cumbernauld)*
Home Robertson, John
Hoon, Geoffrey
Howarth, George *(Knowsley N)*
Howells, Dr. Kim *(Pontypridd)*
Hoyle, Doug
Hughes, Kevin *(Doncaster N)*
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport E)*
Hughes, Simon *(Southwark)*
Hume, John
Hutton, John
Illsley, Eric
Ingram, Adam
Jackson, Glenda *(H'stead)*
Jackson, Helen *(Shef'ld, H)*
Jamieson, David
Janner, Greville
Johnston, Sir Russell
Jones, Barry *(Alyn and D'side)*
Jones, Ieuan Wyn *(Ynys Môn)*
Jones, Jon Owen *(Cardiff C)*
Jones, Lynne *(B'ham S O)*
Jones, Martyn *(Clwyd, SW)*
Jones, Nigel *(Cheltenham)*
Kaufman, Rt Hon Gerald
Keen, Alan
Kennedy, Charles *(Ross,C&S)*
Kennedy, Jane *(Lpool Brdgn)*
Khabra, Piara S.
Kilfedder, Sir James
Kinnock, Rt Hon Neil *(Islwyn)*
Kirkwood, Archy
Leighton, Ron
Lestor, Joan *(Eccles)*
Lewis, Terry
Litherland, Robert
Livingstone, Ken
Lloyd, Tony *(Stretford)*
Llwyd, Elfyn
Loyden, Eddie
Lynne, Ms Liz
McAllion, John
McAvoy, Thomas
McCartney, Ian
McCrea, Rev William
Macdonald, Calum
McFall, John
McKelvey, William
Mackinlay, Andrew
McLeish, Henry
Maclennan, Robert
McMaster, Gordon
McNamara, Kevin
McWilliam, John
Madden, Max
Maginnis, Ken
Mahon, Alice
Mandelson, Peter
Marek, Dr John
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester, S)*
Martin, Michael J. *(Springburn)*
Martlew, Eric
Maxton, John
Meacher, Michael
Michael, Alun
Michie, Bill *(Sheffield Heeley)*
Michie, Mrs Ray *(Argyll Bute)*
Milburn, Alan
Miller, Andrew
Mitchell, Austin *(Gt Grimsby)*
Molyneaux, Rt Hon James
Moonie, Dr Lewis
Morgan, Rhodri
Morley, Elliot
Morris, Rt Hon A. *(Wy'nshawe)*
Morris, Estelle *(B'ham Yardley)*
Morris, Rt Hon J. *(Aberavon)*
Mowlam, Marjorie
Mudie, George
Mullin, Chris
Murphy, Paul
Oakes, Rt Hon Gordon
O'Brien, William *(Normanton)*
O'Hara, Edward
Oiner, William
O'Neill, Martin
Orme, Rt Hon Stanley
Parry, Robert
Pendry, Tom
Pickthall, Colin
Pike, Peter L.
Pope, Greg
Powell, Ray *(Ogmore)*
Prentice, Ms Bridget *(Lew'm E)*
Prentice, Gordon *(Pendle)*
Prescott, John
Primarolo, Dawn
Purchase, Ken
Quin, Ms Joyce
Radice, Giles
Randall, Stuart
Raynsford, Nick
Redmond, Martin
Reid, Dr John
Robertson, George *(Hamilton)*
Robinson, Peter *(Belfast E)*
Roche, Mrs. Barbara
Rogers, Allan
Rooker, Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Ross, William *(E Londonderry)*
Rowlands, Ted
Ruddock, Joan
Salmond, Alex
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon Robert
Shore, Rt Hon Peter
Short, Clare
Simpson, Alan
Skinner, Dennis
Smith, Andrew *(Oxford E)*
Smith, C. *(Isl'ton S & F'sbury)*
Smith, Rt Hon John *(M'kl'ds E)*
Smith, Llew *(Blaenau Gwent)*
Snape, Peter
Soley, Clive
Steinberg, Gerry
Stevenson, George
Stott, Roger
Strang, Dr. Gavin
Straw, Jack

Taylor, Mrs Ann *(Dewsbury)*	Welsh, Andrew
Taylor, Matthew *(Truro)*	Wicks, Malcolm
Thompson, Jack *(Wansbeck)*	Williams, Rt Hon Alan *(Sw'n W)*
Trimble, David	Williams, Alan W *(Carmarthen)*
Turner, Dennis	Wilson, Brian
Tyler, Paul	Winnick, David
Vaz, Keith	Worthington, Tony
Walker, Rt Hon Sir Harold	Wray, Jimmy
Wallace, James	Wright, Dr Tony
Walley, Joan	
Wardell, Gareth *(Gower)*	**Tellers for the Noes:**
Wareing, Robert N	**Mr. Alan Meale and**
Watson, Mike	**Mr. Peter Kilfoyle.**

Question accordingly agreed to.

22. VALUE ADDED TAX (SUPPLIES OF GOLD ETC.)

Resolved,

That the Value Added Tax Act 1983 shall have effect in relation to supplies of goods which (disregarding section 5 of that Act) are made on or after 1st April 1993 with the insertion after section 37B of the following section—

"*Customers to account for tax on supplies of gold etc.*

37C.—(1) Where any person makes a supply of gold to another person and that supply is a taxable supply but not a zero-rated supply, the supply shall be treated for the purposes of Schedule 1 to this Act—

(a) as a taxable supply of that other person (as well as a taxable supply of the person who makes it); and

(b) in so far as that other person is supplied in connection with the carrying on by him of any business, as a supply made by him in the course of furtherance of that business,

but nothing in paragraph (b) above shall require any supply to be disregarded for the purposes of that Schedule on the grounds that it is a supply of capital assets of that other person's business.

(2) Where a taxable person makes a supply of gold to a person who—

(a) is himself a taxable person at the time when the supply is made; and

(b) is supplied in connection with the carrying on by him of any business.

it shall be for the person supplied, on the supplier's behalf, to account for and pay tax on the supply, and not for the supplier.

(3) So much of this Act and of any other enactment or any subordinate legislation as has effect for the purposes of, or in connection with, the enforcement of any obligation to account for and pay value added tax shall apply for the purposes of this section in relation to any person who is required under subsection (2) above to account for and pay any tax as if that tax were tax on a supply made by him.

(4) Section 5(1) to (5) above shall not apply for determining when any supply of gold is to be treated as taking place.

(5) References in this section to a supply of gold are references to—

(a) any supply of goods consisting in gold, including gold coins, or

(b) any supply of goods containing gold where the consideration for the supply (apart from any tax) is, or is equivalent to, an amount which does not exceed, or exceeds by no more than a negligible amount, the open market value of the gold contained in the goods."

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

23. VALUE ADDED TAX (PRECIOUS AND SEMI-PRECIOUS METALS AND STONES)

Resolved,

That provision may be made authorising the modification of the Value Added Tax Act 1983 in relation to supplies of goods or services consisting in, or relating to, any precious or semi-precious metal or stones or anything containing any such metal or stones.

24. VALUE ADDED TAX (FUEL FOR PRIVATE USE)

Resolved,

That—

(1) Paragraph 3 of Schedule 6 to the Finance Act 1986 and the Table B set out after that paragraph shall not have effect in relation to any case where the prescribed accounting period begins after 5th April 1993.

(2) Accordingly, that Schedule shall have effect in relation to any such case with the following amendments, namely—

(a) in paragraph 5(1)(a), for the words from "cubic capacity" to "in question" there shall be substituted "vehicle specified in Table A above, that Table";

(b) in paragraph 5(1)(b), for "cubic capacity specified in those Tables" and "the Table in question" there shall be substituted, respectively, "vehicle specified in that Table" and "that Table";

(c) in paragraph 6(1), for the words from "Tables" onwards there shall be substituted "Table A above is the capacity of its engine as calculated for the purposes of the Vehicles (Excise) Act 1971"; and

(d) in paragraph 6(2), for "Tables A and B" there shall be substituted "Table A".

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

25. VALUE ADDED TAX (PERSONS BELONGING IN OTHER MEMBER STATES)

Resolved,

That provision may be made amending the Value Added Tax Act 1983 in relation to cases where goods are supplied by a person who does not have an establishment in the United Kingdom and is taxable in another member State.

26. VALUE ADDED TAX (BAD DEBTS)

Resolved,

That—

(1) In section 11(1)(c) of the Finance Act 1990 for "one year" there shall be substituted "six months".

(2) This Resolution shall come into force on 1st April 1993 and shall apply in relation to supplies made on or after 1st April 1992.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

27. VALUE ADDED TAX (DEFAULT SURCHARGE)

Resolved,

That—

(1) In section 19 of the Finance Act 1985, in subsection (5)—

(a) at the end of paragraph (b) there shall be inserted "and", and

(b) for paragraphs (c) and (d) there shall be substituted the following paragraph—

"(c) in relation to each such period after the second, the specified percentage is 15 per cent."

(2) This Resolution shall apply in relation to any liability to a surcharge arising on or after 1st April 1993.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

28. INCOME TAX (CHARGE AND RATES FOR 1993-94)

Resolved,

That—

(1) Income tax shall be charged for the year 1993-94, and for that year—

(a) the lower rate shall be 20 per cent.,

(b) the basic rate shall be 25 per cent., and

(c) the higher rate shall be 40 per cent.

(2) For the year 1993-94 section 1(2) of the Income and Corporation Taxes Act 1988 shall apply as if—

(a) the amount specified in paragraph (aa) were £2,500, and

(b) the amount specified in paragraph (b) were £23,700; and accordingly section 1(4) of that Act shall not apply for the year 1993-94.

(3) This Resolution shall not require any change to be made in the amounts deductible or repayable under section 203 of the Income and Corporation Taxes Act 1988 before 18th May 1993.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

29. INCOME TAX

(PERSONAL AND MARRIED COUPLE'S ALLOWANCES)

Resolved,

That sections 257 and 257A of the Income and Corporation Taxes Act 1988 shall apply for the year 1993-94 as if the amounts specified in them were the same as the amounts specified in them as they apply for the year 1992-93, and accordingly section 257C(1) of that Act shall not apply for the year 1993-94.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

30. RELIEF FOR INTEREST (LIMIT FOR 1993-94)

Resolved,

That, for the year 1993-94, the qualifying maximum defined in section 367(5) of the Income and Corporation Taxes Act 1988 shall be £30,000.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

31. EARNINGS CAP ETC. (INDEXATION)

Resolved,

That the figure £75,000 shall be deemed to be the figure found for the year 1993-94, for the purposes of section 590C of the Income and Corporation Taxes Act 1988, by virtue of section 590C(4) and (5).

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

32. CHARITABLE DONATIONS

(PAYROLL DEDUCTION SCHEMES)

Resolved,

That, for the year 1993-94 and subsequent years of assessment, section 202(7) of the Income and Corporation Taxes Act 1988 shall have effect with the substitution of "£900" for "£600".

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

33. CORPORATION TAX

(CHARGE AND RATE FOR FINANCIAL YEAR 1993)

Resolved,

That corporation tax shall be charged for the financial year 1993 at the rate of 33 per cent.

34. CORPORATION TAX (SMALL COMPANIES: 1993)

Resolved,

That for the financial year 1993—

(a) the small companies' rate shall be 25 per cent., and

(b) the fraction mentioned in section 13(2) of the Income and Corporation Taxes Act 1988 shall be one fiftieth.

35. BENEFITS IN KIND (CARS)

Resolved,

That—

(1) For the year 1993-94, Schedule 6 to the Income and Corporation Taxes Act 1988 shall have effect with the substitution for Part I of the following—

"PART I

TABLES OF FLAT RATE CASH EQUIVALENTS

TABLE A

Cars with an original market value up to £19,250 and having a cylinder capacity

Cylinder capacity of car in cubic centimetres	Age of car at end of relevant year of assessment	
	Under 4 years	4 years or more
1,400 or less	£2,310	£1,580
More than 1,400 but not more than 2,000	£2,990	£2,030
More than 2,000	£4,800	£3,220

TABLE B

Cars with an original market value up to £19,250 and not having a cylinder capacity

Original market value of car	Age of car at end of relevant year of assessment	
	Under 4 years	4 years or more
Less than £6,000	£2,310	£1,580
£6,000 or more but less than £8,500	£2,990	£2,030
£8,500 or more but not more than £19,250	£4,800	£3,220

TABLE C

Cars with an original market value of more than £19,250

Original market value of car	Age of car at end of relevant year of assessment	
	Under 4 years	4 years or more
More than £19,250 but not more than £29,000	£6,210	£4,180
More than £29,000	£10,040	£6,660"

(2) This Resolution shall not require any change to be made in the amounts deductible or repayable under section 203 of the Income and Corporation Taxes Act 1988 before 18th May 1993.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

36. BENEFITS IN KIND (CAR FUEL)

Resolved, That—

(1) For the year 1993-94, section 158 of the Income and Corporation Taxes Act 1988 shall have effect with the following amendments.

(2) For the Tables in subsection (2) there shall be substituted—

"TABLE A

Cylinder capacity of car in cubic centimetres	Cash equivalent
1,400 or less	£600
More than 1,400 but not more than 2,000	£760
More than 2,000	£1,130

TABLE AB

Cylinder capacity of car in cubic centimetres	Cash equivalent
2,000 or less	£550
More than 2,000	£710

TABLE B

Original market value of car	Cash equivalent
Less than £6,000	£600
£6,000 or more but less than £8,500	£760
£8,500 or more	£1,130"

(3) In subsection (5) the words "or 3" shall be omitted.

(4) This Resolution shall not require any change to be made in the amounts deductible or repayable under section 203 of the Income and Corporation Taxes Act 1988 before 18th May 1993.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

37. BENEFITS IN KIND (VANS)

Resolved,

That provision may be made relating to vans available for private use.

38. INTEREST (CORPORATION TAX)

Resolved,

That provision may be made restricting interest allowable as a deduction in computing corporation tax.

39. INTEREST ETC. ON DEBTS BETWEEN ASSOCIATED COMPANIES

Resolved,

That provision may be made in relation to interest and other returns on debts owed (directly or indirectly) to companies resident in the United Kingdom by associated companies of theirs which are not so resident.

40. RELIEF ON INTEREST PAYMENTS

Resolved,

That—

(1) In section 355 of the Income and Corporation Taxes Act 1988, after subsection (1) there shall be inserted the following subsections—

"(1A) Where, in the case of any loan—

(a) the condition specified in subsection (1)(a) above would not (apart from this subsection) be fulfilled with respect to any land, caravan or house-boat by reason of its having ceased at any time to be used by a particular person as his only or main residence; and

(b) the borrower's intention at that time was to take steps, before the end of the period of 12 months after the day on which it ceased to be so used, with a view to the disposal of that land, caravan or house-boat,

that condition shall be treated in relation to interest on that loan as continuing to be fulfilled with respect to that land, caravan or house-boat (as well as with respect to any other land, caravan or house-boat with respect to which it is in fact fulfilled) from that time until the end of that period or (if sooner) the abandonment by the borrower of his intention to dispose of the land, caravan or house-boat in question.

(1B) Where—

(a) subsection (1A) above has effect in the case of any loan ('the first loan') so that the condition specified in subsection (1)(a) above is treated in relation to any person as fulfilled with respect to any land, caravan or house-boat, and

(b) there is another loan raised by the borrower to defray money to be applied as mentioned in section 354(1) with a view to the use of any other land, caravan or house-boat as the borrower's only or main residence,

interest on the other loan shall be treated as eligible for relief to the same extent (if any) as if no interest were payable on the first loan."

(2) In subsection (2) of that section, after "subsection (1)" there shall be inserted "or (1A)".

(3) In section 365 of that Act, after subsection (1) there shall be inserted the following subsections—

"(1A) Where, in the case of any loan—

(a) the condition specified in subsection (1)(d) above would not (apart from this subsection) be fulfilled with respect to any land by reason of its having ceased at any time to be used by a particular person as his only or main residence; and

(b) the intention at that time of the person to whom the loan was made, or of each of the annuitants owning an estate or interest in that land, was to take steps, before the end of the period of 12 months after the day on which it ceased to be so used, with a view to the disposal of his estate or interest,

that condition shall be treated in relation to interest on that loan as continuing to be fulfilled with respect to the land from that time until the end of that period of (if sooner) the abandonment by that person or any of those annuitants of his intention to dispose of his estate or interest.

(1B) If it appears to the Board reasonable to do so, having regard to all the circumstances of a particular case, they may direct that in relation to that case subsection (1A) above shall have effect as if for the reference to 12 months there were substituted a reference to such longer period as meets the circumstances of that case."

(4) In consequence of paragraphs (1) to (3) of this Resolution, that Act shall have effect with the following consequential amendments—

(a) in section 354(1), for "to (6)" there shall be substituted "to (4)";

(b) sections 354(5) and (6), 356D(9), 357(4) and 371 shall cease to have effect;

(c) in section 370(1), for "371" there shall be substituted "372";

(d) in section 370(6), after paragraph (b) there shall be inserted—

"and section 355(1A) shall have effect as if after the word 'used' in paragraph (a) there were inserted the words 'wholly or to a substantial extent'.";

(e) in section 370(7), after paragraph (a) there shall be inserted the following paragraph—

"aa subsections (1A) and (1B) of that section shall have effect as if—

(i) after the word 'used' in paragraph (a) of subsection (1A) there were inserted the words 'wholly or partly';

(ii) for the words 'subsection (1)(a)', wherever they occur, there were substituted the words 'subsection (1)';

(iii) for the words 'land, caravan or house-boat', wherever they occur without being immediately preceded by the word 'other', there were substituted the word 'dwelling'; and

(iv) for the words 'other land, caravan or house-boat', wherever they occur, there were substituted the words 'land, caravan or house-boat'; and".

(5) This Resolution shall have effect in relation to payments of interest made on or after 16th March 1993 (whenever falling due).

(6) Where this Resolution applies by virtue of paragraph (5) of this Resolution in a case where the condition specified in section 355(1)(a) or 365(1)(d) of the Income and Corporation Taxes Act 1988 ceased to be fulfilled before 16th March 1993, the power of the Commissioners of Inland Revenue by virtue of this Resolution to extend the period specified in section 355(1A) or 365(1A) of that Act—

(a) shall be exercisable in any case in relation to that period irrespective of when that period began in that case; and

(b) in so far as it is exercisable in relation to the period specified in section 355(1A) of that Act where an equivalent period has been extended in any case under section 354(6) or 371(2) or (3) of that Act, shall be deemed to have been exercised so that

(subject to any further extensions) the period in question ends when that equivalent period would have ended.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

41. TAX CREDITS ETC.

Resolved,

That provision may be made as to tax credits in respect of distributions and as to the rate at which other amounts are treated as having borne tax.

42. FOREIGN DIVIDENDS

Resolved,

That, in relation to transactions effected on or after 6th April 1993, Schedule 3 to the Income and Corporation Taxes Act 1988 shall be amended as follows—

(1) In sub-paragraph (1) of paragraph 6A, for "basic rate" there shall be substituted "applicable rate".

(2) After sub-paragraph (2) of that paragraph there shall be inserted the following sub-paragraph—

"(2A) Payments of tax made on any person's behalf under this paragraph shall be treated as made for the purpose only of being applied in the discharge of that person's liability to tax charged (otherwise than by virtue of this paragraph) on the dividends or proceeds to which the payments relate."

(3) After sub-paragraph (3) of that paragraph there shall be inserted the following sub-paragraph—

"(4) For the purposes of sub-paragraph (1) above the applicable rate shall be—

(a) the lower rate, in the case of a foreign dividend which is neither interest nor any other annual payment which is made otherwise than by way of dividend; and

(b) the basic rate in any other case."

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

43. CHARGEABLE GAINS (ANNUAL EXEMPT AMOUNT)

Resolved,

That provision may be made as to the operation of section 3 of the Taxation of Chargeable Gains Act 1992 for the year 1993-94.

44. CHARGEABLE GAINS (PERSONAL EQUITY PLANS)

Resolved,

That provision may be made for the purposes of the Taxation of Chargeable Gains Act 1992 in relation to persons who subscribe to a personal equity plan by transferring or renouncing shares or rights to shares.

45. CHARGEABLE GAINS (DEBENTURES ISSUED IN EXCHANGE)

Resolved,

That provision may be made, for the purposes of the taxation of chargeable gains, in relation to debentures issued or treated as issued by one company in exchange for shares in or debentures of another company.

46. CHARGEABLE GAINS (DE-GROUPING)

Resolved,

That provision may be made amending section 179 of the Taxation of Chargeable Gains Act 1992.

47. CHARGEABLE GAINS (INSURANCE: TRANSFERS OF BUSINESS)

Resolved,

That provision (including provision having retrospective effect) may be made amending section 211 of the Taxation of Chargeable Gains Act 1992.

48. CHARGEABLE GAINS (UNIT TRUSTS AND OFFSHORE FUNDS OF INSURANCE COMPANIES)

Resolved,

That provision (including provision having retrospect effect) may be made amending the transitional provision made in connection with sections 212 and 213 of the Taxation of Chargeable Gains Act 1992.

49. CHARGEABLE GAINS (RESTRICTION ON SET OFF OF PRE-ENTRY LOSSES)

Resolved,

That provision may be made for restricting the allowable losses that may be taken into account in computing the total profits of a company which is or has been a member of a group of companies.

50. CHANGES IN THE OWNERSHIP OF COMPANIES

Resolved,

That section 245 of the Income and Corporation Taxes Act 1988 may be amended.

51. EXCHANGE GAINS AND LOSSES

Resolved,

That charges (including charges by reference to past events) may be imposed by—

(a) provisions about gains and losses accruing from fluctuations in exchange rates;

(b) provisions connected with provisions mentioned in paragraph (a) above.

52. PROFITS OR LOSSES (CURRENCY)

Resolved,

That provision may be made about currencies to be used in calculating profits and losses for corporation tax purposes.

53. NON-RESIDENTS

Resolved,

That provision may be made about trustees, companies and other persons not resident in the United Kingdom.

54. OVERSEAS LIFE INSURANCE COMPANIES

Resolved,

That provision (including provision having retrospective effect) may be made in relation to overseas life insurance companies.

55. LLOYD'S UNDERWRITERS

Resolved,

That provision (including provision having retrospective effect) may be made about Lloyd's underwriters.

56. AUTHORISED LLOYD'S UNDERWRITING AGENTS

Resolved,

That provision may be made about authorised Lloyd's underwriting agents.

57. EMPLOYERS' PENSION CONTRIBUTIONS

Resolved,

That provision may be made in relation to contributions by employers under approved retirement benefit schemes.

58. APPROVED SHARE OPTION SCHEMES

Resolved,

That provision may be made about approved share option schemes.

59. BUSINESS EXPANSION SCHEME (RESTRICTION ON RELIEF)

Resolved,

That provision may be made for restricting entitlement to relief under Chapter III of Part VII of the Income and Corporation Taxes Act 1988.

60. APPLICATION OF INCOME TAX ACTS TO PUBLIC OFFICES ETC.

Resolved,

That provision may be made amending section 829 of the Income and Corporation Taxes Act 1988.

61. CAPITAL ALLOWANCES

Resolved,

That provision (including provision having retrospective effect) may be made amending the Capital Allowances Act 1990.

62. PETROLEUM REVENUE TAX

Motion made, and Question put:—

That provision may be made reducing the rate of petroleum revenue tax to 50 per cent. and making other modifications of that tax.

The House divided: Ayes 304, Noes 40.

Division No. 187] **[10.28 pm**

AYES

Adley, Robert
Ainsworth, Peter *(East Surrey)*
Aitken, Jonathan
Alexander, Richard
Allason, Rupert *(Torbay)*
Amess, David
Ancram, Michael
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Arnold, Sir Thomas *(Hazel Grv)*
Ashby, David
Atkinson, Peter *(Hexham)*
Baker, Rt Hon K. *(Mole Valley)*
Baker, Nicholas *(Dorset North)*
Baldry, Tony
Banks, Matthew *(Southport)*
Banks, Robert *(Harrogate)*
Bates, Michael
Batiste, Spencer
Beggs, Roy
Bellingham, Henry
Bendall, Vivian
Beresford, Sir Paul
Biffen, Rt Hon John
Blackburn, Dr John G.
Bonsor, Sir Nicholas
Booth, Hartley
Boswell, Tim
Bottomley, Peter *(Eltham)*
Bottomley, Rt Hon Virginia
Bowden, Andrew
Bowis, John
Boyson, Rt Hon Sir Rhodes
Brandreth, Gyles
Brazier, Julian
Bright, Graham
Brooke, Rt Hon Peter
Brown, M. *(Brigg & Cl'thorpes)*
Browning, Mrs. Angela
Bruce, Ian *(S Dorset)*
Burns, Simon
Burt, Alistair
Butterfill, John
Carlisle, John *(Luton North)*
Carlisle, Kenneth *(Lincoln)*
Carrington, Matthew
Carttiss, Michael
Cash, William
Churchill, Mr
Clark, Dr Michael *(Rochford)*
Clarke, Rt Hon Kenneth *(Rushcliff)*
Clifton-Brown, Geoffrey
Coe, Sebastian
Colvin, Michael
Congdon, David
Conway, Derek
Coombs, Anthony *(Wyre For'st)*
Coombs, Simon *(Swindon)*
Cope, Rt Hon Sir John
Couchman, James
Cran, James
Currie, Mrs Edwina *(S D'by'shr)*
Curry, David *(Skipton & Ripon)*
Davis, David *(Boothferry)*
Day, Stephen
Deva, Nirj Joseph
Devlin, Tim
Dickens, Geoffrey
Dorrell, Stephen
Douglas-Hamilton, Lord James
Dover, Den
Duncan, Alan
Duncan-Smith, Iain
Dunn, Bob
Durant, Sir Anthony
Eggar, Tim
Elletson, Harold
Emery, Rt Hon Sir Peter
Evans, David *(Welwyn Hatfield)*
Evans, Jonathan *(Brecon)*
Evans, Nigel *(Ribble Valley)*
Evans, Roger *(Monmouth)*
Evennett, David
Faber, David
Fabricant, Michael
Fenner, Dame Peggy
Field, Barry *(Isle of Wight)*
Fishburn, Dudley
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forsythe, Clifford *(Antrim S)*
Forth, Eric
Fowler, Rt Hon Sir Norman
Fox, Dr Liam *(Woodspring)*
Fox, Sir Marcus *(Shipley)*
Freeman, Roger
French, Douglas
Fry, Peter
Gale, Roger
Gallie, Phil
Gardiner, Sir George
Garel-Jones, Rt Hon Tristan
Garnier, Edward
Gill, Christopher
Gillan, Cheryl
Goodlad, Rt Hon Alastair
Goodson-Wickes, Dr Charles
Gorman, Mrs Teresa
Gorst, John
Grant, Sir Anthony *(Cambs SW)*
Greenway, Harry *(Ealing N)*
Greenway, John *(Ryedale)*
Griffiths, Peter *(Portsmouth, N)*
Grylls, Sir Michael
Gummer, Rt Hon John Selwyn
Hague, William
Hamilton, Rt Hon Archie *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, Sir John
Hargreaves, Andrew
Hawkins, Nick
Hawksley, Warren
Hayes, Jerry
Heald, Oliver
Heath, Rt Hon Sir Edward
Heathcoat-Amory, David
Hendry, Charles
Heseltine, Rt Hon Michael
Higgins, Rt Hon Sir Terence L.
Hill, James *(Southampton Test)*
Hogg, Rt Hon Douglas *(G'tham)*
Horam, John
Hordern, Rt Hon Sir Peter
Howarth, Alan *(Strat'rd-on-A)*
Howell, Rt Hon David *(G'dford)*
Hughes Robert G. *(Harrow W)*
Hunt, Rt Hon David *(Wirral W)*
Hunt, Sir John *(Ravensbourne)*
Hunter, Andrew
Hurd, Rt Hon Douglas
Jack, Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert B. *(W Hertfdshr)*
Jopling, Rt Hon Michael
Kellett-Bowman, Dame Elaine
Key, Robert
Kilfedder, Sir James
King, Rt Hon Tom
Kirkhope, Timothy
Knapman, Roger
Knight, Mrs Angela *(Erewash)*
Knight, Greg *(Derby N)*
Knight, Dame Jill *(Bir'm E'st'n)*
Knox, David
Kynoch, George *(Kincardine)*
Lait, Mrs Jacqui
Lamont, Rt Hon Norman
Lang, Rt Hon Ian
Lawrence, Sir Ivan
Legg, Barry
Leigh, Edward
Lennox-Boyd, Mark
Lester, Jim *(Broxtowe)*
Lidington, David
Lightbown, David
Lilley, Rt Hon Peter
Lloyd, Peter *(Fareham)*
Lord, Michael
Luff, Peter
Lyell, Rt Hon Sir Nicholas
MacGregor, Rt Hon John
MacKay, Andrew
McLoughlin, Patrick
McNair-Wilson, Sir Patrick
Maginnis, Ken
Maitland, Lady Olga
Major, Rt Hon John
Malone, Gerald
Mans, Keith
Marland, Paul
Marshall, John *(Hendon S)*
Marshall, Sir Michael *(Arundel)*
Martin, David *(Portsmouth S)*
Mates, Michael
Mawhinney, Dr Brian
Mellor, Rt Hon David
Merchant, Piers
Milligan, Stephen
Mills, Iain
Mitchell, Sir David *(Hants NW)*
Moate, Sir Roger
Molyneaux, Rt Hon James
Monro, Sir Hector
Montgomery, Sir Fergus
Moss, Malcolm
Needham, Richard
Nelson, Anthony
Newton, Rt Hon Tony
Nicholls, Patrick
Nicholson, David *(Taunton)*
Nicholson, Emma *(Devon West)*
Norris, Steve
Onslow, Rt Hon Sir Cranley
Oppenheim, Phillip
Ottaway, Richard
Page, Richard
Paice, James
Patnick, Irvine
Patten, Rt Hon John
Pattie, Rt Hon Sir Geoffrey
Pawsey, James
Peacock, Mrs Elizabeth
Pickles, Eric
Porter, David *(Waveney)*
Portillo, Rt Hon Michael
Powell, William *(Corby)*
Rathbone, Tim
Redwood, John
Renton, Rt Hon Tim
Richards, Rod
Riddick, Graham
Robathan, Andrew
Roberts, Rt Hon Sir Wyn
Robertson, Raymond *(Ab'd'n S)*
Robinson, Mark *(Somerton)*
Ross, William *(E Londonderry)*
Rowe, Andrew *(Mid Kent)*
Rumbold, Rt Hon Dame Angela

Ryder, Rt Hon Richard
Sackville, Tom
Sainsbury, Rt Hon Tim
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shephard, Rt Hon Gillian
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Skeet, Sir Trevor
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Soames, Nicholas
Speed, Sir Keith
Spencer, Sir Derek
Spicer, Sir James *(W Dorset)*
Spicer, Michael *(S Worcs)*
Spink, Dr Robert
Spring, Richard
Sproat, Iain
Squire, Robin *(Hornchurch)*
Stanley, Rt Hon Sir John
Steen, Anthony
Stephen, Michael
Stern, Michael
Stewart, Allan
Streeter, Gary
Sumberg, David
Sweeney, Walter
Sykes, John
Tapsell, Sir Peter
Taylor, Ian *(Esher)*
Taylor, John M. *(Solihull)*
Taylor, Sir Teddy *(Southend, E)*
Temple-Morris, Peter
Thomason, Roy
Thompson, Sir Donald *(C'er V)*
Thompson, Patrick *(Norwich N)*
Thornton, Sir Malcolm
Thurnham, Peter
Townend, John *(Bridlington)*
Townsend, Cyril D. *(Bexl'yh'th)*
Tracey, Richard
Tredinnick, David
Trimble, David
Trotter, Neville
Twinn, Dr Ian
Vaughan, Sir Gerard
Viggers, Peter
Waldegrave, Rt Hon William
Walden, George
Walker, Bill *(N Tayside)*
Waller, Gary
Ward, John
Wardle, Charles *(Bexhill)*
Waterson, Nigel
Watts, John
Wells, Bowen
Wheeler, Rt Hon Sir John
Whitney, Ray
Whittingdale, John
Widdecombe, Ann
Wiggin, Sir Jerry
Wilkinson, John
Willetts, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macc'fld)*
Wolfson, Mark
Wood, Timothy
Yeo, Tim
Young, Sir George *(Acton)*

Tellers for the Ayes:
Mr. Sydney Chapman and
Mr. Andrew Mitchell.

NOES

Abbott, Ms Diane
Alton, David
Ashdown, Rt Hon Paddy
Barnes, Harry
Betts, Clive
Bruce, Malcolm *(Gordon)*
Campbell, Menzies *(Fife NE)*
Canavan, Dennis
Carlile, Alexander *(Montgomry)*
Connarty, Michael
Corbyn, Jeremy
Cryer, Bob
Dafis, Cynog
Foster, Don *(Bath)*
Godman, Dr Norman A.
Harvey, Nick
Hogg, Norman *(Cumbernauld)*
Hughes, Simon *(Southwark)*
Johnston, Sir Russell
Jones, Ieuan Wyn *(Ynys Môn)*
Jones, Nigel *(Cheltenham)*
Kennedy, Charles *(Ross,C&S)*
Liwyd, Elfyn
Loyden, Eddie
Lynne, Ms Liz
McCrea, Rev William
Maclennan, Robert
Madden, Max
Marshall, David *(Shettleston)*
Martin, Michael J. *(Springburn)*
Michie, Mrs Ray *(Argyll Bute)*
Parry, Robert
Raynsford, Nick
Robinson, Peter *(Belfast E)*
Rooker, Jeff
Salmond, Alex
Skinner, Dennis
Taylor, Matthew *(Truro)*
Tyler, Paul
Wallace, James

Tellers for the Noes:
Mr. Archy Kirkwood and
Mr. Andrew Welsh.

Question accordingly agreed to.

63. Inheritance Tax (Indexation)

Resolved,

That provision may be made—

(a) amending section 8 of the Inheritance Tax Act 1984;

(b) as to the operation of subsection (1) of that section as regards chargeable transfers made in the year beginning 6th April 1993.

64. Stamp Duty (Threshold)

Resolved,

That the following provisions shall have effect for the period beginning 23rd March 1993 and ending 31 days after the earliest of the dates mentioned in section 50(2) of the Finance Act 1973—

(1) Section 55 of the Finance Act 1963 and section 4 of the Finance Act (Northern Ireland) 1963 shall be amended as follows—

(a) in subsection (1) of each section for "£30,000" (in each place) there shall be substituted "£60,000";

(b) in subsection (2) of each section for "£300" there shall be substituted "£600".

(2) This Resolution applies to—

(a) instruments executed on or after 16th March 1993 and before 23rd March 1993 and not stamped before 23rd March 1993;

(b) instruments executed on or after 23rd March 1993.

(3) For the purposes of section 14(4) of the Stamp Act 1891 the law in force at the time of execution of an instrument falling within paragraph (2)(a) above shall be deemed to be that as varied in accordance with paragraph (1) above.

And it is hereby declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of section 50 of the Finance Act 1973.

65. Stamp Duty (Right to Acquire)

Resolved,

That provision may be made about stamp duty with regard to any case where there is an exercise of the right to acquire on rent to mortgage terms (in England and Wales) or to purchase by way of the rent to loan scheme (in Scotland).

66. Relief from Tax (Incidental and Consequential Charges)

Resolved,

That it is expedient to authorise any incidental or consequential charges to any duty or tax (including charges having retrospective effect) which may arise from provisions designed in general to afford relief from taxation.

PROCEDURE RESOLUTIONS

Procedure (Mutual Recovery and Disclosure of Information)

Resolved,

That, notwithstanding anything to the contrary in the practice of the House relating to the matters which may be included in Finance Bills, any Finance Bill of the present Session may contain provision for implementing requirements with respect to mutual recovery and the disclosure of information which are imposed in relation to excise duties by the Directive of the Council of the European Communities dated 14th December 1992 No. 92/108/EEC and the Directive of the Council dated 25th February 1992 No. 92/12/EEC.

Procedure (Trading Funds)

Resolved,

That, notwithstanding anything to the contrary in the practice of the House relating to the matters which may be included in Finance Bills, any Finance Bill of the present Session may contain provision with respect to trading funds.

Procedure (Future Taxation)

Resolved,

That, notwithstanding anything to the contrary in the practice of the House relating to the matters which may be included in Finance Bills, any Finance Bill of the present Session may contain the following provisions taking effect in a future year—

(a) provision for supplies falling within Group 7 of Schedule 5 to the Value Added Tax Act 1983 to cease to be

zero-rated and as to the rates at which tax is to be charged on those supplies and on the equivalent acquisitions and importations;

(b) provision about cars available for private use;

(c) provision about car fuel;

(d) provision about the rate of advance corporation tax;

(e) provision about indexation;

(f) provision about Lloyd's underwriters.

FINANCE BILL *[Money]*

Queen's Recommendation having been signified—

Resolved,

That, for the purposes of any Act of the present Session relating to finance, it is expedient to authorise—

(a) the payment out of money provided by Parliament of amounts which, by virtue of that Act, are payable in respect of distributions received by charities and persons to whom section 507 or 508 of the Income and Corporation Taxes Act 1988 applies;

(b) any increase in the sums payable out of money provided by Parliament which is attributable to any provision of that Act relating to trading funds;

(c) any increase in the sums payable into the Consolidated Fund which is attributable to any provision of that Act relating to trading funds;

(d) any increase in the sums payable out of or into the National Loans Fund which is attributable to any provision of that Act relating to functions of the National Debt Commissioners.

Bill ordered to be brought in upon the foregoing resolutions: And that the Chairman of Ways and Means, Mr. Chancellor of the Exchequer, Mr. Secretary Clarke, Mr. Secretary Heseltine, Mr. Secretary MacGregor, Mr. Secretary Howard, Mr. Secretary Lilley, Mrs. Secretary Shephard, Mr. Michael Portillo, Mr. Stephen Dorrell, Sir John Cope and Mr. Anthony Nelson do prepare and bring it in.

FINANCE (NO. 2) BILL

Mr. Stephen Dorrell accordingly presented a Bill to grant certain duties, to amend the law relating to the national debt and the public revenue, and to make further provision in connection with finance: And the same was read the First time; and ordered to be read a Second time tomorrow and to be printed. [Bill 167.]

Statutory Instruments, &c

Madam Speaker: With permission, I shall put together the motions relating to statutory instruments.

Motion made, and Question put forthwith pursuant to Standing Order No. 101(5) (Standing Committees on Statutory Instruments, &c.).

PNEUMOCONIOSIS

That the draft Pneumoconiosis etc. (Workers' Compensation) (Payment of Claims) (Amendment) Regulations 1993, which were laid before this House on 26th February, be approved.

ASIAN DEVELOPMENT BANK

That the draft Asian Development Bank (Fifth Replenishment of the Asian Development Fund and Second Regularized Replenishment of the Technical Assistance Special Fund) Order 1993, which was laid before this House on 1st March, be approved.

INTERNATIONAL FINANCE CORPORATION

That the draft International Finance Corporation (1991 General Capital Increase) Order 1993, which was laid before this House on 1st March, be approved.

CHILD SUPPORT

That the draft Child Support (Miscellaneous Amendments) Regulations 1993, which were laid before this House on 2nd March, be approved.

CHILD BENEFIT

That the draftChild Benefit and Social Security (Miscellaneous Amendments) Regulations 1993, which were laid before this House on 2nd March, be approved.

CHESSINGTON COMPUTER CENTRE

That the draft Chessington Computer Centre Trading Fund Order 1993, which was laid before this House on 2nd March, be approved.—*[Mr. Wood.]*

Question agreed to.

EUROPEAN COMMUNITY DOCUMENTS

Motion made, and Question put forthwith pursuant to Standing Order No. 102(9) (European Standing Committees.).

SERBIA AND MONTENEGRO (TRADE SANCTIONS)

That this House takes note of European Community Documents Nos. 7150/92, 7945/92, 8365/92, 8409/92, 10528/92 and 11236/92, relating to the imposition of trade sanctions against Serbia and Montenegro; and, while endorsing the Government's view that all steps necessary to ensure the effective implementation of sanctions against Serbia and Montenegro should be taken, believes that further action enforcing sanctions is needed.—*[Mr. Wood.]*

Question agreed to.

Tin Mining Subsidence (Cornwall)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Wood.]*

10.41 pm

Mr. Sebastian Coe (Falmouth and Camborne): I am grateful for the opportunity to raise in the House a pressing concern that has consistently effected my constituency and the rest of Cornwall—damage to property resulting from tin mining subsidence. I refer to all Cornwall because, in Gunnerslake, my hon. Friend the Member for Cornwall, South-East (Mr. Hicks) has been working hard for the past three months on behalf of three constituents who have suffered from such damage. My hon. Friend is, unfortunately, unable to be with us this evening.

Before informing hon. Members of the situation we face in Cornwall, I should like to outline briefly the history and significance of tin mining to that county.

Much of the tin mining was situated in the district of Kerrier. Its rich deposits of tin were exploited from the earliest times, and the urban area of Redruth grew up around the mines. By the 15th century, tin mining was emerging as a central and vital feature of the Cornish economy. Its importance was borne out by the power invested in the Stannary courts. As far back as 1305, Edward 1, through two different charters, one for Cornwall and one for Devon, outlined the privileges granted to tinners. That helped to create the situation described by the Cornish historian, Philip Payton, of tinners being

"a class of independent workers, living and working according to their own rules, answerable only to their kind, and jealous of their rights and privileges."

They were a little like hon. Members in this place.

As mining grew in importance in the Cornish economy, it began to command deep respect and status, and it was followed by other Cornish industries. That influence of immense importance went a long way towards moulding modern Cornwall's socio-economic fabric.

The industrial revolution and the arrival of steam engines helped to propel the tin industry into modern times, and Cornwall managed to command a near-monopoly of world production. That emphasises the uniqueness of Cornwall and the sharp difference between its economy and that of the rest of England which, in structure, remains the case today.

Scarcely a week goes by without a report in a local newspaper of someone suffering damage to property as a result of old tin mining works. Such subsidence causes various problems to property that is highlighted by searches, surveys and inspections. It does not need the trained eye to notice the obvious cracks in structure and ceilings, but whose role is it to compensate for such devaluation of property? The standard answer is that, after any subsidence from mining, the owner of the surface has the right to bring legal action against whoever did the mining.

For coal, there is an alternative course of action, which is normally much easier and more suitable: to claim compensation work to make good property from British Coal. That option, or its equivalent, does not exist for tin mining. There are no special Acts, and there is no single state-owned operator that has taken on the assets and liabilities of previous operations.

Following the decline of the industry, mines were abandoned and, after selling marketable equipment, little tidying up was done. In many cases, tips, shafts and engine houses remained for long periods in a state much as when the mine was closed. Subsequently, some of the tips were worked over and the material reprocessed, and some engine houses were dismantled. More recently, mine waste has been quarried for landfill.

The expansion of the industry and increase in population in recent years has resulted in a shortage of suitable building land. Large parts of the district of Kerrier are unavailable for development, either to protect unexploited mineral reserves or because of environmental constraints. That means that there is considerable pressure to redevelop land left derelict as the result of mining activity. Planning policies at county and district levels reflect local concern about the extent and impact of derelict land. Those authorities are committed to bringing derelict land back into use.

It is usual when buying a property to find a provision that retains the mining rights for some other owner. Indeed, in most cases, mineral ownership is totally severed from the surface freehold. Most mines were abandoned a long time ago, and the ownership of the mining rights has disseminated and become uncertain over time. One may be able to trace part-owners—for example, someone owning 13/365ths—but no complete ownership due to the nature of the inheritance. Some 100 years ago, there may have been one or two owners, but not now.

Liability is almost impossible to work out, particularly as many of the mines, especially in Redruth, predate 1872 and were not required to be registered. Without the ability to trace an owner for liability, to whom could a household with a property damaged by subsidence go for compensation?

The only other alternative is to look to insurance companies. However, they are now refusing to provide cover for certain areas, and often refuse even to consider particular post codes. I am the first to defend the right of a commercial enterprise to choose its own custom, but the present practice does not help my constituents. The insurance companies could be considered to be inflexible by refusing to insure any house in a specific district. That displays a lack of understanding. Tin mines, unlike coal mines, are worked via vertical shafts, not horizontal ones. Therefore, one house may be affected, and a house two doors down may not be.

The issue of damages and who is liable is central to my concern. Halsbury's "Laws of England", volume 31, section 117, describes how damages are decided. I do not intend to detain the House with the legalese, nor do I wish to "do a Rumpole", but the process is clearly described. When subsidence occurs after the original owner has ceased to own the property, a later occupier is not generally liable for the subsidence. Due to the confiscatory nature of death duties in earlier times, the state acquired all the benefits of the land, but none of the liabilities.

I shall draw a comparison with the position relating to coal mining subsidence. In essence, the coal case is far easier and better controlled, partly because it is covered by specific legislation—most recently the Coal Mining Subsidence Act 1991. British Coal has to accept liability, no matter which coal mining concern originally caused the damage. Compensation is paid, or work to make good undertaken, provided only that the claim is made within six years of the damage becoming apparent.

[Mr. Sebastian Coe]

If agreements cannot be reached, the claimants can appeal to the Lands Tribunal. Alternatively they can use the cheap arbitration scheme organised by British Coal, and run by the Chartered Institute of Arbitrators. This is a far more favourable position than that held by tin mining subsidence sufferers in my constituency.

In fact, the problems are much greater even than the law suggests, because of the difficulty in tracing the owner of the minerals, let alone the defunct company which did the mining. As I have already stated, the minerals owner is normally not the same person as the surface freeholder, and it is extremely difficult to discover who the mineral owner is. The Chamber of Mines has a confidential list of some owners, but even these will not normally allow their names to go to the householders threatening legal action. The Duchy of Cornwall is the largest minerals owner but also the most secretive: it has actually removed its records to London so as to make it virtually impossible for potential litigants to discover when the Duchy is liable.

It is also unlikely that a surveyor could be sued for failing to notify a householder. Solicitors organise searches for mine workings, but their reports would be worded so as to protect them from liability if subsidence later occurred.

Mr. Matthew Taylor (Truro): I think that the hon. Gentleman is aware that a constituent of mine died when a shaft opened up under her immediately outside her back door. The family has since campaigned hard to obtain all possible information on where the shafts are. Not only is it difficult to trace those who may have worked the mine or who may have the mineral rights, but the very existence of the problem is almost impossible to determine, given the history of this mining. Yet the council, which might be able to provide the information, is given no funding at all for gathering such information in what would be a major undertaking. I hope that the hon. Gentleman will impress that point on the Minister.

Mr. Coe: I welcome that intervention. A mining search, of course, is only as good as the records that are consulted —and as the interpretation put on them by the researcher. On the whole, the records are notoriously poor, but common sense dictates that local councils, through archives or local knowledge, must be aware of the situation of most of these mines, and must therefore be in a position to advise potential developers where they are located.

The position is very unsatisfactory, and might be made even worse by a court ruling two years ago that the National Trust, as surface freeholder, was liable to cap an uncapped mine shaft on land that it had recently bought. That might suggest that householders would in future be liable to cap mineshafts in similar circumstances.

I am not attempting to suggest a solution to this immense problem, but something must be done. The "polluter pays" principle simply cannot work in this case. Morally, compensation must be the order of the day. I hope that this debate will prompt the Minister to reconsider the situation.

10.53 pm

The Parliamentary Under-Secretary of State for the Environment (Mr. Tony Baldry): My hon. Friend the Member for Falmouth and Camborne (Mr. Coe) has set out thoroughly the problems facing parts of Redruth and the whole of Cornwall arising from historic tin mining. He has shown admirable concern for the plight of his constituents who are adversely affected. I congratulate him on raising this matter and on the clear way he has presented the issues. As he said, our hon. Friend the Member for Cornwall, South-East (Mr. Hicks) has also activley sought solutions to these problems.

Since problems of mining subsidence are not restricted to Cornwall, perhaps it would be helpful if I explained the Government's general approach to the problems of historic mining activity before looking at the situation in Cornwall.

Britain has a long history of mining for a wide variety of minerals. Apart from the coalfields, there are the metal mining fields of Devon and Cornwall, the Mendips, Wales, the Pennine uplands and the Lake district, and the salt mines of Cheshire. The old limestone mines of the black country have also become well known over the last 10 years or so and much of the building stone for Bath was provided by underground mining. Less well known are the sand and sandstone mines of west Yorkshire, Lancashire and Surrey, chalk mines throughout the south-east, including several in London, and other mines for iron ore and ironstone, potash, gypsum, anhydride, ball clay, fullers earth, fireclay, slate, chert and flint. There are examples in many of those areas of subsidence due to old mines causing damaging to property. Because reliable records are available only since the latter half of the 19th century, the first intimation of earlier mine workings has often been the occurrence of subsidence.

In support of the development of land use planning policy, we have carried out a number of mining-related research projects over the last 10 years or so. These have included specific area studies of limestone working in the black country, coal mining in south Wales, chalk and flint mining in Norwich and metal mining in Cornwall. Studies of the methods of treatment of disused mine shafts and of compiling and using information on mining were published in 1988.

The broad national picture was obtained during the "Review of mining instability in Great Britain", published in 1992. As well as regional and technical reports, that includes a case study report specifically on metalliferous mines in Kerrier, of which my hon. Friend is aware. That research has supported the development of advice in planning policy guidance note 14, "Development on unstable land", published in April 1990. This advises that, where development is proposed in areas which are known or suspected to be undermined, due account should be taken of the potential effects of subsidence on that development.

The responsibility for investigating a site to determine whether subsidence is likely to be a problem is that of the developer. However, local planning authorities are advised that they should regard the possibility of mining subsidence as a material planning consideration and take account of it at all stages of the planning process. Purchasers are also advised that they should make such inquiries as they consider necessary to satisfy themselves as to the stability of the land. It is recognised, however, that

searches are only as good as the information available—a point rightly made by my hon. Friend. For many mining areas, information, when it exists, is often not readily available.

More specific planning guidance on the treatment of disused mine openings and the availability of information on mined ground is currently being developed. I hope to be able to publish it later in the year. We shall continue to review the effectiveness of our policies in reducing the impact of subsidence and will consider the need for further guidance.

Mr. Matthew Taylor: The Minister has touched on a point that I raised earlier about the availability of information. As I said, a constituent of mine died, having had no information that there might be a problem. The local borough council—and, I believe, all other councils in Cornwall—has sought to gather information but, as the Minister will understand, it is an expensive process. In the review, will he consider the possibility of funding councils for part of the costs of gathering such information so that it can be made available to people?

Mr. Baldry: I shall come to that point when I discuss the historic position.

Whatever consideration is now given to new development—much of what I have said has related to new development—it is a fact of life that much of the development in this country preceded such considerations. Indeed, all the matters which are the cause of concern in Cornwall preceded them. Consequently, there are many areas where development has already taken place above old mine workings and thus may be at risk from subsidence. That is what happened in the case raised by the hon. Gentleman and in other places in Cornwall.

Derelict land grant funding has therefore been made available for the investigation and treatment of land liable to become derelict due to actual or apprehended subsidence due to abandoned underground mines. Land likely to be affected by subsidence cause by coal mining was excluded because it was already covered by the Coal Mining (Compensation for Subsidence) Acts. Derelict land grant funding for the stabilisation of underground mines is available in Cornwall. It is a precondition of that that local authorities will have to have some regard to where such mines might be if they are to have derelict land grant funding.

Financial help has been given to the treatment of tin mines in Cornwall. In 1988, we made it clear that derelict land grant would be available for the capping or back-filling of mine shafts, even where the work does not form part of a wider scheme for the reclamation of derelict land. Priority has been given to the treatment of mine shafts on land needed for development or redevelopment, or with a high degree of public access—such as open land next to a footpath. My hon. Friend will be aware that as a consequence of that initiative intensive shaft-capping programmes have been undertaken by both Kerrier and Carrick district councils—so we have invested substantial sums of money to help tackle that problem.

Our general approach to the problems of mining subsidence is thus to attempt to prevent the problems arising by proper consideration within the planning system, and by the use of derelict land grant funds to deal with mine shafts and underground workings where there is a significant element of risk to public safety or where substantial existing development is at risk.

As the House will be aware, the Urban Regeneration Agency will—when it comes into full operation—subsume derelict land grant. As the consultation paper on the agency made clear, in constructing its unified grant regime, and issuing our guidance to the agency, we shall take account of the current priorities for derelict land grant. It will, of course, be for the agency to determine its initial work programme. In doing so, I am confident that it will take full account of existing derelict land grant programmes in Cornwall.

Despite all those measures, subsidence does happen, and I fully appreciate that it causes much distress to people and damage to property that is expensive to repair. As my hon. Friend made clear, apart from coal, there is no statutory compensation scheme and the liability under common law for any damage is that of the person who caused the damage. I fully acknowledge that, in the case of abandoned mines, there is a problem, in that the persons who caused the damage have largely long since disappeared, if they were ever known, and there may be no successors in title other than the surface landowner.

In practice, most household insurance policies cover subsidence, whatever the cause. There is thus a remedy to cover the costs of subsidence damage to property. However, the Government recognise that there can be problems and my hon. Friend argued the case for a publicly funded compensation scheme to cover such cases. Insurance policies normally cover damage to property, but a collapse in the garden or grounds which does not affect the property or cause loss of value due to the perception of subsidence risk may not be covered. The commercial judgment of insurance companies may also result in difficulties in obtaining insurance cover where properties have already been damaged by subsidence or where a threat of subsidence has been identified.

Such problems have arisen not just in Cornwall but in other areas affected by historic mining. The proposal for a publicly funded compensation scheme was carefully considered in 1987 in respect of limestone mines in the black country. It was concluded that the insurance industry already provided protection in respect of subsidence damage under normal household building insurance contracts, and it was felt inappropriate for central Government to fund any such scheme.

However, assurances were obtained from the major insurers providing household insurance and from the Building Societies Association that they would not discriminate against areas potentially at risk from limestone subsidence, provided that there was no evidence of existing damage to the property involved. That means that insurance risks and mortgage applications are considered on their merits. Subsidence cover is available at standard terms and conditions, subject to normal underwriting considerations.

My officials will certainly raise the issues mentioned by my hon. Friend with the Association of British Insurers as part of their continuing discussions on limestone and other mining subsidence, and I will ensure that they pay particular regard to the problems identified in Cornwall.

Within my hon. Friend's constituency have been found the richest deposits of tin and copper in the British Isles. The area contains some of the longest-lived and most famous mines of south-west England, as well as the sole

[Mr. Baldry]

surviving tin mine at South Crofty. The area also has a long history of subsidence dating from the time of mining or shortly after abandonment. As my hon. Friend knows, that is continuing.

It must be said, however, that, considering the amount of mining that took place, the amount of subsidence is relatively limited. That is largely dues to the strength of the rock surrounding the workings and their narrowness and depth. My hon. Friend described the nature of tin workings, which is somewhat different from that of some other minerals. I fully realise, however, that that is not much compensation for the individuals whose properties have been affected.

An analysis of 74 subsidence events in Kerrier district between 1974 and 1990 formed part of the case study that I have already mentioned: it showed that shaft collapses are the most common type of subsidence event, constituting 41 of the 74. Although that is a significant number, it represents a small proportion of the 6,000-plus shafts estimated to be in Kerrier, and the 12,000-plus in Cornwall as a whole. Collapses of unstable shallow stope workings are much less frequent, although they can affect larger areas than shaft collapses. About one third of those subsidence events were on public highways or in open spaces, or near enough to such areas to present a danger to public safety. About one third involved damage to gardens and grounds of properties. Only nine of the 74 involved structural damage to buildings—that is, only nine out of some 12,000 shafts.

Other parts of Cornwall also suffer from shaft collapse and subsidence. The events at Gunnislake last summer were widely reported in the national press. Two houses have had to be demolished, and derelict land grant has been awarded to Caradon district council to treat the shafts and to counter the threat of subsidence damage to land beyond the confines of the individual properties.

My hon. Friend is also aware of the concern with which local authorities in Cornwall regard the problems of historic mining. The local planning authorities are diligent in their consideration of mining issues, which is based both on their own records and the advice of the mineral valuers. Both the county and district councils co-operated fully with my Department's research at Chacewater and St. Day in the mid-1980s. That study aimed to develop techniques to enable planners and developers better to take account of ground conditions in this and other metal-mining areas. The computerised database which resulted was transferred to the county council as a basis for extension to other parts of the county as and when the opportunity arose. I understand that it is used fairly intensively.

The local authorities have also carried out a number of land reclamation schemes, funded by derelict land grant, to enable derelict mining areas to be put to alternative use —providing, for instance, housing, industrial development or public open space. The treatment of mine shafts and workings within the schemes, and the shaft capping programmes that I have already mentioned, have been funded where they represent value for money.

In Cornwall, as elsewhere, the costs involved need to be justified by a significant threat to the public and/or a large number of properties. Where only single properties are affected by collapse or the threat of subsidence, it has generally been regarded as a matter for the property owners or their insurers. Clearly, with limited derelict land grant funds available and many competing demands, it is not possible for every incident to be remedied from the public purse when alternatives are available in the insurance market. It would not be appropriate for the Government to act on all occasions as insurer of last resort.

My hon. Friend should also note that—even when derelict land grant has been paid for the treatment of shafts or mine workings—if properties have been damaged, compensation for the structures has been dealt with by the owners' insurers. If it has been necessary to acquire the land to enable the reclamation scheme to be carried out it has been acquired at derelict land value only.

Obviously, it would not be proper for me to comment on individual cases, but in correspondence my hon. Friend has explained a situation which is causing particular concern in Clinton road, Redruth, where a number of shallow workings close to the surface have suffered subsidence from time to time. I have not been approached by Kerrier district council for derelict land grant support either to investigate the problems in the area or to deal with individual collapses. If I were, I should consider the request with care. However, it will be clear from what I have already said that the treatment of collapses affecting individual properties is generally regarded as a matter for owners and their insurers. If there is a wider problem, the investigation and treatment of the shallow workings could be a possible candidate for derelict land grant funding. Should an application be received, I will ensure that it is carefully considered in the light of the availability of funds and competing demands.

We recognise the problem of historic mining, which affects my hon. Friend's constituents and other Cornwall constituencies. Although we do not consider that a publicly funded compensation scheme is justified, we are working actively to reduce the problems both nationally and in Cornwall by carrying out appropriate research, developing advice to enable the problems to be avoided where possible and making available derelict land grant funds to deal with the problems where the costs can be justified by the risk to public safety or to substantial existing development.

Obviously, I shall continue to keep the matter under review and to take a keen interest in the representatives made by my hon. Friend and other Cornwall Members.

Question put and agreed to.

Adjourned accordingly at nine minutes past Eleven o'clock.

House of Commons

Tuesday 23 March 1993

The House met at half-past Two o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

PRIVATE BUSINESS

DAWAT-E-HADIYAH (ENGLAND) BILL

PWLLHELI HARBOUR (AMENDMENT) BILL
Considered; to be read the Third time.

Oral Answers to Questions

HEALTH

Community Care

1. **Mr. Matthew Banks:** To ask the Secretary of State for Health how she intends to promote the interests of the users of community care services.

The Parliamentary Under-Secretary of State for Health (Mr. Tim Yeo): At the very heart of our community care reforms lies the principle that all decisions about services must reflect the individual needs and wishes of users of the services and of anyone who helps to care for them.

Mr. Banks: Does my hon. Friend agree that one of the most important aspects of the community care reforms is that they put the user and carer at the centre of services rather than the periphery? Under the old system, far too often needs were dictated by the local authority and trade unions. Will my hon. Friend give an assurance that he will take steps to ensure that Labour-run local authorities that have the task of making decisions do so in the interests of users and not in the interests of the local authorities themselves and trade unions?

Mr. Yeo: Extensive precautions have been taken to minimise the risk that any local authority, however doctrinaire or incompetent, can undermine the reforms. We are requiring 85 per cent. of the money being transferred from the Department of Social Security to be spent in the independent sector—on buying from voluntary and private organisations—to ensure that the local authority does not spend it on empire building. We will monitor changes as they take place and we are determined that the best safeguard that anyone can have against users' wishes being ignored is for more Conservative-controlled councils to be elected on 6 May.

Mr. Hinchliffe: What action will the Minister take to promote the interests of those users of residential care who are to lose their £45 per week residential allowance as a direct result of Government policy? If such people go into hospital or go on holiday and are away from their home for more than six days they may lose their place in the home. Will the Minister act to convince users and carers that 1 April is more than just an attempt to reduce the Government's income support expenditure? He can do so by listening to demands for advocacy arrangements, assessment appeals, reassessments and reviews. Is not the Government's total lack of real commitment to change quite obvious from the fact that they discourage the recording of unmet need, which is surely the first port of call for improving community care and genuine reforms?

Mr. Yeo: I am not sure which of the hon. Gentleman's five questions displays the greatest ignorance of the changes that we are about to make. There is no question of any financial saving being achieved in the short term by the policies, as all the money that would have been spent by the Department of Social Security on the higher rates of income support has been transferred to local authorities. In addition, we have added a further £140 million to ensure that they can carry out the assessments. It will be for the local authorities to make the necessary contractual arrangements with residential homes to ensure that the position of people who enter hospital for short periods is protected. We have resourced the authorities to do the job and I have every confidence that the vast majority of Conservative councils will grasp their responsibilities enthusiastically and deliver a high standard of care which meets individual needs.

There is no confusion about unmet need. Decisions are based on an objective assessment of an individual's need. It is a matter for the authority if, for the purposes of planning its services in the longer term, it wishes to keep some record of needs which it would be desirable to meet but which it is not necessary to meet immediately.

Mr. Butterfill: Will my hon. Friend advise Opposition Members to visit Dorset, and Bournemouth in particular, where they can see in action an outstanding example of community care—an example that can serve for the whole of the rest of the nation? That has been achieved by a Conservative-controlled county council which is wholly free of debt, unlike councils controlled by the Labour party.

Mr. Yeo: My hon. Friend is so persuasive that I have had a word with the Secretary of State and she has agreed to pay a visit to Bournemouth on Friday. I am grateful to him for drawing attention to the financial position of Dorset county council. Across the country, expenditure on social services has risen by two thirds in real terms since 1979. In the past three years the standard spending assessment for personal social services has risen by one fifth in real terms. On top of all that, we are transferring a further £565 million to local authorities in England to deliver this new reform.

Treatment (Delay)

2. **Mrs. Fyfe:** To ask the Secretary of State for Health what steps are being taken to ensure that no patients with urgent conditions are having their treatment delayed due to the early completion of contracts.

The Secretary of State for Health (Mrs. Virginia Bottomley): Emergency cases are treated immediately and urgent cases are treated as soon as possible according to clinical need. In a letter to the chairman of the Joint Consultants Committee on 23 February, I made it clear that, whatever the particular social circumstances, there

can be no question of patients requiring urgent investigation or treatment having it delayed because they come forward towards the end of the financial year. We have issued further guidance to the NHS on managing activity and change, and the JCC has supported that guidance.

Mrs. Fyfe: Does the Secretary of State find it satisfactory that hospitals scrabbling around for money to keep going until the end of the financial year get GP fund holders to give them patients while GPs who are not fund holders but have more seriously ill patients have to wait longer? Will she advise the Secretary of State for Scotland to learn from this fiasco in England and not to impose it on Scotland?

Mrs. Bottomley: I find it extremely satisfactory that we have the fewest ever patients waiting more than one year. I find it extremely satisfactory that from 1 April no one will wait more than 18 months for a hip, knee or cataract operation. I find it exceedingly satisfactory that the trusts have gone ahead and dealt with more patients. In the first nine months of the year, 325,000 more patients were treated than in the year before. Certainly we need to match activity and resourcess. The agreement with the JCC on GP fund holders makes it clear that patients will be treated without disadvantage to other NHS patients.

Mr. Lidington: Is my right hon. Friend aware that at Stoke Mandeville hospital, which has had financial problems in the past year, staff have managed to cut waiting lists and waiting times and to increase the number of patients treated by more than 2,000? Is that not a tribute to the efforts of all the staff, and will not the service that they provide be improved still further when the £29 million capital spending planned for Stoke Mandeville comes into operation?

Mrs. Bottomley: My hon. Friend is exactly right, and I can confirm his figures. Stoke Mandeville has made excellent progress. As with other hospitals, and as it has ever been in the NHS, activity and resources must be managed through the year, but Stoke Mandeville, like so many other hospitals, is treating more patients to a higher standard and cutting waiting times. The staff are to be warmly congratulated. Once again, the NHS reforms have shown that they result in better and more patient care.

Ms Lynne: Will the Secretary of State give an assurance that the fiasco of the past few months, with beds closing throughout the country and urgent cases not being treated, will not be repeated at the end of the next financial year?

Mrs. Bottomley: I can inform the hon. Lady that we have established a working party with the profession, and I quote Stanley Simmons, chairman of the Conference of Medical Royal Colleges:

"the Conference of Medical Royal Colleges is encouraged to work constructively with the Management Executive to address those issues that have emerged and to that end expect to make positive recommendations in the coming months".

We want to be sure that work is under way between management and clinicians to ensure that activity is better balanced. I am sure that the hon. Lady would be the first to pay tribute to the fact that more patients are being treated and waiting times have been coming down. It is just a question of ensuring that the contracts are better adapted throughout the year.

Dame Elaine Kellett-Bowman: Will my right hon. Friend join me in congratulating the Lancaster Acute Hospital Trust on achieving 2·5 per cent. above target and 25 per cent. above target with day cases? Thanks to the Lancaster health authority putting in more money, no urgent or emergency patients are waiting and it is still increasing its patient load.

Mrs. Bottomley: Once again, my hon. Friend has it exactly right. More money is going in; £100 million a day being spent on the NHS. What is important is not only the money going in, but the organisation and the output of the resources. There is no doubt that NHS trusts are delivering better, higher quality care. Patients are being treated and waiting times are coming right down.

Dental Checks

3. **Mr. Chisholm:** To ask the Secretary of State for Health how many dental checks were carried out on non-exempt patients in *(a)* 1991-92 and *(b)* 1988-89.

The Minister for Health (Dr. Brian Mawhinney): From the information available, it is not possible to differentiate between those dental examinations provided to exempt and non-exempt patients.

The total number of dental examinations carried out in 1991-92 in England and Wales was 20·9 million, and in 1988-89 it was 22 million.

Mr. Chisholm: What impact does the Minister expect the imposition of 80 per cent. dental charges and the lack of NHS dentists to have on the number of people coming forward for dental checks? What are the health and financial implications of people not seeking dental treatment because they are deterred by the 80 per cent. charge until they need emergency treatment?

Dr. Mawhinney: The hon. Gentleman will be encouraged to know, as I am, that in the six months during which the regrettable attitude taken by some dentists in the NHS has been progressing, the number of adult patients registered in England has increased by 600,000, contrary to the perception that many people have. We remain of the view—as I believe the Labour party does, although it will not say so—that those patients who are capable of making a contribution towards the cost of their dental treatment should do so.

Mr. Simon Coombs: How many dentists are now being employed directly by family health services authorities?

Dr. Mawhinney: As my hon. Friend rightly implies, the FHSAs have the ability to employ salaried dentists. [HON. MEMBERS: "How many?"] The last time I saw the figure, which was about 10 days ago, it was something over 60. If the figure has moved significantly since then, I will write to my hon. Friend.

Mr. McCartney: I thought that the Minister was coming to the Dispatch Box to apologise for the imposition of the 80 per cent. charges. During 1991-92, 1 million nursing mothers and pregnant women used dental services. Sir Kenneth Bloomfield, a personal friend of the Minister of State, is recommending the withdrawal of free dental services for that group of women. Will the Minister give a categorical assurance that, after the Bloomfield report, those women will retain their right to free dental

treatment and that he will not impose on them the 80 per cent. charge, which in effect is an 80p in the pound health tax?

Dr. Mawhinney: I can tell the hon. Gentleman that I have already started to consult on the Bloomfield report, just as we promised that we would. If he would like to come to give me the views of the Labour party, I should be more than happy to hear him, as indeed I was when I consulted the Labour party on the Tomlinson report. We have not yet made any decisions; when we do, we will let the hon. Gentleman know.

GP Fund Holders

4. **Mr. Hunter:** To ask the Secretary of State for Health what is the number of general practitioner fund holders in the Wessex health region.

Dr. Mawhinney: There are 32 fund holders in Wessex at present and a further 23 are preparing to join on 1 April.

Mr. Hunter: Can my hon. Friend confirm that there will soon be 11 fund-holding practices in and around Basingstoke, serving 65 per cent. of the population? Is that not further evidence that the argument has been won and that doctors and patients increasingly realise that the health service is better when general practitioners become fund holders?

Dr. Mawhinney: My hon. Friend is absolutely right, and I have no doubt that he has contributed to the thinking in Basingstoke and in the area which has resulted in that marvellous record of GP fund holders. In so doing, my hon. Friend will have acted in the best interests of his constituents, because there is no doubt that the patients of GP fund holders receive better services and appreciate those services more than used to be the case.

Mr. Gareth Wardell: Has the Minister received any representations from GP fund holders to the effect that they increasingly find themselves under pressure from patients who want to know where they will be referred, to choose their surgeon and to know——

Madam Speaker: Order. The hon. Gentleman must relate his question to the Wessex health region. He has not yet used the word Wessex.

Mr. Wardell: Thank you, Madam Speaker, for that advice.

Has the Minister received any representations from Wessex GP fund holders to the effect that they are under increasing pressure from patients demanding certain pills and certain surgeons to carry out certain operations? What protection will the Minister offer to those GP fund holders when that pressure in Wessex arises?

Dr. Mawhinney: *Doctor* magazine carried out an extensive survey of patients of GP fund holders, including those in Wessex, and found that 70 per cent. of them had experienced a decrease in waiting times, 60 per cent. had experienced improved services, including follow-up appointments, and more than 50 per cent. of fund holders were providing additional services, such as physiotherapy and consultant clinics in surgeries. Given those results and that reflection of patient satisfaction, and given that extension of GP fund holder services in Wessex and around the country, it would be surprising if those patients were complaining.

Mr. David Martin: Is my hon. Friend aware that, despite the Labour party's continued opposition to this excellent reform, experience in Portsmouth of fund holding is similar to that of my hon. Friend the Member for Basingstoke (Mr. Hunter)? Will the minimum size of practices eligible to become fund holders be reduced so that fund holding can be enjoyed by practices with lists of fewer than the present minimum of 7,500?

Dr. Mawhinney: I entirely endorse what my hon. Friend says about his part of the country. The size of qualifying fund-holding practices will be reduced on 1 April and we are looking for further ways to make it possible for practices with fewer patients to combine in various ways so that the benefits of fund holding can be made as widely available as possible.

Benzodiazepines

5. **Mr. Win Griffiths:** To ask the Secretary of State for Health if she will establish an independent committee of inquiry into the effects of the benzodiazepine group of drugs.

Mr. Yeo: I have no plans to do so. The Committee on Safety of Medicines is an independent advisory group which has reviewed the safety of benzodiazepines. To reduce the problem of dependence, it recommended restrictions on their use. The committee continues to monitor the situation.

Mr. Griffiths: As problems existed more than 10 years ago, is it not a pity that the committee did not report much earlier? As the Legal Aid Board is likely to deprive more than 6,000 people of cases against companies such as Roche, would it not be a good thing and a matter of Christian charity for the Minister to undertake an inquiry so that people such as my constituent Mrs. Molly Jones, who has had her life shattered by the use of such drugs, can gain some compensation without incurring huge legal fees in pursuing companies such as Roche?

Mr. Yeo: Questions about legal aid are for my hon. Friend the Member for Solihull (Mr. Taylor), the Parliamentary Secretary, Lord Chancellor's Department, who answers for the Lord Chancellor in the House. The number of benzodiazepine prescriptions dispensed has fallen by 40 per cent. since 1979, so I think that the change in prescribing practice does go back to the period to which the hon. Gentleman refers. Detailed guidance on prescribing is given in the British National Formulary, which is a major reference source for drugs and is issued free to all doctors. I think that it is clear that we have responded to the concerns expressed by the hon. Gentleman.

Ms Primarolo: The Minister will acknowledge that the dangers of dependency on benzodiazepines are well known. The request for the inquiry is based on the understanding that the drug has been licensed for a long time and has caused immense agony and problems in the lives of many people, especially women.

Will the Minister consider taking a number of steps further to control the prescribing of this drug? First, will

he request that GPs be required to hand-write the prescription script so that it is drawn to their attention? Many people are given repeat prescriptions when they should not be. Secondly, will he ensure that the time is limited to 10 days, which is the recommended period for the safety of these medicines? Thirdly, will the Government consider banning the capsules which are so dangerous and are so misused, particularly by young people, in the abuse of drugs?

Mr. Yeo: The Advisory Council on the Misuse of Drugs has proposed that some benzodiazepines should be rescheduled, which would give a stricter regime and would involve the hand-writing of prescriptions. That will be considered. The question of the period over which these drugs should be used is also subject to guidance given to all doctors. It is now generally regarded as best practice to confine the period of use to a relatively short time. The guidance is not confined to the British National Formulary. In the mental illness key area handbook, which was published earlier this year following the identification of mental illness as a key area under the White Paper "The Health of the Nation", suggestions have been made that family health services authorities should discuss with general practitioners local targets for reducing benzodiazepine prescriptions.

NHS Trusts

6. **Mr. Luff:** To ask the Secretary of State for Health how many NHS trusts are due to start in the west midlands region in April; and if she will make a statement.

Dr. Mawhinney: From 1 April, 15 units will become operational as national health service trusts in the West Midlands regional health authority. This will bring the total number of trusts in the region to 25.

Mr. Luff: I thank my hon. Friend for that answer. I invite him to welcome the application from Worcester royal infirmary and my local ambulance service for trust status from April 1994. Does he agree that this will result in a significant improvement in the quality of health care for my constituents? Bearing in mind that trust hospitals in the West Midlands region have increased the number of patients treated by some 5 per cent. compared with a little over 3 per cent. for the region as a whole, does he agree that it is time that the Labour party applied the test set by the hon. Member for Livingston (Mr. Cook)—that trusts should be judged by the number of patients they treat—and admitted that the Opposition got it wrong and we got it right?

Dr. Mawhinney: My hon. Friend is absolutely right in all the points that he makes, particularly the last one. I have no doubt that his constituents will benefit from the fact that Worcester royal infirmary has applied for fourth-wave trust status. I know that he will be pleased, as I was, to learn that the West Midlands regional health authority has agreed a capital scheme for his district general hospital in Worcester, that it will not be affected by the capital moratorium and that work on it will start soon.

Mr. Burden: As the Government are now encouraging extra national health trusts in the west midlands, will the Minister comment on the assurances given by the former chair of West Midlands regional health authority—described by the Secretary of State as someone who has made an outstanding contribution to the health service—who said that no further trusts in the Birmingham area would be supported until a major hospital rebuilding programme was nearing completion because trusts were incompatible with strategic planning? What has changed? Is it the strategic planning which has gone out of the window or is it the hospital rebuilding programme? Or is it just another broken Tory promise?

Dr. Mawhinney: No, it is just another example of the incapability of the Labour party to put the patient first. In terms of the number of patients treated, waiting time figures and the quality of service offered to patients, all the evidence shows that trusts are delivering the quality of service that patients want. From this April, they will become the normal mode of delivering health care in this country. We know that the Opposition do not like that, but patients do.

Treatments (Mersey Region)

7. **Mr. Brandreth:** To ask the Secretary of State for Health how many patients were treated in the Mersey region in the last year for which figures are available and the previous year.

The Parliamentary Under-Secretary of State for Health (Mr. Tom Sackville): The figures are 397,000 in 1990-91 and 425,000 in 1991-92: a rise of 7 per cent. over the year.

Mr. Brandreth: I thank my hon. Friend for that encouraging information. Is he aware that the Mersey region has been the most successful region in the country at implementing the health reforms, with more trusts, more fund holders and lower waiting lists? Will he join me in congratulating the staff at the Countess of Chester hospital on the service that they deliver to patients and on the fact that they achieve trust status next week?

Mr. Sackville: I will certainly join my hon. Friend in that. In the sea of municipal despair that characterised the major city of the region during much of the decade, Mersey regional health authority stood out like a beacon of hope and humanity. They are all to be congratulated on what has been achieved in the region.

Mrs. Dunwoody: Is the Minister therefore delighted that the trust that was set up in Crewe, which will be forced into an arrangement with Macclesfield against the wishes of the local people, is in the process of sacking large numbers of nurses? Is that his idea of good health care? I assure him that it does not impress the patients.

Mr. Sackville: I cannot see why the hon. Lady should object about the merger with Macclesfield. In any case, there is no way in which that should lead to a diminution in the employment of nurses.

NHS Trusts

8. **Sir Roger Moate:** To ask the Secretary of State for Health if she will make a statement on progress in establishing hospital trusts.

10. **Mr. Skinner:** To ask the Secretary of State for Health what, at the latest available date, was the total number of NHS trusts.

Mrs. Virginia Bottomley: The number of fully operational national health service trusts is 156. This will

increase to 293 from 1 April 1993. It is clear that trusts are the management model of service provision for the future. With each successive wave, enthusiasm and support are increasing.

Sir Roger Moate: Does my right hon. Friend recall the almost hysterical opposition of the Labour party to NHS trusts? Will she contrast that with the widespread welcome and growing enthusiasm for what is proving to be the most successful form of devolved management and local responsibility? Is not the concept so successful that very soon most hospitals will be managed in that way and very soon we will have the support even of the hon. Member for Bolsover (Mr. Skinner)? It will not be long before the Liberal party claims that it thought of the idea first.

Mrs. Bottomley: To use the words of my hon. Friend the Member for Worcester (Mr. Luff), "They got it wrong and we got it right." National health service trusts are here to stay. They are good for patients and for staff. It must be said that throughout the country NHS trusts are treating more patients to a better standard and are reducing waiting times. I will wait and see whether we will convince the hon. Member for Bolsover (Mr. Skinner) at this stage.

Mr. Skinner: Will the Minister confirm that the first wave of hospital trusts cost the British taxpayer £1·17 billion just to set them up; that it cost a further £800 million for the second wave and another £1 billion for the third wave, making £3 billion in all which has been taken from taxpayers' pockets just to set the trusts up? The Government are now calling on pensioners to pay more VAT. If those trusts are so good, why do not Tory Members use them? Why do not the majority of Cabinet members use them? Is not it remarkable that the Government have double standards—trusts for people out there, but they will not touch them with a barge pole? That is why I will be voting to take them back into the national health service where they belong.

Mrs. Bottomley: I am very surprised to hear the hon. Gentleman's comments. Having been to a great many NHS trust hospitals and used the services of those trusts, I do not know for whom he is speaking. As ever, he has turned down the opportunity to tell the House what is happening at his local hospital, which will become a trust on 1 April. Like all other members of the Labour party, he always takes the opportunity to denigrate the achievements of the national health service, rather than sing its praises. Let me tell my hon. Friends that the Chesterfield and North Derbyshire royal hospital treated an extra 2,700 patients this year. That hospital, which is to become a trust on 1 April, will have no patients waiting for 18 months and very few waiting for more than 12 months. The hon. Gentleman's constituents who use it benefit from an ever-higher standard of health care. When it becomes a trust, it will, like others, go from strength to strength.

Dame Jill Knight: Has my right hon. Friend yet been able to persuade, cajole or charm the hon. Member for Sheffield, Brightside (Mr. Blunkett) to say whether a Labour Government would abolish trusts? Does she think that the hon. Gentleman's reluctance to speak——

Madam Speaker: Order. As the hon. Lady is aware, the Secretary of State has no responsibility for the attitude of any other hon. Member. He responsibility is for the policy of her Department. Will the hon. Lady please rephrase her question?

Dame Jill Knight: Will my right hon. Friend ensure the safety of hospital trusts, whoever may be in charge of them in the future? The citizens of Birmingham, where trusts are becoming very popular, are determined that we should hold to this policy, as it is undoubtedly the best means of serving patients.

Mrs. Bottomley: It is almost a year since the general election, yet the Labour party still has a policy-free zone in respect of the health service and NHS trusts. Perhaps on 1 April, when a further 138 trusts are established, the Opposition will declare that they have been April fools and will see the light. I refer Labour Members to remarks of the previous Labour spokesman on health, the hon. Member for Livingston (Mr. Cook), who, two years ago, challenged the Secretary of State for Health

"to measure the success of those trusts that opted out by the simple test of whether they do more or less work on NHS patients."—[*Official Report*, 17 April 1991; Vol. 189, c. 457.]

They have done more work. It is time for Labour Members to think about the present and the future and leave their antediluvian attitudes behind.

Dr. Reid: Apart from devotion to the Conservative party, what are the criteria for appointment to the board of a hospital trust? I put this question because in my area of Lanarkshire there is slight confusion over the announcement that the latest member of the board of Bellshill maternity hospital is a part-time vet. What particular expertise and qualifications will a part-time veterinary surgeon bring to the maternity services of Lanarkshire?

Mrs. Bottomley: We are greatly indebted to all the public-spirited men and women who have served as chairmen and non-executives. The NHS is a major employer—the largest employing organisation—and it needs good management skills. Board members come from a range of backgrounds. But I understand the difficulty of the Labour party. Whereas Conservative Members appreciate the service of those who bring skills from the private sector, the employment spokesman of the Labour party, the hon. Member for Holborn and St. Pancras (Mr. Dobson), has said of company directors:

"We are envious of their wealth. These people are stinking, lousy, thieving, incompetent scum."

If that is the Labour party's attitude to people who serve in the NHS, I well understand why the nation has no confidence in the party.

Patient Treatments

9. **Mr. Day:** To ask the Secretary of State for Health how many patients were treated in the north-western region in the last year for which figures are available and in the previous year.

Mr. Sackville: The figures are 711,000 in 1990-91 and 751,000 in 1991-92, a rise of 6 per cent. This is a remarkable achievement on which I congratulate all those responsible in the north-western region.

Mr. Day: Will my hon. Friend make it clear to the House that the number of patients treated in the north-west is greater than ever before? Will he also take

particular note of the fact that in my health authority we have seen the number of patients waiting for 18 months reduced by over three quarters in the past year? Will he, therefore, congratulate those who work in my health authority? Is not it time that the Labour party stopped running down the national health service? In his response, will my hon. Friend point out to the hon. Member for Bolsover (Mr. Skinner) that many Conservative Members rely totally on the NHS for their health care and are proud to do so?

Mr. Sackville: I certainly agree. There are many problems that we need to overcome in running the NHS as successfully as we do and 269 of them are sitting opposite us. We hear moaning and groaning and sniping and griping, but never any congratulations on the achievements of those who work in the national health service.

Mr. Eastham: Is not it time for Ministers to take off the blinkers when quoting some of the figures that they have this afternoon? In Booth Hall children's hospital in my constituency, waiting lists increase monthly. Only last month I exchanged correspondence regarding a doctor who complained that although a child had been referred to the hospital in January 1992, the earliest time that could be promised for surgery was May 1993. Are we saying that this is a success story? If the Minister disagrees with me, let us jump on the train now and check these facts out today.

Mr. Sackville: Let me remind the hon. Gentleman that no one in the region is waiting two years for treatment. A falling number is waiting for one year and we hope to complete the guarantee of 18 months for all hip, knee and cataract opertions. If he will write to me, I will investigate the particular case that he mentioned.

Mr. Nicholas Winterton: While I entirely endorse all the views expressed by my hon. Friend the Member for Cheadle (Mr. Day), does my hon. Friend accept that more of the patients in my Macclesfield health authority area are treated in the North-Western regional health authority than are dealt with in the Crewe health authority? Will my hon. Friend therefore oppose the merger of the Macclesfield health authority with the Crewe health authority, a merger which is strongly opposed by the local authorities concerned, a majority of the hon. Members concerned and the community health council? Is there democracy in the health service today or is there not?

Mr. Sackville: Those health authorities that have merged into larger purchasers have found greater efficiencies from doing so and are in a better position to purchase for the needs of the local population.

Hospitals (Charges)

11. **Mr. McAvoy:** To ask the Secretary of State for Health what plans she has to introduce charges for NHS hospital patients.

Mrs. Virginia Bottomley: There are no such plans.

Mr. McAvoy: The Secretary of State must be well aware that her Government briefed the media earlier this month that they were considering the introduction of charges such as those mentioned in my question. What assurance can the Secretary of State give the House that NHS charges for hospital patients will not be introduced? Or will that promise go the same way as the Prime Minister's promise not to introduce value added tax on domestic fuel?

Mrs. Bottomley: That is rich coming from the Labour party, which never comes clean on anything. No one yet knows where the Labour party stands on prescription charges. No one knows where it stands on sight charges. I have made the position quite clear. When it comes to manifestos, we remember that the Labour party said in its 1974 manifesto that it would cut spending on the health service, cut nurses' pay and cut doctors' pay. We have made our commitment to the health service clear. More patients now benefit from free prescriptions. The health service will continue to remain available to all, regardless of ability to pay.

Mr. Ian Bruce: Will my right hon. Friend confirm to the House that the rumour put about by the Labour party that NHS trust hospitals meant that those hospitals would move out of the NHS and would have to have charges was totally false? During her visit to Dorset this Friday, will she pick on any one of the hospitals in that county to visit, because she will find that every single one is an NHS trust which has no charges whatsoever in it?

Mrs. Bottomley: I look forward to my visit to Dorset. I can confirm my hon. Friend's remarks. The idea of national health service trusts opting out of the health service and charging for services is completely ridiculous. It is the case that in Belgium, France, Germany, Ireland, Italy, Sweden, and Portugal and New Zealand people are charged for hospital care. The British health service will remain available to all, regardless of means.

Mr. Blunkett: As the much-vaunted Cabinet health committee did not meet and has not considered the imposition of VAT on domestic fuel bills and its impact on the housebound, the elderly and children, how can we possibly believe any of the words used by the Secretary of State for Health who, clearly, has no impact on, or power over, the decisions of her Cabinet colleagues? How can we believe a single pledge from the Tory party's manifesto or the promises given by Conservative Members, in view of what they have done to those most in need by the imposition of that tax on fuel bills?

Mrs. Bottomley: It is positively bizarre that the hon. Gentleman has tried to steer the conversation away from health. Clearly, it is because Opposition Members have no health policy. We have been waiting almost a year for a health statement from the Labour party. I imagine that the delay is because the home policy committee of the Labour party, chaired by Tom Sawyer, has not yet consulted its trade union members on what the health policy might be.

All that I know is that we have delivered and beaten our commitments on health. Waiting times are down and services have been developed and we will continue to do just that.

PRIME MINISTER

Inward Investment

Q1. **Mr. Wells:** To ask the Prime Minister when he next expects to lead an overseas visit by a group of business men to obtain overseas inward investment or export orders.

The Prime Minister (Mr. John Major): I hope to visit Japan in the autumn, accompanied by a delegation of senior British business men. My ministerial colleagues also take every opportunity to promote Britain and British business abroad. They are planning to lead at least 14 trade missions to 17 countries in the next year covering markets as diverse as Asia, Africa and the far east.

Mr. Wells: I congratulate my right hon. Friend on the signal honour paid to him in being invited to India to take the Republic Day parade, on his flexibility in reorganising his schedule at the last minute to pay a visit to Saudi Arabia with business men accompanying him, and on obtaining a £4 billion order and securing 21,000 jobs, many of them in Hertford and Bishop's Stortford. Does he agree that, with the Budget increases to export credit guarantees of £1·2 billion and the favourable exchange rate, there are many more opportunities for our exporters to increase jobs and opportunities?

The Prime Minister: I agree with my hon. Friend. The measures announced in the Budget will provide further export cover and cheaper export cover and that is on top of the changes previously made in the autumn statement. They will certainly help United Kingdom firms to win more business abroad and secure more jobs at home.

Mr. Robert Ainsworth: Is the Prime Minister aware that the non-European Community deficit rose in February to £1·3 billion? Does he realise that photo opportunities and the ongoing pretence will not solve the basic problem in the British economic system? When will he tackle the real issues?

The Prime Minister: I do not know what the hon. Gentleman means about photo opportunities. I should have thought that 21,000 jobs and many billions of pounds worth of trade were a good deal more than that.

Engagements

Q2. **Mrs. Browning:** To ask the Prime Minister if he will list his official engagements for Tuesday 23 March.

The Prime Minister: This morning, I had meetings with ministerial colleagues and others. In addition to my duties in the House, I shall be having further meetings later today.

Mrs. Browning: Does my right hon. Friend agree that it is most unfair that every household in my constituency is having to pay nearly £9 extra on the council tax because Liberal Democrat-controlled Torbay council and Labour-controlled Plymouth city council have set artificially low collection rates this year of under 92 per cent? If those councils cannot collect the rates, why should payers in Conservative-controlled East Devon have to pick up the tab?

The Prime Minister: I agree with my hon. Friend. I can see no practical justification for the low collection rates set by Torbay and Plymouth. They are unfair to the council tax payers and they are unfair to council tax payers throughout Devon. I am sure that my hon. Friend will not need reminding that for a band C property, Labour councils will cost the council tax payer £100 extra. For 6 May, the answer is clear—vote Conservative.

Mr. John Smith: Following the massive tax increases announced in the Budget for this year, next year and the year after, will the Prime Minister tell us whether there are any more tax increases in the pipeline?

The Prime Minister: This, of course, is from the right hon. and learned Gentleman who had plans to increase tax by £35 billion in his shadow Budget. I made it absolutely clear last week in the House that we do not like raising taxes and we do so only when necessary. The Labour party raises taxes because it wishes to spend other people's money on their behalf. We do it only when necessary.

Mr. John Smith: Let me remind the right hon. Gentleman that it is he who has just raised taxes. Why on earth should anyone in this country believe what he says about future taxation when last week he broke clear pledges not to put VAT on gas and electricity and not to increase national insurance contributions? He made those pledges before the election. He broke them a year later.

The Prime Minister: As I indicated to the right hon. and learned Gentleman a moment ago, we increased indirect taxes because we felt that we had to in the interests of the economy. As the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley) said,

"in good times the Tories will hope to cut taxes."

So we will and that is what the public expect of us. But perhaps the right hon. and learned Gentleman can explain how he would honour his manifesto commitment to increase child benefit and pensions if he would not put up taxes and he would not increase borrowing. Either he cannot add up or he has broken every single manifesto promise that he set out. Which is it? Is he innumerate or without principles?

Mr. John Smith: On the question of principles, does not the Prime Minister understand that this shameless Budget has put at issue two fundamental questions: first, the credibility of the Government and the Prime Minister himself, which is now in tatters; and, secondly, the deep unfairness of putting large increases on ordinary families to pay for his Government's mistakes? Does he not now realise that whatever he says about taxation in the future, no one will and no one should ever believe him?

The Prime Minister: The right hon. and learned Gentleman's noble Friend Lord Desai has called for all zero-rate items to be subject to the full rate of value added tax—not just fuel, but transport, books, children's clothing and food. Will the right hon. and learned Gentleman repudiate that policy expressed by his noble Friend—the Labour party's economic spokesman in another place?

Q3. **Mr. Brandreth:** To ask the Prime Minister if he will list his official engagements for Tuesday 23 March.

The Prime Minister: I refer my hon. Friend to the answer I gave some moments ago.

Mr. Brandreth: In the light of Friday's debate on tourism, will my right hon. Friend join me in saluting the British tourist industry in general and the hoteliers of Chester in particular on taking full advantage of a competitive pound to bring good business to Britain and the best business to Chester? Of course, good news for Britain is very bad news for the monomaniacs of misery opposite.

The Prime Minister: I am happy to congratulate the British tourist industry on something like 18 million visitors to the United Kingdom last year. I have no doubt that, with the present competitive exchange rate, that figure will be well exceeded this year by the excellent British tourist industry in all parts of the United Kingdom.

Mr. Jamieson: Will the Prime Minister join me in expressing our condolences to the parents and families of the four teenagers in my constituency who lost their lives yesterday in a tragic canoeing accident in Lyme bay? Will he ensure that the appropriate Government Department puts in place a full inquiry into how the tragedy took place and in particular why it took almost four hours for the emergency services to arrive on the scene?

The Prime Minister: I will certainly join my hon. Friend, as, I am sure, will every hon. Member in the House. Our hearts go out to the parents of all those who died in that tragic incident. I think that it would be wrong, at the moment, to speculate on the causes of the tragedy before the necessary inquiries have been completed. Local inquiries are under way already. The primary responsibility for safety in outdoor school activities lies with the local education authority, or the governing body in the case of grant-maintained schools. In this case, of course, it is Devon local education authority.

I must emphasise that there is no evidence at this stage that the necessary precautions were ignored. I have asked my right hon. Friend the Secretary of State for Education to consider any action necessary by his Department in the light of this tragic event.

Q4. **Mr. Peter Bottomley:** To ask the Prime Minister if he will list his official engagements for Tuesday 23 March.

The Prime Minister: I refer my hon. Friend to the answer I gave some moments ago.

Mr. Bottomley: My hon. Friend will be aware that leading members of Sinn Fein have said that they find it very difficult to justify any atrocities as bad as the one at Enniskillen in 1987.

Does my right hon. Friend agree that what limits the power of the Provisional IRA is both hard security and what their supporters are willing to tolerate? Will my right hon. Friend join me and people throughout these islands, in Ireland as well as in the United Kingdom, in condemning the kind of action that can kill a three-year-old and substitute bombs and bullets for arguments and for votes? Will he call on all people to try to persuade those still directing the violence to end it now?

The Prime Minister: I believe that decent families everywhere will have been sickened by that cold-blooded attack on innocent people going about peaceful business on a spring Saturday lunchtime. Even for the IRA, that attack plumbed the depths. To take the life of an innocent child in that fashion and to wreck other lives is absolutely unforgiveable. It was, quite literally, an evil act, made more evil in my judgment by messages deliberately designed to confuse those people who should have helped to prevent that incident from taking place. That behaviour has done one thing: it has provoked revulsion and determination that violence will not prevail.

I can assure my hon. Friend that no effort will be spared, within the rule of law, to bring the people responsible to justice. If there were a shred of humanity in the IRA they would hand over those killers for justice without delay. If they do not, as I fear they will not, I hope that they will know that we shall hound them for the rest of their days until we find them and punish them.

Mr. Hume: I agree with the Prime Minister and my constituents, who know exactly what the people of Warrington have experienced, will join totally with what he has just said.

Is the Prime Minister aware that the Northern Ireland Housing Executive, which is its public housing authority, has transformed public housing there over the past 20 years, in difficult circumstances, to the point where the Governments of the emergent democracies of eastern Europe are now coming to learn from them? Why have the Government begun the process of privatisation of that public authority and laying off the direct labour force, thus leaving unemployed people who are held in such high respect in our society? Given that his Government make so many efforts to reach agreement among the parties in Northern Ireland and that we are totally agreed on the subject, will the Prime Minister respond positively by keeping the housing executive and its direct labour force in existence?

The Prime Minister: I am grateful for the hon. Gentleman's words about the disaster at Warrington. The whole House knows that he has had direct experience of these matters in the past and speaks with a special knowledge of the matter.

So far as the housing executive is concerned, the proposals made by my right hon. and learned Friend the Secretary of State are made precisely because he believes that responsibility can be better carried out in another fashion. It is for that reason and for none other that he has proposed those changes.

Mr. Allason: My right hon. Friend will be aware that water rate payers in Torbay and in the rest of the south-west are facing increased charges of up to 16 per cent. in bills coming through their letter boxes this week. Does my right hon. Friend agree that much of this increase is due to a European directive? Will he also undertake to ensure that representations are made in Brussels to delay the implementation of the infrastructure investment that is being demanded of South West Water and is being put before the charge payers in the south-west?

The Prime Minister: My hon. Friend may be referring to the bathing water directive, which is, among other things, very important for the tourist industry. The essential reason for the very high bills in the south-west and in some other areas—and, as my hon. Friend will know, I am examining those at the moment—is the sheer scale of the investment in water and sewerage services which, frankly, was not made over the past 30 years in the public sector.

Q5. **Mr. Ernie Ross:** To ask the Prime Minister if he will list his official engagements for Tuesday 23 March.

The Prime Minister: I refer the hon. Member to the reply that I gave some moments ago.

Mr. Ernie Ross: The Prime Minister will have seen the disturbing scenes outside the Timex factory in my constituency yesterday. He will know that this has become a bitter dispute following the sacking by the management of 343 hourly paid employees. Those workers, many of

whom are women, have 20 or 30 years' service to the company. That dispute went through the Government's employment legislation to the letter. I have asked the Secretary of State for Scotland and my hon. Friend the Member for Dundee, East (Mr. McAllion) and I have asked the Secretary of State for Employment and the Leader of the House to intervene personally, given that those workers have lost their jobs following the Government's employment legislation. Will the Prime Minister now intervene and ask the company to go to the Advisory, Conciliation and Arbitration Service to settle this dispute now?

The Prime Minister: I note from the reports that none of the people arrested in the scenes at Timex yesterday were workers from Timex. I believe that the ex-convener at Timex said that those dismissed

"never called for a sit-down demonstration and . . . do not sponsor violence."

It seems that rent-a-picket is back and I do not think that that is in the interest of the Timex workers. Workers who choose to go on strike have always faced the risk of being dismissed without the right to claim unfair dismissal. That was the case under legislation enacted by the last Labour Government.

Police Reform

3.32 pm

The Secretary of State for the Home Department (Mr. Kenneth Clarke): With permission, I should like to make a statement on the police.

The present framework for the management of the police service in England and Wales is based on the Police Act 1964. This has enabled us to deliver by and large a first-class police service over the last 30 years—a police service of which we are justly proud. However, 30 years is a long time. Society has changed in its attitudes and in its expectations. Crime has increased in absolute terms and in terms of its sophistication. In order to strengthen the ability of our police forces to respond to today's demands, I have undertaken a review of the existing system. I should like to outline to the House in broad terms how I propose to improve the police service.

We all want the police to be able to provide the best possible service—no one more so than police officers themselves. We want the police to protect the public, to prevent crime, and to tackle crime effectively when it occurs. The police must respond to the needs of local communities and of the victims of crime and use to maximum effect the £6 billion which they spend every year. What we need are the conditions in which the men and women of the police service can give of their best.

That means: giving police authorities and police forces greater freedom to decide for themselves how best to spend their money; creating more powerful and businesslike police authorities which will give more leadership to the local police service and ensure that money is spent more effectively; creating a new police authority for the Metropolitan police in line with the new national pattern, thereby strengthening local accountability in the capital.

It also means setting key national objectives for police activity; complementing local objectives agreed by the police authority; measuring performance against these objectives and publishing the results so that the public know what their force has delivered and how well their police force is doing compared to others; reforming the funding arrangements to get the best out of the money spent on policing; and simplifying the procedures for forces to be amalgamated when the time is right.

I am sure the House will agree that the principle of operational independence must remain. No Home Secretary and no police authority must be able to direct a chief constable in the conduct of any investigation or in the handling of an operation. While maintaining that principle of operational independence, we need to make a fundamental shift in the relationship between the Home Office and local police forces—*[Interruption.]*

Madam Speaker: Order. Running commentaries are not necessary.

Mr. Dennis Skinner (Bolsover): He is forcing coppers to vote Labour.

Madam Speaker: Order. Mr. Secretary Clarke.

Mr. Clarke: I do not believe that, if the hon. Gentleman listened, he would change his opinions on the subject in any way whatsoever, so he can carry on talking to himself if he wishes.

I have always believed that organisations run better when responsibility is devolved to local managers. The current financial arrangements shackle police forces. Far too often, decisions that could and should be taken locally are referred upwards.

Chief constables will in future have greater freedom to manage their resources. In consultation with their local police authority, they will be able to decide on the right mix of manpower and equipment needed to meet local needs. They may need more constables on the beat, or more civilian staff to free police officers from administrative paperwork. They may need police cars or computers. In future, the choice will be theirs. That means that the current Home Office control on police manpower will cease, and so will all but the largest capital projects.

At the same time, in order to manage this new freedom, I propose to strengthen local police authorities and give them greater autonomy. They will have responsibility for the performance of their force, and I will hold them to account for the results. Their job will be to ensure that policing responds to local needs and concerns. I will expect police authorities to build on their existing statutory responsibility to consult local people in setting the local policing agenda.

Police authorities need to change to fulfil their new responsibilities. Police authorities should have many fewer members and be more businesslike bodies. There should be broader local representation in their membership, including local people with relevant management experience. I propose that half of the membership should be elected local councillors. The remaining half should be partly local magistrates and partly local people nominated by the Home Secretary on the basis of their knowledge and experience [HON. MEMBERS: "Oh."]—Wait for it. The chairman of the police authority will be nominated by the Home Secretary from among the overall membership—*[Interruption.]*—and the current Home Secretary will be less obsessed by the political complexion of the appointees than hon. Members opposite.

I have also re-examined the role of the Home Secretary in relation to the Metropolitan police. I propose to establish for the first time a police authority for the Metropolitan police on the new national model separate from the Home Office and with essentially the same tasks as police authorities elsewhere.

Greater freedom to manage must go hand in hand with clearer means of calling police authorities and police forces to account. I propose to take a power to prescribe national objectives for the police service. I will also expect police authorities to set local performance targets. The results will be published, so that comparisons can be made between forces. This will build on the current drive within the police service for better quality of service.

The present funding arrangements for the police are unsatisfactory. They are cumbersome, without giving any effective control of overall expenditure. The present system, for example, encourages the increase of police rather than civilian manpower, and there are no incentives to ensure that the best use is made of resources.

I propose to continue with a joint funding arrangement, with central and local government meeting police authority costs broadly in the same proportions as they do now. All police authorities will in future be constituted as free-standing precepting bodies. The central Government contribution will be set at the level necessary to secure an effective police service. It will in future be cash-limited. The local contribution will be subject to the overall controls on local expenditure.

One of my principal objectives behind these structural changes is to encourage devolution of responsibility within police forces to local police units, which will be directly accountable to their local communities. Half the forces in the country, including the Metropolitan police, are already cutting out unnecessary headquarters and management tiers and giving more responsibility to local commanders. As the focus of policing is increasingly shifted from headquarters to local units, the role of the force headquarters will change. They should become co-ordinators and supporters of local activity, rather than the commanders of local policing.

As a result, we may no longer need 43 separate headquarters maintaining 43 parallel organisations. I have no fixed views about what the right number of forces should be, and I have no plans to use the powers in the Police Act 1964 to amalgamate forces, but I propose that the statutory procedures, which are unduly cumbersome, should be simplified to allow for amalgamation when the time is right.

The House will be aware of the inquiry under the chairmanship of Sir Patrick Sheehy, which is examining police rank structure, pay and conditions of service and is expected to report in May. I will also be issuing shortly a separate consultation document on radical changes to the disciplinary system. Shift systems and training are being overhauled throughout the service. Those and the other changes that I have announced today extend the principles of the citizens charter through the police service and will complement the wider reforms to police structure and organisation. Together, they will constitute the most important reform of the police service for 30 years.

Over the next few months, I will be developing my proposals in more detail. During that period, we will be happy to continue to listen to all views. I will then publish a White Paper and legislate when parliamentary time allows.

My aim, above all, will be to help the police service help us to build a safer and securer society. We must ask what difference we intend our reforms to make to the ordinary man in the street. The answer must be to make his street safer. I commend that objective and the means to achieve it to the House.

Mr. Tony Blair (Sedgefield): First, there is no dispute that a change in policing is necessary: the issue is what type of change. I shall deal in turn with each principal matter that the Home Secretary raised.

I welcome the change in the method of calculating public funding, which is long overdue and which will replace a system that discouraged efficiency and was far too cumbersome and centralised. Will the changes in funding lead to a change in the resources needed to do the job? Can I urge the right hon. and learned Gentleman, if anything, to go further on the changes, and to ensure that much greater local autonomy is given to police services to decide how they spend their money and what it is spent on? Does he agree that there is a need for greater flexibility and less bureaucracy not merely in financing, but also in the ability of police authorities and chief constables to introduce the changes within police forces which present regulations prevent them from doing?

There was a short paragraph in the Home Secretary's statement on amalgamations. Can we be clear exactly what he is proposing, since both the amalgamations and the composition of police authorities bear all the hallmarks of the worst kind of Cabinet compromise? May I at least welcome what I assume to be his backing away from a headlong rush into bigger police forces, but can we be clear —I hope that he will answer this specifically—that the proposals for an enforced reduction in the number of forces from 43 to 25 or 23, which were widely leaked from his Department, will be permanently shelved and that there will be no compulsory amalgamations?

The Home Secretary said that he will retain the powers of amalgamation under the Police Act 1964. Am I right in saying that those powers include a power for him to order amalgamations of police forces if he wants to? Perhaps he will confirm that to the House. Since he has presumably thought about the subject during the past few months, will he tell us his intentions? Does he or does he not intend to amalgamate police forces? The House needs to be told.

Given that the Home Secretary is on record as saying that he believes that there are too many police forces, will he confirm that there is no evidence to suggest that bigger forces mean better service? Indeed, such evidence as there is suggests the opposite—that smaller forces provide as good a service and as high standards of operational efficiency as larger ones, and are closer to the local community.

We certainly welcome the creation of a police authority for London—a big change in policy. However, would it not be better to have a properly elected authority for London which is fully accountable to the people of London? If the Home Secretary and his colleagues are now admitting that a strategic authority for London is right for policing, what possible case can they have for refusing a strategic authority for London for all the services in our capital city?

Does the Home Secretary accept that the fact that he is to appoint the chairman of the police authority and at least a substantial number of its members will mean a significant shift in power from local people to the Home Office? No doubt the Home Secretary will say—as he always does—that local councillors are not well known as members of the police authority.

Let us look at what the Home Secretary proposes. Does he believe that the chairman or managing director of a company, who is perhaps already on a training and enterprise council, regional health authority and heaven knows what else, and who is having to cope with the recession, is more in tune with local feelings than local councillors, who live locally, have to experience the menace of crime locally and are elected by local people?

Who will appoint the new members of the authority? Not the local people, not the police authority, but the Home Secretary, sitting behind a desk in Whitehall. What sort of local accountability is that? Is it not high time that Government policy on policing ceased to be driven by an extreme, ill-judged and damaging prejudice against local government, which is a slur on Conservative and Labour councillors alike?

The proposals as a whole suggest the possibility of larger and more remote police forces, a Government-appointed chairman, Government appointees replacing local representatives. Are we not going too far down the road towards centralised policing that will be out of touch with, and out of the reach of, ordinary people? We need to travel in the opposite direction, with more policemen and women on the beat, more local policing and a greater partnership between the police and the local community.

[Mr. Tony Blair]

Does not the Home Secretary understand that, at a time when crime is running out of control in many parts of Britain and burglary, theft, criminal damage and other crimes of violence make life hell for many ordinary people in our local communities, the public want the Government to concentrate their energy on those issues? The Home Secretary would gain greater support if he spent less time attacking the responsibilities of the police and police authorities, and more time discharging the responsibilities of government.

Mr. Clarke: I welcome the fact that the hon. Member for Sedgefield (Mr. Blair) agrees that change is necessary in the police force. He has not yet advocated any change, but when he has had the chance to study what I have said, I think that he will find that there is more with which he can agree beyond that which I am glad to say he has already agreed to and welcomed.

I made the statement in advance of the White Paper that I have always proposed because of the debate currently running about the changes that I was supposed to be proposing. That debate runs far wide of what I am actually proposing. When he studies my proposals, the hon. Gentleman will see that I am certainly not suggesting the centralisation of the police service, any more than I would propose the centralisation of any other service.

I am the first Home Secretary to say that I propose to shed responsibility for the Metropolitan police. I propose to give more autonomy to local police authorities—a move welcomed by the hon. Gentleman, as it will be welcomed by the police service generally. I propose to give local police authorities much more freedom to use the resources that they are given. I also propose fundamentally to alter the relationship between the Home Office and the local authorities, but in quite a different—although important—way from that feared by the hon. Gentleman.

Instead of the Home Office being responsible for detailed day-to-day supervision of what every police authority does—almost the only dialogue that exists between the Home Office and counties at present is on issues such as whether or not I agree to let them have more police officers—I propose to give police authorities the money and the freedom to spend it and to set standards, and then hold those authorities to account. That is the fundamental change which I trust that the hon. Gentleman, on reflection, will come to welcome.

The hon. Gentleman asked me about amalgamations. I make no secret of the fact that, as part of the process of developing neighbourhood policing, one element that we propose to use to speed up that process will be that the nature of the police headquarters will change. They will become smaller and more supportive; they will not be involved in the day-to-day managing of policing. People want the police in their neighbourhood to be run by a local police commander in a nearby headquarters.

That is why Paul Condon, the new commissioner that I have appointed to the Metropolitan police, almost immediately decided to move 700 people from headquarters out into the divisions doing the policing. When that change takes place, there will be pressure for amalgamations. The present statutory process is not good enough to achieve them, so I propose to simplify the process.

I have not studied the maps; I have no view on whether Wiltshire police should or should not amalgamate. The time has come, however, to turn to more important matters such as those on which I am concentrating in these reforms.

The Opposition only appear to come to life when we ask whether Labour councillors should dominate the membership of police authorities. I am going to set up a new police authority for London which will have, if we follow the national model, about half its members drawn from local government under a process that we have yet to consult on. If we decided to have an elected police authority for London, my guess is that the hon. Member for Sedgefield would be even more worried than I. The idea of his friends in Lambeth, Southwark and Camden serving on the police authority would keep him lying awake at night.

We are talking about setting up stronger police authorities, taking half their membership from local government and half appointed for the qualities that they can bring to the service—qualities that might not be contributed by those who happened to emerge from local authorities or from magistrates.

The result will be authorities that are more visible, that can take on more responsibility for their local services and that can be held to account by the Home Secretary.—*[Interruption.]* That is an improvement on the present. It is all very well Opposition Members baying their support for what they have. Most of their constituents do not know who their police authority is or what it does. A recent newspaper poll showed that nine out of 10 people think that the Home Secretary runs their local police service; only one in 10 know that it is supposed to be a local authority responsibility.

I think that the local councillors on the new authorities that I propose will find that they are in a more responsible position to contribute more to police work in their new role. I also think that this is an altogether more sensible structure to achieve what we all want, which is a better managed and directed police service, achieving higher standards in making our streets safe and combating crime. That is what the reforms will bring about.

Several hon. Members *rose*——

Madam Speaker: Order. The exchanges between the Minister and the Opposition Front-Bench spokesman have taken up rather more than 20 minutes. I shall now require hon. Members to carry out our procedures. That means not making statements but putting direct questions to the Secretary of State.

Sir Ivan Lawrence (Burton): Since we now have more police with more powers, better pay, better equipment and better training, yet crime is rising and the number of arrests is falling, is it not obvious that the next stage must be some structural rearrangement to make the police force more efficient and effective and to give people better value for money? Is my right hon. and learned Friend aware that what our constituents really want is a more localised police force, with a local police chief who is identifiable and who can make decisions that are important to his locality? Is he aware that those constituents will welcome the proposals as a sensible step forward?

Mr. Clarke: I agree with my hon. and learned Friend. Police manpower is up by 30,000 compared with when we

came to power. We spend 81 per cent. more in real terms on the police than our predecessors did. We have a much better police service than we had when we took office. But plainly, our response to the pressures cannot simply be to argue about how many more men and how much more money. I am sure that my hon. and learned Friend was right: Staffordshire will welcome the fact that its chief constable will no longer need my permission to recruit police officers. He will be free to make his own judgments about what he wants to spend from the resources he gets, and he will be more visibly accountable for the standards of performance he achieves.

Mr. Robert Maclennan (Caithness and Sutherland): I acknowledge that the unprecedented spiralling upwards of crime makes the continuation of the examination of the future structure, funding and objectives of the police natural and proper. However, does the Home Secretary accept that this is a peculiarly ill-digested approach to reform, dribbling out some half thought out proposals, allegedly strengthening local autonomy while actually increasing the power of the Secretary of State over appointments to police authorities, laying down national objectives and, in other words, taking into his own hands direct responsibility for the policing of the country, which hitherto has been shared around the country? Does he also accept that the local objectives of the police can be measured only if they are following a pattern proposed by the local authorities, and that proper comparisons between authorities will not be made any easier by the manner of his imposition of national objectives?

Mr. Clarke: I think that the hon. Gentleman is expressing fears about what he thought I was going to say, without having digested what I actually said. We are not dribbling anything out. By the summer, we shall have the report of Sir Patrick Sheehy and his team on the leadership, pay, terms and conditions of the police service. We shall have the White Paper that I propose on new structure, new financing, more autonomy and stronger police authorities, held more openly accountable for what they achieve. We shall have the new proposals on police discipline to complement what I have already done on dealing with the incapability procedures, as they are called, for police officers who simply do not come up to the job.

As soon as I can manage thereafter, we shall move on to legislation, in the light of the consultation on all that, aimed at trying to get a stronger police service. Faced with that, the hon. Gentleman's meanderings through the subject, exploring what changes might or might not be needed, did not match the urgency of the task, which is to tackle today's levels of crime by a stronger and more effective police service.

Sir John Wheeler (Westminster, North): Does my right hon. and learned Friend agree that the key to his objectives, as announced today, is a stronger police system, leading to a better control and the reduction in crime that the public wish to see tackled? Does he further agree that the character and nature of the police authority has to model those objectives, and that the chief officer of police will have to remain operationally independent, as he or she has always been, and that the police system has never been part of the local government structure in the manner of an environmental health department?

Mr. Clarke: I agree with all those points, and I am grateful to my right hon. Friend for the contribution that he makes to debates on the subject, now as at other stages. I know his opinions well, because I have consulted him closely throughout, and I know that he thinks that I am being nervous in the extent to which I have so far contemplated change. Nevertheless, I hope that I have his support for what I have announced, in that it is going in the right direction. He underlined some key principles on getting stronger accountability for the police service.

Mr. John McWilliam (Blaydon): I am certain that the Home Secretary will join me and the House in condemning the murder of the police sergeant in my constituency on Saturday night. In that context, will he tell the House how his proposals to introduce business men on to police authorities will get more policemen on the beat when they are needed, where they are needed and at the time they are needed? How will authorities be able to afford those policemen, given the financial constraints that he has announced and the existing tax capping of local authorities?

Mr. Clarke: I said that the authorities should be more businesslike, in that their job is to take decisions about priorities and spend the money effectively. It is by no means the case that I will appoint only business men. The approach that I shall adopt to such appointments will be to see who, by chance, emerges from the local authority side of the membership and who emerges from the magistrates' side of the membership, and then to decide what individual skills and abilities need to be appointed to make a strong, all right authority to complete the total. We shall then choose a chairman—a local councillor, a magistrate or one of my appointees. That is how we shall go about it.

I agree that the key question here, as it is about everything that happens in any headquarters, however it is administered, is what that means on the ground. It should mean that the headquarters listens more closely to local opinion, which will say that it wants more officers on the ground, a more visible presence, prompt replies to 999 calls, a good level of detection and success when investigating crime in the locality. We shall measure performance in all those sectors.

The police officer on the beat, in the exposed position described by the hon. Gentleman, will know more clearly what is expected of him, will know that the person directly in charge of him has far more responsibility for how things are organised, and will know that his performance will be measured according to his success in creating the good relationship with his locality and in delivering the kind of the results the people want.

Many policemen will find that more attractive than some of the 43 headquarters that we have at the moment, because it is a fair criticism that some police officers would make that we have a top-heavy structure dotted around the country in far too many places.

Mr. John Greenway (Ryedale): As a former policeman and the father of a policeman, I can tell my right hon. and learned Friend that this is the best news that the police have had for many a year. Does he agree that, when his proposals come into effect, they will expose those police authorities that are not up to the job, but police authorities

[Mr. John Greenway]

such as North Yorkshire, which do an excellent job, will warmly welcome the ability to spend their money more wisely and to deliver a more effective police service?

Mr. Clarke: I am grateful to my hon. Friend, and I share his opinion on the likely response, not least in North Yorkshire, which has shown itself to be a go-ahead force, where the chief constable has introduced many changes, and regards itself as continually trying to enhance the service to the population it serves. It has not shied away from change in order to do so, and I hope that it will find that my proposals go very much with the grain of what a force such as North Yorkshire has been doing.

Mr. Gerald Kaufman (Manchester, Gorton): Is the Secretary of State aware that his statement that he would tell the House "how I propose to improve" the police service must have sent shivers down the spine of the police service, coming as it did from a former Secretary of State for Health who said that he would improve the health service and left it demoralised and inefficient, and from a former Secretary of State for Education who said that he would improve the education service——

Hon. Members: He did.

Madam Speaker: Order. I have already cautioned the House that I am becoming a little intolerant in the way in which statements are put to Secretaries of State. I want questions, not long statements.

Mr. Gerald Kaufman: Absolutely, Madam Speaker.

——and left the education service inefficient and demoralised? Will the right hon. and learned Gentleman explain how that fiddling and meddling interference with democratic structures and bringing in his own nominees will solve or prevent one more crime?

Mr. Clarke: The right hon. Gentleman belongs to that generation of the Labour movement which became so reactionary that it resisted any change of any kind to any public service. I am only glad that he never had the opportunity to try to improve the foreign policy of this country.

Mr. Michael Shersby (Uxbridge): Is my right hon. and learned Friend aware that greater autonomy for chief constables to spend resources as they think fit in consultation with the new stronger police authorities will be most welcome, and will make a considerable contribution towards the improvement of the police service? What does my right hon. and learned Friend have in mind with regard to the radical changes, as he describes them, in disciplinary procedures? Is he aware that such procedures are a matter of great concern to the police? Can he give the House an assurance that there will be no lowering of the standard of proof in cases which involve dismissal?

Mr. Clarke: I am sure that my hon. Friend, with his knowledge of the police service, is right when he says that greater autonomy will be widely welcomed. One of the things that chief constables complain to me about all the time is that, if they reorganise their headquarters and dispense with a post of chief superintendent, they can appoint only one constable in his place because of the Home Office controls on overall numbers. That is an absurdity, which, with many others, will be swept away by my proposals.

Discipline is an important matter, which is why I announced today that I shall be publishing a consultation document specifically on that subject. Disciplinary procedures, particularly in the more serious complaints against police officers, are legalistic and take a great deal of time. Cases come to me years after the incident complained of, the police officers in question suffer the unbelievable stress of being suspended while their cases are considered, and the outcome is often so long after the event that it is regarded as unsatisfactory by the complainant and everybody else. Those important matters need to be approached by a less legalistic, convoluted and lengthy process, but obviously it must be fair, and it must be widely acceptable within the service.

Mr. Jeremy Corbyn (Islington, North): Now that the Home Secretary has accepted the principle of a police authority for London, why does he not go a step further and allow the people of London to elect all the members of that authority through an elected authority for London as a whole? It cannot be right in a democratic society for half the members of a police authority to be appointed directly by the Home Secretary.

Mr. Clarke: The hon. Gentleman and I both believe in democracy, but we do not see it in exactly the same way. The House is an elected House, but it does not manage anything except the Palace of Westminster—which, it could be argued, it does not manage very well. It is an elected body to which those who are responsible for various Departments are answerable and accountable. I do not believe that, in the case of local services, putting people in elected positions to run the management and be solely responsible for day-to-day decisions in the police service is the best way of proceeding.

I also think, without repeating what I said to the hon. Member for Sedgefield (Mr. Blair), that there would be peculiar difficulties in allowing some of the elected representatives of London loose on the police service. They have hardly been an all-fire success in running the services for which they are already responsible, in Lambeth, Southwark, Camden and elsewhere.

Sir Jim Spicer (Dorset, West): The keynote of what my right hon. and learned Friend said was his comment that he wanted the police to be more powerful and businesslike —I think we would all applaud that—but being more powerful and businesslike does not necessarily mean being larger. A police force like the Dorset police force—which is small, extremely efficient, very powerful and already businesslike—would, I hope, escape his attention. On a slightly lighter note, could I say to my right hon. and learned Friend that he might consider instituting annual fitness as opposed to health checks for all members of police forces?

Mr. Clarke: As I have made clear, I have no views on whether the Dorest force is or is not the right size. I have not even begun to look at amalgamation. I think some amalgamations will be required, and I propose to simplify the procedure. I prefer to approach these things from the bottom up. The first thing to get right is the local command and the organisation and distribution of officers in a particular neighbourhood, with the person who is

clearly in charge given more autonomy. Above that there will be smaller headquarters, whose role will be to lead and support those on the ground in specialist ways and hold them to account for their performance. That will cause us to readdress the present imbalance in the distribution of police forces, which is largely historic. In some cases they match the counties; in others they do not. In some cases they have local government representatives on the police authority; in London they do not.

What will emerge is that we will have fewer headquarters eventually, but it is a second order question. The first things to get right are the structure, the standards we need to set, the way in which we are to hold people accountable, how to delegate responsibility further down the chain, how to get more resources and manpower deployed where it matters most, on the ground actually fighting crime. I think it is likely that thereafter people will come to me stressing the need for amalgamations to avoid duplicating headquarters functions in different existing forces.

Dr. Lynne Jones (Birmingham, Selly Oak): May I tell the Home Secretary that his proposals for so-called businesslike police authorities, with Government-appointed chairs, will go down like a lead balloon in the west midlands, where we have seen similar leadership by Government-appointed business men? Sir James Ackers's leadership of the health authority led to the wasting of millions of pounds, was a complete shambles, showed a lack of concern about public opinion and has resulted in a lack of confidence in the west midlands in an authority appointed in that way.

Will the right hon. and learned Gentleman explain how his proposals will help authorities such as those in the west midlands to be more vigilant over the practices operated by senior police officers which have led in the past to scandals such as those involving the serious crime squad? In my view it is exacerbated by an unelected component of the police authority—the magistrates—and has led to a lack of grip by police authority members over their affairs——

Madam Speaker: Order. I call the Secretary of State.

Mr. Clarke: First, I propose to appoint men and women to be chairmen of authorities. I do not propose to appoint anybody to be a chair. It is also a rather extraordinary theory, which I will listen to at greater length on a more suitable occasion, that it is the magistrate members of the west midlands police authority who are responsible for the difficulties that have occurred in relation to the serious crime squad in the west midlands under the existing structure.

Sir James Ackers did an extremely good job as chairman of the West Midlands regional health authority. He presided over the most dramatic capital programme throughout the region, which transformed the region's health services for the better in comparison to the work of the old regional health authority before he took over. It is churlish of the hon. Lady to describe his performance in the way she did.

Sir George Gardiner (Reigate): In his search for a more rational and devolved policing structure, which I am sure most of us would totally support, is my right hon. and learned Friend prepared to consider submissions from people like many of my constituents who find themselves on the fringe of the Metropolitan police area and would very much prefer to be policed by their own county constabulary?

Mr. Clarke: I am prepared to consider such submissions from my hon. Friend or anyone else. I have a completely open mind about that. I expect that, once we move towards setting up new police authorities, I will receive many representations from the home counties about precisely where the borders of those police authorities should run.

Mr. David Trimble (Upper Bann): I noticed that the Home Secretary said that he will hold local police authorities accountable. Does that mean that he will follow the example of one of his right hon. Friends, who removed local councillors from a police authority because they dared to disagree with civil servants? Does the Home Secretary accept that there cannot be effective local accountability unless the local councillor representatives on the authority are appointed, and can be removed, by the local authority and are hence accountable to the people in the locality?

Mr. Clarke: Half the membership will come from local government. A particular problem in England and Wales is that we are currently embarking on a process of local government reorganisation. Alongside the process of police reform, which will essentially be governed by policing requirements, we will see a changing pattern of local government across the country. It is difficult to predict exactly who the local authority members will be and from where they will be drawn, but half of them will be elected local councillors.

However, for reasons that I have already given, I do not think we can have in any part of England completely elected local authorities which, at the same time, can enjoy all the autonomy that I am proposing. It is essential to have the right strength and authority to handle the freedom that authorities have to spend the resources as they think best. It is also essential that the Home Secretary of the day holds the authorities to account for national standards.

In turn, the Home Secretary is, of course, accountable to the House. I can always be questioned about policing methods. Given that I provide 90 per cent. of the money on behalf of central Government and that nine out of 10 people think that I run their local police service, it is time that I held those authorities to account for performance and was then held to account by this House.

Mr. Geoffrey Dickens (Littleborough and Saddleworth): Will my right hon. and learned Friend accept that we must produce a country that is safe for children, women and the elderly? His statement offers quite good prospects for that. However, does he also agree that the criminal of today is much more mobile because of the motor car and that there is therefore a very good case to be made for regional police headquarters, although of course it is nice to have local accountability?

Mr. Clarke: I agree with my hon. Friend. We must bear it in mind that criminals do not always have the regard for local authority boundaries that some people wish they would have. Their organisation and equipment are also sometimes extremely sophisticated. We must therefore ensure that the police are that bit more sophisticated.

[Mr. Clarke]

We are now organising large regional crime squads precisely to handle large scale organised crime. It is essential that we do that. It is also essential that the police are organised so that they can match up on the right scale to the threat that they face as a contribution to making the country safer, which, as my hon. Friend says, is undoubtedly our priority.

Mr. Stephen Byers (Walsend): Does not the Home Secretary recognise that the new powers he intends to give to the holder of his office will be a dramatic extension of Whitehall control over a crucial local service? Is he not aware that his statement will be seen in many quarters as a damaging distraction from the real battle against the rise in crime? Does not he accept that, at a time when what we really need is an active partnership between local authorities, the local community and the police, his statement will be seen as a triumph of political dogma over reason?

Mr. Clarke: I understand that the hon. Gentleman's experience relates more to education than to policing. Thus, when he says that I am talking about a great extension of Whitehall power, he may not appreciate that I am solely the police authority for London, as all my predecessors have been. There is absolutely no local government contribution to the discharge of that responsibility.

The hon. Gentleman may also be unaware of the fact that, outside London, I determine exactly how many police officers may or may not be employed in every county and that, through my office, I exercise the most detailed control over the investment split between manpower and various types of equipment. All that I am proposing to forgo. With the greater devolution of responsibility, some attention must be paid to the strength of the police authorities that are being given more autonomy and to the way in which they are to be held to account for their performance.

Mr. Warren Hawksley (Halesowen and Stourbridge): I thank my hon. and learned Friend for his statement. As someone who was a member of a police authority for some years, I believe that this is a move in the right direction. When does my right hon. and learned Friend hope to produce the White Paper? Will it be possible to have a debate on it before the recess? Who does my right hon. and learned Friend think will initiate any amalgamations? I am very nervous about the suggestion that there should necessarily be large-scale amalgamations, and I am very relieved that my right hon. and learned Friend has not announced a low number of forces.

Mr. Clarke: I hope to produce the White Paper in June, by which time I hope the report of Sir Patrick Sheehy and his group will have been published. I understand that Sir Patrick is trying to achieve publication a little earlier. I hope that, when the White Paper is published, consultations concerning disciplinary procedures and so on will be well advanced. I understand that there may well be demands for a debate. As my hon. Friend will know, however, I am not responsible for the disposition of parliamentary time—I am extremely glad that I have no such responsibility at the moment. However, I look forward as much as my hon. Friend to a debate at a convenient time.

We have still to have consultations about what I have described as the new, simplified amalgamation process. There must be some power to initiate discussions about amalgamations, apart from the question of locality. I remember quite well the last occasion, in the early 1960s, on which this question arose. At that time, nobody was in favour of amalgamation anywhere, and all proposed amalgamations were fought like mad. If one were to consult a map of the then police force areas of the United Kingdom, one would realise that nobody would dream of re-fighting many of the battles that were fought to keep small local forces.

Mr. Dennis Skinner (Bolsover): Why does not the Home Secretary admit that his reason for bringing these proposals forward today has more to do with his position and the Tory Cabinet shuffle than with anything else? Can he give a guarantee that anyone he appoints will not be associated with freemasonry? How did Sir Patrick Sheehy get this job? He is only a tobacconist. What are his qualifications?

Mr. Clarke: Sir Patrick Sheehy is altogether more experienced in management and in the running of large organisations than either the hon. Gentleman or myself. I am not surprised that the hon. Gentleman has not asked any question about the police—in particular, the Derbyshire police.

A key fact arising from the changes in funding is that, in future, police authorities will be free-standing bodies, so there will not be the virement to or from police funding, vis-a-vis other local services, that takes place at present. Thus, for example, in Derbyshire it will not be possible for what I hope will be the successor body to the Derbyshire county council to reduce spending on police—to spend less than the Government think it should spend—and to use the money to subsidise school meals and charge artificially low prices. This will result in a big improvement in the management of policing in Derbyshire, where improvement is very necessary.

Mr. James Pawsey (Rugby and Kenilworth): What effect does my right hon. and learned Friend think his statement will have on overall police numbers? Can he confirm that, in future, chief constables will have much greater freedom to appoint more officers and much greater freedom in the selection of equipment, such as the side-handled baton?

Mr. Clarke: The level of police manpower will be much more determined by the decision of chief constables themselves. As they receive increased funding, which undoubtedly they will, they will determine the distribution of expenditure between manpower and equipment. In some cases, that will lead to big increases in manpower but not necessarily in all. One reason why the only dialogue that takes place between most politicians locally and most Home Secretaries at the moment is about whether they can have more police officers is because the present system works on the basis that one can have more money for a police force only if the Home Secretary can be persuaded that more police officers are needed. If we just gave them the money, some chief constables would spend it on capital, kit and even new buildings, and not just on police

officers. Overall manpower will be determined in future by more local operational judgment of the relative importance of manpower vis-a-vis other expenditure.

We are testing new types of baton. While I am anxious to improve the protection of the police, I continue to be very sceptical about the side-handled baton, which is so visible and such an aggressive-looking weapon that it would be a significant step to start introducing it as part of the uniform of British police officers. It would not exactly be like arming them with firearms, but it would be a step away from the tradition of the unarmed police and the non-aggressive-looking figure that we have on the streets at the moment.

Mr. Barry Jones (Alyn and Deeside): In Wales, what consultations has the right hon. and learned Gentleman had with magistrates, councillors and police, bearing in mind the linguistic, geographical and cultural differences from England? Has he guaranteed today more police for Wales, bearing in mind the crime wave that is sweeping the Principality? The Secretary of State for Wales's appointments to hospital trusts generated a great deal of controversy. Will the Home Secretary bear in mind the need to be very even-handed? We do not want more Tory placemen in Wales.

Mr. Clarke: There will be a full process of consultation in Wales as elsewhere. I will certainly pay regard to the distinctive features of Wales in carrying out that consultation. I have already had meetings with south Walian leaders of the police service in respect of other matters causing controversy there, but my right hon. Friend the Secretary of State for Wales will also be involved in the process.

As for appointments, one effect of moving police authorities a bit further away from being a committee of the local council will be, in my opinion, to depoliticise to some extent the day-to-day running of the service. Indeed, it is that which often causes the initial outbursts of rage among Opposition Members. I too have made appointments to hospital trusts. I have appointed quite a number of ex-Labour MPs in my time, and certainly quite a lot of Labour supporters

We have moved on from this rather ridiculous canard where Opposition Members can only wonder, when we mention appointments, whether they are of their political colour or ours. We have been in government for longer, and we are more responsible about these matters than our opponents plainly would be, if they had the chance.

Mr. James Paice (Cambridgeshire, South-East): If my right hon. and learned Friend is, quite rightly, going to give far more responsibility to chief constables, should he not at the same time make it easier to get rid of those few who may prove to be not up to the job?

Mr. Clarke: That runs from top to bottom of the police service, as it unfortunately does in any other walk of life, which is why I have more or less finalised proposals, for the lower ranks, for changes to the incapability procedures, as people insist on calling them, which is a way of bringing to an end, in a civilised fashion, the service of someone who is no longer up to being a good officer.

At the top of the police service at the moment we have again long and convoluted procedures if ever one wished to remove somebody, and I will look at them alongside my consideration of the disciplinary procedures. I am sure that Sir Patrick Sheehy is also considering representations made to him about putting very senior police officers on fixed-term contracts. I recently appointed a new Commissioner of Police of the Metropolis who raised not the slightest objection to being placed on a fixed-term contract.

Mr. Chris Mullin (Sunderland, South): Has the Home Secretary any plans to address the high incidence of freemasons in the police force? I see him smile, but it is so corrosive of public confidence and so deeply resented by honest police officers.

Mr. Clarke: I am not a freemason, and I know little about freemasonry. My general view is that it is entirely a matter for individuals whether they are freemasons or not, and I have absolutely no views about whether police officers should be freemasons, as long as nobody uses that membership or anything else improperly in the course of his or her duties.

Mr. John Butcher (Coventry, South-West): If my right hon. and learned Friend's announcement today means that we may get back a Coventry and Warwickshire police force, it will be warmly welcomed by my constituents. My right hon. and learned Friend is under great pressure to do something about juvenile crime and about unpicking the defects of the Criminal Justice Act 1991. What will he see as his first priority in the limited legislative time available to him?

Mr. Clarke: I remember the controversy about the Coventry and Warwickshire police force many years ago. We may or may not see that reopened. I did not realise that those passions still ran high.

So far as legislative time is concerned, I have a large number of proposals which, in due course, will occupy some legislative time in the House. But that will be when time allows, and those matters are not within my control.

Mr. Tony Banks (Newham, North-West): May I give the Home Secretary half a cheer for introducing a new police authority for London, and remind him of how he used to get his truncheon in a twist when Labour Members suggested that he should no longer be the police authority for London?

When he considers the new police authority for London, will the Home Secretary take into acount London's unique policing role, having to pay for protection of diplomatic services, the royal family, Parliament and so on? In his new proposals for the police authority, will the City of London police authority be assumed into the new authority?

Mr. Clarke: First, I do not recall ever getting passionate in defence of my role as the policy authority for London. I announced today that I have concluded that my office and I should not continue to be the police authority for London. It would be better to have a clearly distinct police authority of the sort which I have described.

While I envisage an authority on the national model, I agree with the hon. Gentleman that more consideration needs to be given as part of the consultation to what I might call the national and distinctive functions of the capital's police force, such as diplomatic protection, which are not shared elsewhere.

[Mr. Clarke]

I have forgotten the hon. Gentleman's final point. [HON. MEMBERS: "The City of London."] I have no views on amalgamations at any stage.

Mr. David Tredinnick (Bosworth): Is my right hon. and learned Friend aware that the chairman of Leicestershire police authority is both an elected Conservative county councillor and a successful business man and, as a result, has probably saved the force a lot of money and made it more effective? Is he also aware that, as a Leicestershire Member, I must deal with different police authorities but that the response I get from the smaller Leicestershire authority about constituents' problems is better than that of the larger west midlands authority? Will he take that into consideration?

Finally, is not the most significant part of the statement the determination to improve the control and management structure which runs down through the ranks? If that is implemented, it will not be necessary to amalgamate the police forces because, with improved communications——

Hon. Members: Come on.

Madam Speaker: Yes, come along, quickly.

Mr. Tredinnick: ——it will do the trick.

Mr. Clarke: I accept that quite a few local authority elected councillors have considerable business and other skills. Quite a few magistrates have business and other skills. On each individual police authority, the specific mix which emerges is sometimes a matter of chance. There are some police authorities where there is simply not a strong enough or wide enough spread of membership emerging in that way and, for that, appointments can fill in the gap.

I take on board my hon. Friend's view on the performance of police authorities and the desirable size of them. Whether or not the Leicestershire police force combines with the police force in Nottinghamshire, for example, is a matter on which I have absolutely no views. There might be resistance to it on both sides of the border.

I look forward to seeing a comparison between those extremely similar forces on such matters as the response to 999 calls, clear-up rates, number of police officers per 1,000 population deployed on the ground, number of complaints successfully sustained and so on, because the two police forces are roughly comparable. It would be a great advantage to all of us, in holding our police service up to the mark, to see how Nottinghamshire, Leicestershire and, dare I add, Derbyshire compare in all those respects so far as their performance is concerned.

Mr. Greville Janner (Leicester, West): Does the Home Secretary not see that the problem with the Leicestershire police force and, I am sure, many other police forces which do an excellent job is that they are overworked and underfunded, and that what matters is that they should have the resources to do their job? Does he accept that a force which is undermanned and under-resourced cannot possibly hope to meet the crime wave, whether under the present system or under the one which he proposes, and that we need money and men and women on the beat?

Mr. Clarke: I hope that we will move the whole debate on public services on from that—I carefully persuade myself that we are slowly beginning to do that. Of course, if we ask anybody in any walk of life about their job, they will tell us that they are underpaid and overworked. It has long been a tradition in the United Kingdom that, whenever anybody seeks an improvement in public services, they get back a litany of complaints about underfunding and undermanning.

We have poured manpower and funding into the police service. The police service in Leicestershire is not underfunded or undermanned. It is a perfectly decent police service. We are looking at ways of enhancing its performance, the use of its resources, the value for money we get and keeping it up to ever higher targets.

Mr. Michael Ancram (Devizes): While I welcome the bulk of my right hon. and learned Friend's proposals, does he accept that there is concern that in his mind fewer somehow means bigger and bigger somehow means better? Does he accept that smaller forces such as Wiltshire provide better value for money per officer and a better clear-up rate than many of their larger counterparts? Will he assure the House that he will allow his performance and objective exercise to proceed before he considers amalgamations, so that he does not throw out valuable babies such as Wiltshire with the bath water?

Mr. Clarke: I am glad that my hon. Friend, in seeking to defend the present size of the Wiltshire force, is content to look to its performance. It is obvious that the case for change in a police force which can demonstrate that it is achieving high standards by national standards will not be strong. The force will be able to make the best possible case for its retention. I believe that, for the day-to-day management of the police service, small-scale, very local delivery is best.

The local commander in the sub-division, or whatever the local force calls it, should have much more autonomy over everything from setting his budget to how he deploys his officers. He or she should remain in post for longer than usual at present, get to know the local community and take personal responsibility for delivering policing in that neighbourhood. Apart from that, however big the overall force is, people will ask many questions about the size of the county or multi-county headquarters, all the people who work in it, and whether we need 43 of them scattered across the country.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy): The Home Secretary's statement about resourcing astonishes me. Will he give me some assurance about the future of the north Wales police? They have been undermanned by 70 constables for five, six and seven years, despite repeated requests from several hon. Members from north Wales. Under the new proposal, will we have yet more gross underfunding and another Government cop-out?

Mr. Clarke: I have already said that funding in the police service has increased in real terms by 81 per cent. since the Government have been in power. Spending on the police service for the coming year has increased by much more than on other local authority responsibilities. We should not continue a political debate in which all that anyone can think to say about the police service locally is that it is underfunded or undermanned.

I am getting rid of the Home Secretary control, whereby I and my office have to determine how many police officers north Wales is allowed to have. We have an absurd exchange each year, in which the police authority asks for a lot more police officers. It knows perfectly well

that it will not get them. I always turn it down. The political debate is reduced to nonsense about how undermanned the police force is. In future, we shall give the money to whatever police force delivers the service in north Wales, and leave it to the stronger police authority and the chief constable to decide whether to spend it on men, equipment, cars, buildings or whatever.

Mr. David Nicholson (Taunton): I very much welcome the fact that my right hon. and learned Friend is looking for those administrative arrangements that will best help the day-to-day pursuit and prosecution—I emphasise prosecution—of crime. I also welcome what he said about local police being accountable to local communities. But is he aware that in Avon and Somerset we will be looking at his proposals with considerable interest, because that is an unhappy relationship? Only this last week, the Avon councillors have vetoed a sensible proposal by Somerset for increasing police resources.

Mr. Clarke: I agree with my hon. Friend that we should concentrate on how best the police prosecute their business, in every sense of that word, locally. Already, a much more active debate about the effectiveness of policing in parts of the country is taking place than for a long time. Many more comparisons are made of detection rates, arrest rates and so on than anyone ever thought of making until the recent past.

I shall not intrude into the disputes between Avon and Somerset. I know that it is sometimes an uncomfortable relationship. Somerset believes that it is subsidising Avon, and Avon believes that too much is drawn out to Somerset. I hope that the proposal that only half the members of a police authority should be elected local politicians and that the others should be appointed for other qualities will help to improve the internal tensions inside that structure.

Mr. Tam Dalyell (Linlithgow): Will the Home Secretary enter into serious discussions with lawyers about the procedures which lead to police squandering time hanging around court? I am told that up to 20 per cent. of police time is spent hanging around court, often needlessly, and police are uncalled when they could be doing other things. How does that fit in with any serious performance relation?

Mr. Clarke: The short answer is yes. Obviously that is not directly within the subject today, but is very relevant to it. It affects police performance. I have frequently had conversations with my right hon. and noble Friend the Lord Chancellor and with my right hon. and learned Friend the Attorney-General on matters of this kind. I strongly agree with the hon. Gentleman that, at the moment, the amount of time spent abortively at court by police, prison officers, solicitors, witnesses and victims is excessive, and we must find some way of cutting it down.

Several Hon. Members *rose*——

Madam Speaker: Order. We are now going to move on.

Points of Order

4.35 pm

Mr. Andrew Mackinlay (Thurrock): On a point of order, Madam Speaker. I wonder whether I could draw your attention to Question 120 on the Order Paper for today. This is a question by the hon. Member for Erith and Crayford (Mr. Evennett) to the Secretary of State for the Environment in connection with the proposed east Thames corridor development. I have been to the Library as recently as five minutes ago, and there was no copy of that reply there, although I understand that members of the press either have the full substantive reply or, certainly, have received a press notice which I have in front of me now, saying that the Secretary of State for the Environment will be announcing "the Government's approach" to the proposals for the east Thames corridor at a press conference at 10 o'clock tomorrow morning at the Department of the Environment.

The point I wish to raise with you, Madam Speaker, is that it seems on the face of it, to say the least, that people outside Parliament are going to be briefed about the Government's proposals for the east Thames corridor before this place is briefed, and that, unusually, a parliamentary reply is not available for hon. Members to see in the Library. Other parliamentary replies which are on today's Order Paper are in the Library.

The press have been told about a press conference tomorrow, and I think that they have probably got a substantive reply. This House is being abused and bypassed by the Secretary of State for the Environment on a major issue affecting hundreds of thousands, if not millions, of people along the east Thames corridor in which my constituency is included.

Can I have your help, Madam Speaker? Is this a matter of privilege? Can you get us——

Madam Speaker: Order. I have got the point, thank you very much. Let me assure the House that, if the text of the answer to a parliamentary question has already been supplied to the press, it should also be available to Members of this House. I hope that those who are on the Front Bench at the moment will take note of that and see that it is made immediately available. *[Interruption.]* Order. I have not finished yet. Hon. Members should not get so excited. As hon. Members know, I would deprecate a Minister making an announcement to the media before making it to the House, but I have also to say to the hon. Gentleman that whether a Minister comes to the Dispatch Box or answers a written Question, is entirely a matter for the Minister, and has nothing whatever to do with the Chair.

Mr. Tony Banks (Newham, North-West): Further to that point of order, Madam Speaker.

Madam Speaker: I doubt if there can be anything further to that point. I have answered it very thoroughly.

Mr. Banks *rose*——

Madam Speaker: Order. I have dealt with it very thoroughly. I have dealt with the written Question which should be available to Members immediately. I have dealt with the matter of deprecating statements made outside, and I have made the point that whether a Minister comes

[Madam Speaker]

to the Dispatch Box or answers a written Question is entirely a matter for that Minister. There can be no further point of order.

Mr. Banks: There was.

Madam Speaker: There was, but now there is not—is that right?

Mr. Banks: You have covered virtually all the points, Madam Speaker, but the Order Paper shows that Question 120 is not the only one that falls into that category. One can only say that there appears there, at the end of Questions, what one can only charitably call the brown nose gang, who are fairly regularly there and are always prepared to put down questions at the behest of Ministers, the night before answer. Is that not something that ought to be referred to the Procedure Committee?

Madam Speaker: If the hon. Member wants to do that, he is entitled to, but I have made the position clear to the House, and I hate to go on repeating myself. Hon. Members often repeat themselves, but it is not for the Speaker of this House to go on repeating herself. But just so that it is made very clear, I should say that it is up to the Minister whether an answer is by a written statement or he comes to the Dispatch Box. That has nothing whatever to do with the Chair. That is the end of it: there can be no further point of order on that matter.

Mr. Jeremy Corbyn (Islington, North): On a point of order, Madam Speaker. Can you take a further point?

Madam Speaker: No, I am afraid I cannot. We are now going to move on. There cannot be another point of order. We are going to move on.

Mr. Corbyn *rose*——

Madam Speaker: Order. The hon. Gentleman must resume his seat. I have dealt very thoroughly with that matter.

Statutory Instruments, &c.

Madam Speaker: With permission, I shall put together the motions relating to statutory instruments.

Motion made, and Question put forthwith pursuant to Standing Order No. 101(3) (Standing Committees on Statutory Instruments, &c.).

Land Registry

That the draft Land Registry Trading Fund Order 1993 be referred to a Standing Committee on Statutory Instruments, &c.

Land Registration (Costs)

That the draft Land Registration (Determination of Costs) Order 1993 be referred to a Standing Committee on Statutory Instruments, &c.

Child Support

That the draft Child Suport Appeals (Jurisdiction of Courts) Order 1993 be referred to a Standing Committee on Statutory Instruments, &c.

Election Expenses (Northern Ireland)

That the draft Local Elections (Variations of Limits of Candidates' Election Expenses) (Northern Ireland) Order 1993 be referred to a Standing Committee on Statutory Instruments, &c.—*[Mr. Wood.]*

Question agreed to.

Children's Playing Space

4.40 pm

Mr. Gyles Brandreth (City of Chester): I beg to move,

That leave be given to bring in a Bill to secure the provision of adequate playing space in new residential developments; and for connected purposes.

I have an interest to declare, not just as a parent but as chairman of the National Playing Fields Association, which is the national trust of recreational space, a charity founded in the 1920s by a group of farsighted men and women who recognised the simple truth that every child deserves a place to play.

This is an issue that unites hon. Members on all sides of the House and always has. Three quarters of a century ago, the former Prime Minister and Member for Caernarvon Boroughs, David Lloyd George, declared:

"The right to play is a child's first claim on the community. Play is nature's training for life. No community can infringe that right without doing deep and enduring harm to the bodies and minds of its citizens."

Informal play is not something trivial; it is not an optional extra. Play is fundamental. Play is essential for a child to develop physically, mentally, emotionally and socially. It is a means of learning to live, not just a way of passing time. That is why every child needs a place to play safely, to allow the body and the mind to develop to the full.

As a society, we cannot have it both ways: we cannot on the one hand deplore young people at worst turning to drugs or under-age drinking, hooliganism or vandalism, or at best sitting listlessly for hours in front of a flickering television screen and on the other deny those same young people the opportunities, the leadership, the space, to grow and develop in the way that we want them to.

Every child deserves a place to play. That is why my Bill will require planners, local authorities and developers to give proper priority in all new housing areas to the provision of adequate playing space. No one nowadays can build houses without making realistic provision for car parking, yet one can build a whole estate without having to provide anywhere for children to play. Do we really care more about our cars than about our kids?

Children need somewhere safe to play and somewhere near to home to play. All the research shows that children, particularly younger children, will not visit the local playground if it is too far from their own back door, and responsible parents are rightly concerned about letting their children stray too far from home. That is why my Bill calls for a tiered system of play provision to provide appropriate facilities for different play needs.

Small, secure sites of no more than 100 sq m—I have called them local areas for play, or LAPs; people who enjoy acronyms will take that on board—would have to be provided on every new estate in sufficient numbers to ensure that the nearest LAP was not more than 100 m from any home. Larger sites, including play equipment—I call these local equipped areas for play, or LEAPs—would be required within 400 m of any home.

To those who ask, "It's a nice idea, but is it realistic?" I can reply that already one developer, Wimpey Homes, and a handful of local authorities have taken the concept on board and are adopting the proposals, without loss of housing space and at comparatively little cost.

The cost is indeed trivial when set in its proper context. Each year, we spend millions and millions of pounds on building superb new roads, but next to nothing on providing places for children to play. To say that this is a life-and-death issue is not to exaggerate. Every year, some 20,000 children are injured and some 300 children are killed on our roads, many of them because they are playing in streets that are not safe for them. This is a life-and-death issue; it is also a quality of life issue.

I fear that we are today robbing children of childhood. We live in a world where children spend three full working days every week watching television; where an increasing number of families do not sit down to eat together; where the proliferation of television sets in every household sometimes means that they do not even view together; where the crude, the ugly and the violent are paraded as commonplace; where popular papers print pages of material that a generation ago would have featured only in adult magazines. In my constituency this weekend, I visited an estate where there are six 14-year-old girls who are already mothers.

We must restore innocence to the young. We must give children back their childhood. We must recognise that every child, however tough the exterior, however sophisticated the veneer, deserves and needs a place to play in freedom and in safety. That is the issue that my Bill seeks to address.

Question put and agreed to.

Bill ordered to be brought in by Mr. Gyles Brandreth, Mrs. Angela Knight, Mr. Peter Bottomley, Mr. Alan Howarth, Mr. Ian McCartney, Mrs. Angela Browning, Ms Liz Lynne, Mr. Keith Hill, Mr. Raymond Robertson and Ms Glenda Jackson.

CHILDREN'S PLAYING SPACE

Mr. Gyles Brandreth accordingly presented a Bill to secure the provison of adequate playing space in new residential developments; and for connected purposes: And the same was read the First time; and ordered to be read a Second time, and printed. [Bill No.168.]

Orders of the Day

Agriculture Bill *[Lords]*

Order for Second Reading read.

4.46 pm

The Minister of Agriculture, Fisheries and Food (Mr. John Selwyn Gummer): I beg to move, That the Bill be now read a Second time.

Our farmers and our food industry want to be able to compete effectively in the European Community and elsewhere in the world. The Bill will help them to do so by removing present disadvantages and bringing the industry up to date.

When the milk marketing scheme was introduced 60 years ago, its very characteristics as a monopoly were hailed as the salvation of producers. Times have changed, however, and the scheme is now the farmer's gaoler not his saviour.

What was essentially a commodity market for whole milk, butter and Cheddar cheese is now a sophisticated consumer market. Who would have thought 60 years ago that nearly half the liquid milk sold would be skimmed or semi-skimmed? In just over a decade, consumption of these types of milk has gone from 1 per cent. of the England and Wales liquid market to 44 per cent. Who would have thought, too, that butter consumption would have fallen away dramatically, while consumption of cream, yoghurt and fromage frais was rising steeply? Indeed, who in this country would even have heard of fromage frais in 1933?

There have been other changes, too. Our home market now reaches over much of western Europe, which means that, if United Kingdom-based processors are to compete, they must supply what the consumer wants, or others will do so instead. Farmers know better than anyone that we cannot produce as much milk as we should like, or even as much as we can use. Therefore, restricted by quota, we simply have to put our milk to the most productive use. We cannot go on exporting bulk commodity products and getting low prices for them, and importing huge quantities of high-value processed products, giving those who export from other countries the benefit of our market, while we do not get the proper benefit of theirs. It is ridiculous that these low-value exports should have had a priority call on the nation's milk supply, but that is part and parcel of the present system.

Mr. Dafydd Wigley (Caernarfon): The Minister is absolutely right. The creamery in my constituency could produce four times as much cheese as it does if it had the milk. Does he accept that, whereas in the 1930s undoubtedly the state monopoly of the Milk Marketing Board worked wonders and saved the industry, there would be real dangers if we now replaced it with a private monopoly without safeguards? Can he give an assurance that, with regard to such things as national milk records and milk testing, there will not be a monopoly in the hands of Milk Marque; there will be an even-handed approach to all companies and an even pricing regime; the assets of the milk marketing boards will not be automatically transferred; and particularly that the confidential information that they have will not remain within Milk Marque, giving it an advantage in the marketplace over other companies?

Mr. Gummer: The hon. Gentleman is right in his assessment of the change and of the need to make sure that, after the change, there are not unsuitable monopolistic preferences for one organisation rather than another. When the milk marketing boards produce and present their proposals, I shall look at them very carefully, and it will certainly not be my intention to give an unfair advantage to any organisation, although I shall want to ensure that there is proper continuity between the present and the future. I cannot rule on propositions that I have not yet received, but the hon. Gentleman knows me well enough to realise that I would have no intention of putting individual producers in a position in which they were unable to make a fair and reasonable decision for themselves.

As the hon. Member for Caernafon (Mr. Wigley) has said, the real question is not whether the scheme should go, but how it has lasted so long. It was excellent to begin with, but it is increasingly out of touch with reality. That is not simply the Government's assessment; the boards have long recognised that the scheme was falling apart at the seams in the face of changing markets, legal challenges and commercial pressures. Nevertheless, those 60 years of history meant that it was not easy for the boards to propose the ending of the scheme and that deserves recognition and praise.

We now have proposals for change from all five milk marketing boards. The Bill seeks to build on their initiative by enabling them to submit formal reorganisation schemes for Ministers' approval. That approach reflects the Government's desire not to sweep aside what producers have built up over the years, but to give their boards a major say in the future shape of the industry.

It has been my view all along that there is a balance to be struck between the veritable fact that these boards have had the support and encouragement of producers for many years—they have done many good things; it would not be right for us to ignore their experience or not to listen to what they have to say—and the fact that there are very real problems in the market at the moment, so we cannot, of necessity, agree in advance to accept everything that the boards suggest. There has to be a balance, and the hon. Member for Caernarfon was perfectly right in trying to reach towards such a balance; that is what we are seeking.

Mr. George Foulkes (Carrick, Cumnock and Doon Valley): Many of us represent rural constituencies which are extremely difficult to pronounce, as the Minister knows only too well. My constituency is Carrick, Cumnock and Doon Valley.

The Minister says that he does not accept everything that is put forward, but the Scottish milk marketing board put forward a scheme for a vertically integrated co-operative supported by the NFU and the producers. I was given to understand that the Under-Secretary of State for Scotland, the hon. Member for Dumfries (Sir H. Monro), who is sitting next to the Minister, also supported it. Yet because it was referred to the Monopolies and Mergers Commission, the Government said that it could not go ahead, and the whole thing was rejected. That was

taking no account of what the producers think. Why have the Government taken such a dictatorial attitude in Scotland?

Mr. Gummer: I do not want to start a note of dissent, and I want to stress what a mild-mannered person I am on these issues. It is all right for the hon. Gentleman to say what he did, but I thought that he supported the Monopolies and Mergers Commission and wanted there to be an arrangement whereby the consumer was protected. It was not the Government who rejected the scheme; the Monopolies and Mergers Commission's recommendation suggested that what the board proposed was not conducive to consumers' interests. That is not for me to gainsay. Since the statement was made, my hon. Friend the Under-Secretary for Scotland has in no way suggested that we should override the Monopolies and Mergers Commission. Had he or I done so and told the House that we did not agree with the Monopolies and Mergers Commission on this issue, hon. Members on both sides of the House would have objected.

Mr. Foulkes: Will the Minister give way?

Mr. Gummer: I should move on, as I think I have been clear on the issue, but I shall give way to the hon. Gentleman.

Mr. Foulkes: I shall not argue that there should be another Monopolies and Mergers Commission inquiry, but did not the Government refer the scheme to the Monopolies and Mergers Commission because they did not want it to go ahead? Were they not under pressure from Robert Wiseman in Scotland, which wants to undermine the scheme? No doubt that company has some influence in Scottish Conservative circles and is trying to undermine the scheme that the NFU suggested, which is supported by the vast majority if not all the milk producers.

Mr. Gummer: The hon. Gentleman is not right. The board went to the Office of Fair Trading which referred the matter to the Monopolies and Mergers Commission. The hon. Gentleman should not see conspiracy where there is public accountability of a sort that has always had bipartisan support. I suggest that we accept that the proposals by the marketing boards ought to form the basis of the way in which we proceed, but that does not mean that every detail of the boards' present proposals will necessarily be approved.

There are important considerations to be taken into account as laid down in the Bill. There is the allocation of boards' assets, as the hon. Member for Caernarfon said, and the prospect for the development of competition, the interests of consumers and producers and whether the proposed trading practices of successor bodies take account of the interests of milk purchasers.

The boards' proposals must be considered on their merits when they are formally submitted to Ministers. For that reason, I am not able to tell the House whether I find any particular element of the England and Wales boards' proposals acceptable. The Secretaries of State for Scotland and for Northern Ireland will find themselves in the same position in relation to their boards' proposals and many elements of the present scheme mean that that is inevitable because of the quasi-judicial position that Ministers have in the administration of a scheme which will remain in force until it is replaced.

Mr. John Marshall (Hendon, South): Has my right hon. Friend seen that it was pointed out in *The Grocer* of 20 March 1993 that Milk Marque had asked processors to say by 15 April this year how much milk they would want in the year 1994-95? Does he not realise that within Milk Marque there are those who have been monopolists and wish to remain monopolists, and who are rather indifferent to the interests of the industry and the consumer?

Mr. Gummer: I have seen the point that my hon. Friend raises. I hope that he has seen the press release by the milk marketing boards correcting the interpretation of what they have done and making it quite clear that they have no intention of acting in a way that would be contrary to the consumers' interests. I can assure my hon. Friend that I will make sure that they continue in those terms and that the boards have recognised that that must be made absolutely clear.

My hon. Friend has raised an important point and I hope that hon. Members on both sides of the House will read carefully what the milk marketing boards have said, so that there is no mistake about what was meant by what they said and how they mean to proceed. I assure hon. Gentlemen that I shall make sure that there is no such mistake.

I am, however, confident that we shall achieve an orderly change to the more competitive marketing structure within which producers and processors alike will be able to take advantage of normal commercial freedom.

For the first time in 60 years, producers will be free to sell to whomever they want, and processors will be free to buy direct from producers or other groups. I welcome the fact that a number of competing organisations seem likely to be set up. Both Northern Foods and Nestlé announced important initiatives in this respect. It is in everyone's interests for a truly competitive market to develop, not only in Britain, and to enable those competitive bodies to sell throughout the European Community.

I do not mind at all if people in Britain buy dairy products produced in the rest of the Community, as long as we are selling at least as much in the rest of the Community. This is not a "buy British" campaign; it is a desire to see that the French have the opportunity to buy fine British products, just as we have the opportunity to buy what the French produce. We must put ourselves in a position to be able to do so effectively.

The ending of the milk marketing schemes will amount to a major deregulation measure, replacing bureaucratic control with freedom of action, and will liberate much creative potential, which is suppressed at the moment, and help our processors and producers to challenge foreign competitors to provide what the consumer wants.

Two years ago, the present change in attitude would have been unthinkable. At that time, the majority of producers were full of apprehension about the idea of change. Now the debate is not about whether change should take place, but about the form that it should take. Many producers are actively considering the new opportunities that are about to open up for them and the Labour party has changed its view on the matter, in response to that changed attitude. There is a growing consensus on the subject.

Mr. Brian H. Donohoe (Cunninghame, South): At several meetings with the Scottish Dairy Trade Federation and farmers' organisations, I have heard great concern

[Mr. Brian H. Donohoe]

expressed about what will happen to the boards' assets on their dissolution. Can the Minister give some information or a sign of what he intends to do with their assets?

Mr. Gummer: The hon. Gentleman is right to point out that concern, but I cannot make a decision until I see the proposals of the English and Welsh boards and until my hon. Friend the Under-Secretary of State for Scotland knows the views of the Scottish boards. We shall then seek to make a decision that properly reflects the interests of the various parties. We have already made a statement in England and Wales about the future of Dairy Crest's assets, which will be entirely separated from the milk marketing boards for England and Wales. A decision will have to wait until we know the boards' proposals, as they will propose different things. As that is the way in which the law is set out, it is right for us to follow that course. I assure the hon. Gentleman that I shall carefully consider the proposals and the concerns of producers, who make up the boards and have an interest in how their assets are dealt with.

Although there has been a great change in attitude on milk, the situation is different with potatoes. I appreciate that producers and others have had less time to think things through and to accept the idea of ending the potato marketing scheme.

Mr. D. N. Campbell-Savours (Workington) *rose——*

Mr. Gummer: I shall not give way yet, as I have some comments to make which I am sure that the hon. Gentleman will want to hear.

Mr. Campbell-Savours: Before the Minister goes on to the subject of potatoes, could he tell us whether he has ruled out any arbitration procedure on price in the deregulated milk market?

Mr. Gummer: In advance of the boards' proposals, I would not like to say that I have ruled out anything of that sort, but I see no role at the moment for further statutory interference in the way in which the market will operate. I shall certainly not be dogmatic, as I am not a dogmatic person, but I would not want to suggest to anyone that I have that high on my list of priorities, and I do not think that I should be led down that route, although the hon. Gentleman may be able to change my mind.

On potatoes, I appreciate that there has been less time to think things through and to accept the idea of ending the potato marketing scheme, but I think that the House will agree that, in a single market, where there is no possibility of restricting imports, it would be ridiculous for our growers to be shackled by a quota system while everyone else in Europe could grow what they liked, where they liked and for as much as they liked.

I can suggest only one example to the House. Just suppose that my hon. Friend the Minister of State and I returned to the House from a meeting in Brussels saying that we had triumped and reached an agreement on vining peas, whereby every country in Europe could grow as many vining peas as it liked, except the United Kingdom, where production would be restricted. I do not think the House would regard that as a triumph. Hon. Members would say that the agreement discriminated against the United Kingdom. They would say that it would not be long before pea processors found that they had better move their processing factories from the United Kingdom, where production was restricted, to somewhere that it was not.

Frankly, I have not been fighting against discrimination for two and a half years—after those proposals of Mr. MacSharry—to reintroduce it and to cause this country self-inflicted damage, and that would not be an acceptable way to meet the needs of the potato industry.

Mr. Alex Salmond (Banff and Buchan) *rose——*

Mr. Gummer: I shall be happy to give way, but, before the hon. Gentleman gets too uptight, I just want the House to recognise that one could replace the word "potatoes" with any other agricultural or non-agricultural product. Producers in this country have to compete in a single market and one cannot prevent imports, so it would be difficult to suggest that it would be beneficial to them to reduce their ability to compete, and it does not make sense.

Mr. Salmond: Has not the Minister almost conceded that the vehemence of the attack by him and the Minister of State on the potato marketing scheme is not widely shared in Scotland? In fact, many of us believe that it is not even shared in the Scottish Office. Are we going to hear the viewpoint of the Scottish Office, or is the Scottish Office Minister going to sit there with his face a picture of misery while the Minister once again rides roughshod over Scottish interests?

Mr. Gummer: As this is the United Kingdom, I hope to apply myself to the loss of market share for the Scottish seed potato industry, which is a matter of great concern to the United Kingdom as a whole, as it is an important part of the potato industry and an important export earner.

I hope that the hon. Member for Banff and Buchan (Mr. Salmond) will listen carefully, because I am not speaking merely on behalf of England and Wales but for the entire United Kingdom. Ministers representing the United Kingdom, including Scottish Office Ministers, are committed to a healthy potato industry throughout the United Kingdom.

The hon. Member for Banff and Buchan is a member of that great European party, the Scottish National party. Is he proposing that the single market—on which the Scottish nationalists are so keen and which they are supporting throughout Scotland and to everyone else who would hear them—will work better if one country suggests that its producers should be uniquely shackled to a system that does not affect any other country? I have rarely heard such an argument for nationalism before. It is nationalism without any advantage to the nationalists.

Mr. John Home Robertson (East Lothian) *rose——*

Mr. Gummer: I shall not give way to the hon. Gentleman for one moment, as I want to read my next paragraph, which might help him.

I wish to examine carefully the proposals put forward by those who do not like my suggestion. In the single market, we need to enable our producers to compete on level terms with their continental counterparts.

Mr. Home Robertson: What about a level playing field?

Mr. Gummer: I shall come back to that in a moment, as there was a ten-minute Bill on the subject this afternoon.

During the past 10 years, imports of processed products, which are the growth area of the market, and of

seed potatoes, which are particularly important to Scottish growers, have been growing. We need to reverse that trend, and I am sure that our growers can do so if they are freed from the shackles of the quota system.

Several claims have been made about the existing scheme which need to be countered, and I wish to list them before the hon. Member for East Lothian (Mr. Home Robertson) intervenes and doubtless produces an extra claim.

The first claim is that the high consumption of potatoes in Great Britain is somehow linked to the existence of the Potato Marketing Board. The argument may seem obviously ridiculous, but I hear it regularly as I travel around the country to listen to people arguing the case. Our potato consumption is due to our historic dietary choice, and it is higher in the Republic of Ireland, which has no Potato Marketing Board. I do not think that, if we got rid of the board, or changed its functions, the people of Britain would cease to eat potatoes. That argument is bureaucratic and I think that most Conservative Members would find it unacceptable.

The second claim is that our high degree of self-sufficiency in fresh potatoes is somehow due to the board; that is just not true. That self-sufficiency is due to the fact that our producers have the advantage that it costs up to £35 per tonne to bring potatoes across the channel and, therefore, our competitors clearly start at a disadvantage with what might be inelegantly called dirty potatoes. The problem arises with the processed product, because as the value of a product rises compared to transport costs, the home producers' advantage falls. Therefore, it is not surprising that we have a high proportion of the fresh potato market, but import many processed potatoes. Surely that shows that, wherever the added value is sufficient to counteract the transport costs, our producers do less well. The effect is caused by transport costs, not the operation of the board.

The third and most persistent worry of those who wish to retain the status quo is that removal of the quota system will lead to instability in the market. The evidence does not suggest that our quota system leads to greater stability here. *[Interruption.]* I see that the hon. Member for East Lothian does not agree. However, I can tell the hon. Gentleman that I started off by believing that the system created stability. I had always believed that to be the case, because I had never checked the figures. I thought that I should do so.

If we compare the year-on-year prices changes in the United Kingdom with those in the other main producer states—France, Germany and the Netherlands—we see an interesting pattern. Between 1979-91, our prices were more volatile than all the others in no fewer than three years. They were more volatile than at least one of the other countries in five years, and the least volatile in only four years. That is hardly a convincing case for the retention of a board——

Mr. Campbell-Savours: What about prices and contracts?

Mr. Gummer: I know that the hon. Gentleman's knowledge of potatoes is immense, but I shall come to the issue of contracts and prices in a moment. I am now dealing with the volatility of prices, which is a matter of considerable interest. The board always raises that issue when it argues that consumers are protected because we have a system under which our prices are much less volatile. They are not. The board apparatus has not done anything to make prices in this country less volatile than those of our major competitors.

The fourth argument is that, without the board, prices would fall dramatically. The price of potatoes for processing will have to be governed by competition, whatever we do. No board will make it possible for Britain to have higher prices for potatoes than the Dutch, Danes, Belgians, Germans or French. A single market is all about competition; if other people can produce something cheaper than we do, we cannot protect ourselves in a single market by running a bureaucratic scheme. Some people might like to do so, but we do not have to propose that suggestion—the Scottish nationalists certainly cannot do so, as they are in favour of the single market and are as enthusiastic about it as I am. I am pleased about that—it is the only thing that I can find in favour of the Scottish National party.

We must accept that the price of potatoes for processing will be fixed by the competition, not by any board. That means that the price of dirty potatoes will continue to be protected by the channel, but not the price of processed potatoes. Perhaps we should consider carefully the proposals that I understand the hon. Member for Workington (Mr. Campbell-Savours) has been working on. I put it like that because his proposals in Committee, when we discussed the potato scheme, were in skeleton form. The hon. Gentleman's proposals have also been discussed around the country as he has travelled around to try to discover whether he can make them work. I have tried hard to put together such a scheme, which is designed to distinguish between dirty potatoes and processed potatoes, with the board controlling one category but not the other.

I am looking forward to seeing how the hon. Gentleman has changed the scheme since it was first revealed. The difficulty of dividing processed and non-processed potatoes is that there is generally no difference between them. Some potatoes that are grown for processing turn out to be unsuitable for processing, so people sell them in different forms. I do not know how we would deal with potatoes for export under such a scheme. Are we to colour the potatoes, with green ones for those controlled by the board and blue ones for those that are not? Doubtless a bureaucratic mechanism can be contrived whereby we can continue to have a board that does not do anything about a situation that needs nothing done to it as the function is already served by the channel.

I realise that the Labour party is keen for the Government to get in on the act, and that it is not easy to leave the channel to its own devices. Therefore, if the hon. Member for Workington brings forward his proposals, we will listen carefully to see whether they can be used. However, I suspect that the Labour party—although it would like to gain support among those who are still unconvinced of the need to change the board—knows in its heart of hearts that the board's quota arrangements no longer fulfil a useful purpose. Therefore, we need to move towards a freer system.

Mr. Home Robertson: Surely the people involved in the potato market—be they producers or consumers—are better judges of what is best for that market than the Minister is, as a politician. The Minister has repeatedly

[Mr. Home Robertson]

said that the scheme is "shackling" potato producers in Britain. Is he suggesting that the producers, who want to maintain the scheme, are masochists?

Mr. Gummer: I should have thought that the best judges were the people buying the product. They have made it clear that future investment will be where the potatoes are available and the product should be as available in this country as it is in Holland. We do not even need to ask the processors about that, as we automatically know the answer.

Even if you, Mr. Deputy Speaker, think hard and long, can you produce a single product that you could say would be protected in a single market by the fact that one part of that market had to restrict the production of the product and, at the same time, expect the consumer to buy the product where it is least available? The idea goes against every rule of economics.

Sir Peter Tapsell (East Lindsey): My right hon. Friend keeps arguing as though no one in continental Europe wants to restrict their product and the other 11 countries are unanimous in wanting a free market. He knows that that is not the case, and many of the European countries want a heavier potato regime than we have.

Mr. Gummer: My hon. Friend is right about Portugal, which has a heavier regime than we do. But we do not generally compete with Portugal for potato sales. No country in the Community has ever suggested that we should spread the British system throughout the whole of the Community. Most countries in the Community are clear that they want the lightest possible potato regime and the greatest competition.

I know my hon. Friend's views on other matters, and it seems odd that he should suggest that we should continue with such a proposition in a single market. He would be right to say that it would be worth while to argue about whether we should have a controlled or a non-controlled system if all the other 11 countries—or a significant proportion of them—wanted a system such as we have here. As someone who believes in a freer market, I think that, even in those circumstances, it would be better to have a less-controlled system. I cannot find anyone in the Community who is at all interested in having a system in which everyone is controlled.

There are those who would like Britain to continue with her system as long as they do not have to have it as well — that is one of the problems. Some people have suggested to me that we should agree to have our system. They say that, although the Commission may not like it, the rest of the countries will sign up to such a system—of course, they will. If I were a competitor, I would immediately sign up to an agreement that restricted my major competitor to a quota system.

Dr. Gavin Strang (Edinburgh, East): I think that the Minister might at least acknowledge that the Conservative party is deeply divided on the issue. Is he aware that an amendment to the draft European Community potato regime was carried in the Agriculture Committee this afternoon? That amendment was moved by the Conservative Member of the European Parliament for Lancashire, Central. The amendment explicitly provides for the maintenance of the national organisations. It stated:

"At its request, a Member State may be authorized to grant an organization established or maintained for the purpose of stabilizing the market in potatoes in the whole part of the territory of that Member State."

It goes on to refer to the right to estabish production quotas for, and to levy contributions from, potato producers. It provides for a future for the Potato Marketing Board—and it was successfully moved by a Conservative Member of the European Parliament.

Mr. Gummer: Well, he is wrong—utterly wrong. The proposal would do grave damage to the British potato industry.

Mr. Campbell-Savours: How about that?

Mr. Gummer: I do not think that the hon. Gentleman always finds every member of his party worthy of support. I have often sat here when he has been squirming while the hon. Member for Bolsover (Mr. Skinner) outlined his alternative economic policies. Although the Conservative Member of the European Parliament in this case is a man of excellent ability and remarkable standing on all other issues, on this one I beg to differ with him.

Mr. John Marshall: Will my right hon. Friend confirm that over the past decade there has been an increase of 300,000 tonnes in the imports of processed potatoes to this country, at a cost to the balance of payments of £125 million—a considerable cost to employment in the food processing industry?

Mr. Gummer: I can certainly confirm that. That is why, if we left the potato system as it is, we would find ourselves with a steadily decreasing part of the section of the industry which is growing, but holding on to our dominance in a section of production which is bound to decrease.

Mr. Geoffrey Clifton-Brown (Cirencester and Tewkesbury): Has not my hon. Friend the Member for Hendon, South (Mr. Marshall) hit the nail on the head? If a major part of the 550,000 tonnes of exported produce were repatriated to this country, it would enable our growers to grow 30,000 more acres of potatoes.

Mr. Gummer: My hon. Friend is right, but we can do that only if the processors understand that there will be a continuous supply and that they will not be hindered in ways that they would not encounter elsewhere. McDonald's uses 80,000 tonnes of potatoes in this country already. It would be extremely good if, as it expanded throughout Europe—it expects to open nearly 1,000 restaurants in Europe in the coming year—at least some of that expansion came from British-produced potato chips.

Mr. Home Robertson: And why not?

Mr. Gummer: If the company has the chance to process and produce in countries where there are no restrictions on acreage instead of in a country in which there are such restrictions, it will go to the countries where there are no restrictions. If the hon. Gentleman cannot see the obvious economic sense of that statement, I can understand why he is a socialist. Any fool can see that that will apply if production is restricted in a single market. The hon. Gentleman is a socialist and a farmer. He is also a

landowner, I understand—although that is perhaps more difficult to understand. Perhaps I have discovered the answer, however: he is economically wrong. He may be socially and culturally right, but he is economically left.

Mr. Home Robertson: I am flattered to be described as a socialist, but cannot the Minister grasp the fact that, if there is a wonderful increase in potato sales, I have no doubt that the marketing board would cheerfully increase the quota and the basic acreage. That would overcome the problem.

Mr. Gummer: The hon. Gentleman has a wonderful new economic theory, which is that the only way supply can expand to meet demand is to put in place a board that would decide when demand is going to increase so that it can tell the producers when they can increase the supply. That theory has been tried in the Soviet Union and elsewhere for a long time, and it does not work. It is the market that operates in these cases, not bureaucratic groups of people who think they know best.

Ms Jean Corston (Bristol, East) *rose*——

Mr. Home Robertson: She is a socialist, too.

Ms Corston: Indeed. Is the Minister aware of the possible consequences of the sort of uncontrolled market which he says he favours? I cite the case of New Brunswick, where the potato industry has been virtually destroyed by companies such as McCain, which dictate the sort of potatoes that must be grown, and that means in practice the mighty chip and the crisp? Meanwhile, the Secretary of State for Health encourages people, in "The Health of the Nation", to eat potatoes of a quite different sort. Is the Minister saying that our potato market must be structured so that only the potato processors get what they want?

Mr. Gummer: I think that the House is beginning to discover what the alternative is. It is that my right hon. Friend the Secretary of State for Health shall lay down the kind of potato which it is good for people to eat, whether they like it or not. Then she shall lay down the way in which those potatoes shall be cooked and processed. No doubt socialist councils will send inspectors out into people's homes to discover whether they are cooking potatoes in the requisite vegetable oil and to see that they are not using animal fats. They might also check on the number of chips fried per person per week, to see whether it is below the national maximum stipulated. No doubt there will be special derogations for those who work in heavy industry and who therefore can deal with more animal fat than can those of us in sedentary occupations.

The hon. Lady is on to the same thing that Opposition Members always want—telling other people what is good for them. *[Interruption.]* I know that the hon. Member for Workington is worried about the people behind him—I would be, too. He has never been outflanked on the left before. The people of Workington had better get ready for reselection. They must look for someone who is more red-blooded—perhaps a woman who will be unreconstructed in her desire to tell the people of Britain how to eat their potatoes.

Sir Peter Tapsell: My right hon. Friend is being characteristically extremely amusing, witty and clever, but when all the clever economics have been voiced, the fact remains that there are many thousands of potato producers in this country, most of whom have always voted Conservative. As the Minister of Agriculture, Fisheries and Food, he needs to take their views seriously. No amount of witticism will impress them. All the producers in my constituency believe that their livelihoods will be put at risk if there is unlimited capacity throughout the EC to grow potatoes. Potato producers on the continent of Europe think the same. It is only the Ministers whom my right hon. Friend meets at Councils in Brussels who do not hold that view.

Mr. Gummer: My hon. Friend is perfectly right to raise that serious issue. I am trying to distinguish between the obvious nonsense that the hon. Member for Bristol, East (Ms Corston) introduced to the discussion and the serious issue that he raises. Many people who produce potatoes —there are many in my constituency, just as there are in my hon. Friend's—are concerned that if the board disappears there will be an uncontrolled market in which they will find it difficult to compete. I understand that.

I must tell my hon. Friend as forcefully as I can that he is not right to say that the other countries of Europe want a controlled system like ours. Some farmers might like that, but in the end it is Ministers who decide what is best for the industry—[HON. MEMBERS: "Big brother."] Not at all. All the French potato producers in the world may think one thing, but if they cannot convince their Minister, in the end he will vote as he thinks right——

Sir Peter Tapsell: They have just voted him out.

Mr. Gummer: So they voted out the one person whom they might have persuaded to agree with this proposal. They have got rid of a socialist—on second thoughts, a fellow traveller—who has been thrown out all the more forcibly for that. He got a bit closer to the hon. Member for Bristol, East in his proposals. However, the French have now voted in a Government who will find it difficult to believe that the future of France lies in adopting the British potato regime. That is one thing that I do not think the new French Government will wish to do.

If there were an alternative that was supportable by the rest of Europe, my hon. Friend's argument would at least be worth continuing. I doubt, however, that I would be on the same side as him because I am not sure that the House would want ever further complications in the CAP. My hon. Friend is often one of those who point to the absurdities of having an over-regulated CAP system in other sectors. Therefore, I ask him to apply to the potato industry many of the strictures that, from time to time, he has perfectly reasonably raised about the rest of the CAP. It would not be sensible for the Government and the country to extend into another sector the very part of the CAP that, in every debate, both sides of the House object to because it is over-complicated, over-bureaucratised and over-expensive, and ends up with the taxpayer and the consumer paying even more.

Mr. John Greenway (Ryedale): Will my right hon. Friend give way?

Mr. Gummer: I ought to continue, or there will not be time for others to speak. I had a short speech to make, but it has been interrupted on many occasions.

It is an irony that we have among our processors some of the best and most efficient companies in the world. What a terrible thing it would be if their investment were increasingly to go outside the United Kingdom. We must

[Mr. Gummer]

beware of falling into the situation of the dairy industry, where the high added-value products come increasingly from abroad, and we are left with the commodity end of the business. I am not prepared to be seen as the Minister who was so unable to confront short-term fears that he allowed an industry to destroy itself.

The House will wish to know that there will be a number of additional arrangements to be made to make the transition as smooth as possible. First, we shall not be seeking to reverse the amendments made in another place. There will merely be some tidying up of the wording. Secondly, part IV accomplishes what the Government announced in 1988—the ending of the potato guarantee. Unlike the enabling provisions of part II, ending the guarantee is a decision that has already been taken, and it will be carried out as soon as possible after Royal Assent. It is a decision already accepted by the industry and not, as far as I am aware, contentious. The third detailed point is that, as I have already pointed out, the Bill will enable the non-regulatory functions of the Potato Marketing Board to be carried out by a successor body.

I hope that the House recognises that we have to make some such change in any case, because if the European Community were to agree to a lightweight regime—the signs are, as I have tried to explain to my hon. Friends, that that will be the case—it would mean that the system would fall. It would not be able to continue. I do not want that to be the result. I want to have a system that will allow a satisfactory transition from one regime to the other. I hope that the industry will then face up to the question whether it wants a continuation of the board, which would deal, as it can, with the marketing and promotion of potatoes in generic terms and research. That would be done if a development council were the successor body to the board. If Ministers saw substantial support for that idea in the industry, they would be able to make the necessary order to allow the Potato Marketing Board to continue as a development council.

That would also enable the board to have levy-raising powers but, as there are some doubts about those powers, clause 52 improves the position by making it possible for a levy to be collected via an intermediary. That would also be helpful should the milk marketing arrangements be followed by a desire for the industry to have a development council. I am concerned that there should be no philosophical bar to the ability of the industry to decide that it wanted corporately to do some of those things for itself.

Part 3 deals with marketing grants.

Mr. Christopher Gill (Ludlow): Will my right hon. Friend give way?

Mr. Gummer: I will give way, but it must be for the last time.

Mr. Gill: Could my right hon. Friend obtain clarification of the reference on line 4 of page 13 to

"section 53(4) of this Act",

given that on page 27 there is no clause 53(4)? I do not expect him to know the answer, but it would be helpful if he could obtain it.

Mr. Gummer: I am always pleased to give way to my hon. Friend and never more so than I am now. I shall seek an answer, and I regret it if there has been a mistake.

In the detailed consideration that the Government have given to the marketing of both milk and potatoes, we have shown our concern to improve our ability to compete and to give our producers and manufacturers a better opportunity to win a larger share of the market for added-value products. In the same spirit, we introduced our marketing grants in April last year, following the seminar called by the Prime Minister in November 1991, which concluded that there was a need for farmers to develop professionally run marketing enterprises on a competitive scale.

For example, the opportunities presented by our supermarkets can be fully seized only by businesses big enough to negotiate satisfactory terms and to deliver the required quantity and quality consistently. There are some signs that, in other countries in the Community, the organisation of agricultural businesses and food processing is such that they can compete more effectively to sell into this country than we can into theirs. That is one reason why the marketing grant is so important.

Unfortunately, the existing grant scheme has its limitations, particularly in our ability to involve the businesses downstream of the producers, which are crucial to the success of the industry. Part III will enable us to introduce something more satisfactory. I have no doubt that groups of milk and potato producers will be among those applying for grant.

In part IV, there are a number of other items that the House will want me to refer to. The first is the wool guarantee. The Government announced, more than four years ago, their decision to end the wool guarantee. Clause 48 implements that decision. The guarantee was introduced in the 1950s with the reasonable aim of stabilising sheep farmers' returns from wool. Conditions are now different. Developments on the international wool market, where huge price changes can result from decisions taken in China, Russia, Australia and New Zealand, mean that the guarantee can no longer operate effectively when it is used entirely as a stabilisation measure. The sheep farmer now relies essentially on the return that he gets from the market, enhanced by the direct payments on breeding animals in the shape of annual ewe premiums and hill livestock compensatory allowances—payments which, for 1992, will total around £495 million.

In the light of the substantial support to the sector, continued Government intervention is unnecessary and simply cannot be justified. The marketing arrangements for clip wool, including the statutory monopoly on purchase, will be retained. The scheme has been administered effectively by the British wool marketing board, which will have an opportunity to build further on its achievements after the guarantee has ended.

I hope that the House will recognise that we have tried to look at each of these and get the best answers for Britain—not to apply to it some predetermined philosophical position. That is why we have insisted on keeping the scheme, because it is the one way in which we can deal, in an international market, with similar schemes that represent other people in other countries.

Mr. Campbell-Savours: Unbelievable.

Mr. Gummer: The hon. Gentleman must accept that what one believes is the believable, and that is entirely believable. We shall listen to his speech at the end of the evening and see how one can go beyond the bounds of belief rapidly and never return.

A further belated recognition of changed realities is the abolition of the annual review of agriculture. It is a relic of the days when farm prices were fixed in consultation between the Government and the farmers' unions. Since we have joined the Community, the focus has switched to the CAP, and in that context our close contacts with the farmers' unions and other bodies will continue. The Government will also continue to publish an annual report on agriculture, as the Bill provides. I am sure that the House will agree that that is a sensible measure to bring the legislation up to date.

Of the Bill's remaining provisions, those relating to Northern Ireland will be found in clause 57, which lists those parts of the Bill that will apply directly to the Province. They include the termination of the wool guarantee. Clause 55 deals with the procedure for extending various other provisions to the north of Ireland. In that respect, I can confirm that it is the intention of my right hon. Friend the Secretary of State to introduce an Order in Council to apply the provisions of part I so as to end the Northern Ireland milk marketing scheme.

It is the Government's purpose to do all that they can to enhance the conditions in which our food and farming industries can compete. We have identified a clear need to encourage groups of farmers and others to work together to improve the marketing of food and agricultural produce. As with the milk marketing boards, we have come to the clear conclusion that the statutory monopoly should give way to a better method of marketing milk and milk products.

Increasingly, the same conclusion comes to anyone who looks at the place of the Potato Marketing Board within the new European single market. It is not surprising, therefore, that there is mounting support for the proposals that the Government have put forward this evening.

Our aim is to help the industry do its job better, to liberate it from the shackles of the past and to realise its potential. At a time when there is so much talk of restrictions and quotas, this is a move to set the industry free. I commend the Bill to the House.

5.40 pm

Dr. Gavin Strang (Edinburgh, East): There can be no doubt about the importance of the Bill to agriculture, but it is also important to the food industry and to consumers, of whom there are millions in Britain.

The Bill will make fundamental changes to the way in which milk is marketed in Britain. For most people, milk and milk products, such as butter, cheese and yoghurt, are an important part of their diet. Annual household expenditure on milk and milk products is about £6 billion. About one seventh of what the average family spends on food goes on milk or milk products.

Consumers are entitled to ask whether the Bill will improve the quality of those foods. They are entitled to ask whether it will enable milk and its processed products to be marketed at lower prices. The answer to both those questions is an unequivocal no. The milk marketed in Britain is of the highest quality in Europe, and nothing in the Bill aims to improve that. The milk marketing boards deserve a great deal of the credit for the hygienic quality of our milk. It is to be hoped that the new arrangements will allow those standards to be maintained in the future.

The abolition of the milk marketing boards and the pricing arrangements which operated with them will not reduce the price of milk—far from it. There is a real danger that, as a result of the new arrangements, there will be an unjustified increase in the price of milk for consumers.

The House does not often have the opportunity to debate agriculture and the food industries. Total annual consumption of food and drink in Britain is now in excess of £90 billion, £45 billion of which is accounted for by household food expenditure and the remainder by drink and meals out. About one eighth of household expenditure is accounted for by expenditure on food. For people on low incomes, the proportion of their income that goes on food is much higher. Food is not just another product; it is a basic essential, like shelter, water and fuel.

Agriculture is important because it is a provider of the raw materials for our food industries. Hundreds of thousands of jobs in those industries are dependent on agriculture, and millions of pounds of investment each year. Agriculture is also important as the core of the rural economy in most parts of Britain. It is not just the jobs of the farmers and farm workers that are important but all the other jobs which are created by the inputs into agriculture and the expenditure created in those rural communities. That is why it is vital that the Government should provide adequate support for our agriculture industry.

It has to be said, and it gives me no pleasure to do so, that times have been hard for the agriculture industry in recent years. We have seen a fall in investment. The Government's own publication, "Agriculture in the United Kingdom 1992", published only last week, states:

> "The total stock of capital"—

referring to investment in the industry—

> "has gradually declined over a number of years and is slightly below its 1981-83 level."

That is the measure of the extent to which the agriculture industry has been depressed for the past five or six years. It is a measure of the extent to which there has been under-investment in the industry.

There are some signs that things will improve in the future, primarily because of the devaluation of the pound, for which the Government can hardly claim credit, since they tried up to the last minute to avert it. Let us hope that that devaluation—black Wednesday, sometimes called golden Wednesday in the agricultural industry—and the subsequent alterations to the green rates, will lead not only to higher incomes for farmers and farm workers but to increased investment and an improvement in the overall jobs and standards of our agriculture industry.

Part II, dealing with milk marketing, is the most important part of the Bill. It is undoubtedly the case that the milk industry is vital to Britain. I have referred to its importance to consumers. The annual value of milk at the farm gate is about £2·8 billion. We have the best quality milk in the EC. Only Denmark has milk of comparable quality.

The milk marketing boards have provided a guaranteed outlet for British dairy farmers, no matter how remote their farms. They have also played a major part in maintaining a substantial doorstep delivery service in Britain. It is true that the amount of milk sold through the shops and supermarkets has increased, but the doorstep

[Dr. Gavin Strang]

delivery service is at a level much higher than in any other European country. That is of benefit to Britain and something that we should seek to encourage and maintain. The milk marketing boards deserve credit for that.

There has been a suggestion recently in some quarters that the milk marketing boards have not achieved the most for the producers, that the price obtained by the producers in Britain through the boards has been less than in some other EC countries. I reject that as a criticism of the boards. I have never accepted that the purpose of the milk marketing boards was to maximise revenue. The milk marketing boards existed to strike a balance between the interests of the producers, the processing companies and the consumers. The pricing arrangements were designed to do that. They are based on a negotiation between the Dairy Trade Federation and the milk marketing boards.

The milk marketing boards have an excellent record in Britain on milk testing, on-farm milk recording, artificial insemination and all the other schemes developed and maintained by the boards which have brought substantial benefits to the British milk industry.

The milk marketing boards were established by legislation enacted in 1931 and 1933. Since then, there has been a bipartisan policy with all-party support for the milk marketing boards. There have been changes in social and economic conditions and the functions and role of the milk marketing boards have been adapted to meet them. In the 1970s, the milk marketing boards were threatened by the EC. The then Labour Government, of which I was a member, decided as a priority to secure amendments to the appropriate EC regulations to enable the milk marketing boards and their counterparts in Northern Ireland and Scotland to continue. In that, we were supported by the Conservative Opposition.

I am pleased to see in his place the right hon. Member for Westmorland and Lonsdale (Mr. Jopling), a former Minister of Agriculture, Fisheries and Food. Speaking for the Opposition in a debate on agriculture in the House on 21 March 1978, he said:

"As to the future of the Milk Marketing Boards, the Conservative Party has consistently expressed its support for all our marketing boards, but we recognise that certain parts of the milk boards' activities might have to be altered. However, we believe that it is absolutely vital—we fully support the Government in their efforts—to preserve the basic functions of the milk boards and of the structure of milk marketing in this country. We think, above all, that it is right that the milk boards should preserve their powers to be the sole first buyers of milk and to have the right to pool prices.

To put in another way what the Minister said, it is no coincidence that the United Kingdom is almost the only country in Europe to have such a statutory organisation, while at the same time it is the only one to have such a large market for liquid milk sold on the doorstep . . . However, I cannot think of any other issue on which the whole House would be unanimous in opposition but that of failing to get a satisfactory solution to the position of our milk boards."—[*Official Report*, 21 March 1978; Vol. 946, c. 1358-59.]

We found that solution. I was privileged to be a junior Agriculture Minister in that Labour Government, and I remember sitting in the Council of Agriculture Ministers arguing for hours in an attempt to secure the changes in regulation which would enable our milk marketing boards to continue. We secured those changes, with the support of the whole House.

Since then, there have been some changes in the market place. In particular, we have witnessed the growth in low fat milks. Although the Minister did not refer to that directly in his speech, he alluded to one of the problems which developed during the 1980s—the failure of the scheme to provide properly for the production of low fat milks. The Government were told of that problem as long ago as 1986.

In 1984, the milk industry adopted a system of non-binding arbitration. The first arbiter was the late John Silkin, under whom I had the privilege of serving when he was Minister of Agriculture, Fisheries and Food. In 1986, he produced the first non-binding report relating to milk marketing arrangements, stating:

"The question of low fat milk and other products now outside the Scheme and on-farm manufacture will in my view assume a much greater importance as time goes by to an extent where unless care is taken they may begin to threaten the existence of the Scheme itself. It is my opinion that it is to the interest of both the MMB and the DTF that a common course of action should be resolved between them. I would not regard the solution to this question as lying within the competence of this Opinion but I believe that an inquiry ought to be undertaken among all those concerned . . . It is my recommendation that MAFF should undertake an internal inquiry into the problem, which, as I stated . . . unless care is taken, might begin to threaten the existence of the Scheme itself".

Of course, Ministers did not respond to that. Although they received regular representations from the Dairy Trade Federation, no action was taken. It is hard to resist the conclusion that the Government were happy to preside over the undermining of the scheme, because they wanted it to be challenged: for dogmatic reasons, they wanted to bring about circumstances in which it would be easy for them to wind up the boards, as they are doing today.

As there is a substantial Conservative majority in the House, it is possible that the Bill will be given a Second Reading. As a constructive Opposition, we shall concentrate on the arrangements with which the Government—or, indeed, the milk marketing boards—wish to replace the existing system. Our first and fundamental criticism of the Government relates to their adication of responsibility for introducing satisfactory arrangements. Surely no food industry is more important to the country than the milk industry. It is highly efficient and a great national asset. In making such a historic change, the Government have an obligation to endure that it develops satisfactorily.

Mr. Gill: Who does the hon. Gentleman believe knows more about the milk industry—both production and processing—than the industry itself? Why should politicians decide such matters? I think that the hon. Gentleman is quite wrong.

Dr. Strang: We live in a democracy, and the way in which things happen is decided by Government and by Parliament. Of course, before introducing any replacement scheme, the Government should consult not only the milk marketing board and other boards but the Dairy Trade Federation, the consumer organisations and all interested parties. That is not in dispute. None the less, it is entirely inappropriate for the milk boards to introduce the new scheme. Although that scheme should be based very much on the views of the boards, open and public consultation should have taken place. Given the importance of the industry, the Government should have accepted their responsibility to present alternative arrangements, which should then have been dealt with by affirmative resolution in both Houses of Parliament.

Mr. Gummer: Would the hon. Gentleman apply the same argument to, for example, the car industry? Does he suggest that the Government should present proposals about the way in which that industry should conduct itself, or is it better for those in the business of manufacturing cars to run that business as they think best? Is it not rather curious to suggest that the milk industry does not know its own business? I thought that the hon. Gentleman believed that ours was the best milk in the European Community. Surely the producers of the best milk in the Community can decide how best to produce it.

Dr. Strang: If there were a national car marketing board with the statutory right to buy every car manufactured in the country, and if the Government were about to wind up that monopoly, I would indeed suggest that they introduce satisfactory arrangements to free the market and eliminate the monopoly.

I am not sure whether the Minister attended this morning's meeting at which Ministers examined the future of the coal industry, but I believe that there may well be a parallel not with the car industry, but with the highly regulated energy industry. When the Government sought to deregulate that industry, they tried to pretend that it was a genuinely free market; in fact, it was a market dominated by major companies and major vested interests. We are likely to see a milk market dominated by the successor to the milk marketing board—Milk Marque—which may involve 80 or 90 per cent. of producers. The Government should face up to their responsibilities. They should have had the courage to consult the industry, and to present their own proposals to free the market, if that is what they wish to do.

The European Commission has already told the milk marketing boards and the Government what they can and cannot do. The Commission has said—understandably, and I do not think that any hon. Member would necessarily dispute its view—that it would not be acceptable for the milk marketing boards and Dairy Crest, their processing arm, to be allowed to continue as a single body in a voluntary market. Such a body would be huge, not only in terms of the milk market in England and Wales but in terms of the European Community market. The Commission decided that the milk marketing boards and Dairy Crest should be separated.

At that point, the Government could have made a decision. They could have considered whether there was a case for integrated milk co-operatives, allowing the processing arm to be associated with the producers. They could have decided to set up a number of integrated producer co-operatives. I am not saying that that is the best solution; I am merely saying that it is very unsatisfactory that the Government never even considered it.

The Northern Ireland milk marketing board buys more milk than its Scottish counterpart. Surely there is a case for protecting the Northern Ireland board, which is fundamentally important to Northern Ireland's agriculture, and for helping to ensure that its processing facilities —which need help and investment—can be maintained. As my hon. Friend the Member for Carrick, Cumnock and Doon Valley (Mr. Foulkes) pointed out, the position in Scotland is ridiculous.

I refer to a report: it is not about the Scottish milk market, or about whether the processing arm of the Scottish board should remain with the board—it concerns only whether the Scottish board could acquire a dairy from the Co-operative Wholesale Society in Glasgow. Anyone reading the report may be surprised by its conclusion. I must say that I was surprised. I thought that it made a very good case, on the ground that there is a real United Kingdom milk market—not only in processed products such as butter and cheese, but in the milk that flows across the border between Scotland and England. I was amazed that the Monopolies and Mergers Commission concluded that that merger should not take place. It is unacceptable that, as a result of that report, we are being told that the processing side of the Scottish milk marketing board must be split from the producer organisation.

The European Commission does not believe that the industry in Northern Ireland and Scotland is big enough to have a distorting effect on the market for milk in Europe. Having decided to get rid of the milk marketing boards and the statutory scheme—a decision with which we disagree—it is wholly unsatisfactory that the Government did not sit down, consult the interested parties and produce arrangements that were in the best interests of the industry, the processing companies and the consumers.

I must remind the House that the arrangements are not necessarily permanent. Mr. Leon Brittan sent a letter to the Minister in October 1992 in which he commented on the scheme put forward by the milk marketing boards to replace the statutory arrangements in England and Wales. He wrote:

> "Against this background, and on the basis of the information made available to me, I believe that there are no grounds for action under Articles 85 and 86 with regard to the proposed new co-operative for an initial period of two years".

It cannot be satisfactory for the milk marketing boards to set in place arrangements which are authorised by the Commission for only two years. As the Minister is aware, as soon as the legislation is in place, the Director General of Fair Trading will be entitled to investigate the arrangements for the marketing of wholesale milk in this country. He will be entitled to refer the arrangements to the MMC within two years. It is unsatisfactory for us to go down a road to so much uncertainty.

Much concern has been expressed about the future of the assets of the milk marketing boards, other than the processing arm, Dairy Crest, which will be floated off as a separate company. I am referring to the milk testing arrangements, the national milk records and to Genus which includes the artificial insemination service and the advisory services which have served the industry so well.

It is absolutely fundamental that every producer, regardless of whether he becomes a member of Milk Marque, should have equal access to those services. Those services have been built up by all milk producers, past and present. It would be unfair if the successor to the milk marketing boards were able to take over those services and operate them in a way which discriminated against non-members of Milk Marque. The alternative would be to transfer those activities to another body. I am not suggesting that, but perhaps that point should be considered in Committee. It is crucial that those facilities should be available to all milk producers.

Quota management is another important issue which must be addressed. As a result of the boards, we have a very efficient system of quota management. The big difference between today's milk industry and the industry of 10 years ago is that we have quotas. I accept that there

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is alarmist talk about the effect of the changes because we have milk quotas. If a very powerful producer co-operative is established against a background of quotas, and there is an under-supply of milk in this country, that body might be able to ratchet the price of milk to unjustified levels. I can assure the Minister that the Labour party will be outraged if the price of milk for consumers is raised unnecessarily as a result of the arrangements.

The Minister described the milk boards as the milk producers' gaoler in this country. I do not know how the Minister can use that description. Only a few years ago, the boards had the overwhelming support not just of the consumers organisations and the Dairy Trade Federation, but also of the milk producers who control the boards. It is nonsense to claim that the boards are the producers' gaoler.

It is equally nonsense to claim that the Potato Marketing Board has shackled our potato producers. As my hon. Friend the Member for East Lothian (Mr. Home Robertson) said, it is amazing that the potato producers are determined to retain those shackles. The legislation in respect of potatoes is enabling. Many potato producers and, I suspect, the Potato Marketing Board, received a shock when they discovered that the Government were not simply planning to get rid of the Potato Marketing Board on the basis of EC legislation, but had decided, on the basis of their own independent judgment of what was best for the British potato industry, that the Potato Marketing Board should go.

We do not accept that. We agree with the Minister that the last thing we want is an EC regime for potatoes which includes intervention buying. Open-ended state buying is the bane of the common agricultural policy. We absolutely agree that there should be no question of the Government agreeing to a new potato regime which would allow intervention buying whereby the taxpayer buys potatoes when the market is over-supplied.

However, I do not accept the Minister's arguments. I do not accept that it is automatically a mistake for the producers in this country to choose to manage their market against the background of free trade in potatoes in Europe. There is already a free market in potatoes in the Community. As the Minister has said, the board has accepted that the last vestige of state support for the potato industry—in respect of the contribution that the Treasury is willing to make to part of the Potato Marketing Board's support buying programme—should be removed.

Mr. Michael Jopling (Westmorland and Lonsdale): I am enormously puzzled by what the hon. Gentleman has just said. He said that he would oppose a new potato regime in Europe which involved intervention buying. So far as I am aware, the Labour party has always supported the powers that the Potato Marketing Board currently has, and which it has had since the war, to support the market through acreage quotas and intervention buying. Why has the hon. Gentleman suddenly become the first Labour spokesman in my lifetime to speak against intervention buying for the potato sector?

Dr. Strang: I am happy to respond to that point. It is one thing to have a support buying programme financed by a levy on producers. When the Government remove the guarantee, it will be wholly financed by the levy on the industry. We believe that that is correct and appropriate.

As the right hon. Member for Westmorland and Lonsdale (Mr. Jopling) will acknowledge, we have always opposed intervention buying in terms of the CAP. He would probably agree that the old deficiency payments system based on guaranteed prices served this country better than intervention buying. We need only consider the beef market and the hundreds of millions of pounds that are spent buying beef, storing it, freezing it and taking it out at some point in the future. I could refer to other excesses of the CAP, all of which relate to intervention buying.

Mr. Clifton-Brown: I am still rather confused. Is it Labour party policy that the taxpayer should subsidise a potato buying-up scheme?

Dr. Strang: It is not our policy. We go along with any Government proposals to remove taxpayer support from the potato industry. However, the Potato Marketing Board should stay in place, and the production target area and quotas should be continued, as should all the other work that the board does. That is what the producers want. Against the background of a light EC regime, such a course should be possible.

We shall consider the Minister's arguments very carefully. We shall give close consideration to the reasons for the increased imports of chilled and frozen chips. I am sure that the right hon. Gentleman will acknowledge that it is in this area that the increase has arisen. One company accounts for 60 per cent. of production in this field. That company has excess capacity in the Netherlands, and there has been penetration of the German market, which does not have quotas, just as there has been penetration of the British market. We shall consider all the arguments objectively. The last thing the Opposition want is constraint of opportunity to invest in processing and thus to create wealth and jobs.

However, we are not persuaded by what we have heard. We agree with the Potato Marketing Board and with potato producers that the board should be allowed to continue. Developments this afternoon in the European Parliament show that there are Conservatives who agree with us and that that Parliament's Agriculture Committee is of the same opinion. It may well be that the Commission can be persuaded to add its support, and then it will be up to the Agriculture Ministers in the Council of Ministers.

I should like to deal now with the removal of the wool guarantee—a decision with which we do not agree. Our judgment is that it is particularly unfortunate that the state-guaranteed price for wool is to be removed. Many hon. Members know that the wool market grew enormously in the 1980s. But then China and Russia withdrew from the market, and there was a huge increase in wool production in New Zealand and, in particular, Australia, where intervention buying was operated. Massive quantities of wool are now held in intervention stores in Italy, and these overhang the market. When prices start to rise, this wool is released, and prices come down. The collapse of the house-building programme in this country has also resulted in a reduction of the demand for wool. Thus, this is the very worst time for removal of the guarantee, which will damage our hill farming industry.

We are concerned that the price a farmer will receive for a clip from a hardy breed will be so low as to make it hardly worth his while. That will not be in the interests of his flock or of the country. There is a very real danger that this change will result in considerable damage to the sheep industry. I hope that it is not too late for the Government to think again and to consider a compromise arrangement whereby there could be some element of continued state support, even if only for a few weeks, to enable the Wool Marketing Board to continue to provide a realistic guarantee. I agree in general with what the right hon. Gentleman said about the board, which has an excellent record with the collection of wool from producers. The board has the support of buyers also.

Clause 44 relates to grants for group marketing. We support the provision. I had hoped that the Minister would announce the provision of some extra money, but in view of the state into which the Government have got the public finances of this country, it is not surprising that there is no such provision.

Finally, I refer to a minor but historic provision tucked away in schedule 5. The right hon. Gentleman himself referred to the repeal of that part of the Agriculture Act 1947 which made provision for an annual review of agriculture. Hon. Members on both sides of the House will remember the importance of the annual review. The negotiations between the farming unions and the Government preceded the setting of national support prices. After we joined the European Community, this became less and less significant, and it is not now practicable to think in terms of an annual national review.

However, the review was indeed a valuable exercise. The agricultural support policies encompassed in the 1947 Act and in the legislation of the 1950s served this country well, enabling people to buy food at world prices. Farmers and farm workers were provided with an effective system of support, and the taxpayer was given value for money.

How different the situation is today. Now, in this country and in the rest of the EC, food is sold at prices well above world levels—indeed, well above levels in the United States. Thousands of millions of pounds are spent on the most inefficient agricultural support system imaginable. Huge mountains of food are bought up, and sometimes commodities are dumped on world markets, to the disadvantage of developing countries, while the common agricultural policy fails to achieve even an adequate means of supporting farmers and the rural economy generally.

The Bill does not address any of the real issues facing the agriculture industry. At best, it fails to confront all the important issues facing agricultural producers and consumers; at worst, it creates arrangements which will be unstable and may in the long term damage consumers and producers. We believe that the milk marketing boards should be adapted, not abolished. We believe that those boards, the Potato Marketing Board and the wool guarantee could still play an important and valuable role in our agriculture industry. For those reasons, the Opposition will vote against the Bill.

6.15 pm

Mr. Michael Jopling (Westmorland and Lonsdale): The hon. Member for Edinburgh, East (Dr. Strang) has a good deal of knowledge of agriculture but he got himself into an awful muddle. His apparent opposition to support buying —he said that he would not support a future potato regime that involved such buying—goes wholly against the history of the Labour party in government since the war. Throughout its years in office, the Labour party promoted a support-buying regime for the Potato Marketing Board. Labour Members may say that that system was inherited, but I remind the hon. Gentleman, whose memory seems to be very short, that one of the first actions of Fred Peart, when he became Minister of Agriculture in 1964, was to introduce legislation to deal with the marketing of home-grown cereals.

Indeed, my maiden speech was delivered during a debate on the Cereals Marketing Act 1965, which set up the home-grown cereals authority, with its reserve support-buying capacity. That mechanism, which was introduced by the then Labour government, was never used, but it was available. The price of cereals never dropped to the level at which the scheme would have kicked into operation. The hon. Member for Edinburgh, East really must do his homework and must remember what his party stood for in the past.

I want to begin the substance of my speech by making two points. First, I hope that my right hon. Friend will forgive me for intervening in a debate on agriculture. As he knows, it is almost six years since I was in his seat. During that time I have had many private conversations with him and with his predecessor, both of whom served with me in the Ministry. Over the years, I have very rarely intervened in public. Indeed, I take the view—perhaps rather old-fashioned—that anyone who has had the privilege and honour of holding senior office displays the grossest and most appalling bad manners by breathing down the necks of his successors, especially if they are old colleagues, as soon as they take over. These jobs are difficult enough at the best of times. I hope that my right hon. Friend will forgive me for intervening after six years. Parts of this Bill are extremely important to my constituents, and I feel that I must make certain comments.

I also want at the beginning to declare my interest—something that I have often done to the House—as a farmer and, in particular, as a grower of potatoes for the processing industry. I just say to the hon. Lady the Member for Bristol, East (Ms Corston) that her intervention, if I may say so, totally misunderstands the modern cult of agricultural marketing, whereby one finds out what the processor and the public want and then produces for that market. If the processor says that the potatoes to be grown should be Record, one grows that particular variety at his insistence, because one is growing for one's customer. That is the way in which agricultural marketing should go in the future.

All my life I have been an enthusiast for managed agricultural markets, by statute if necessary. Farmers are notoriously impossible to organise collectively into marketing their own produce to their own best advantage. The commendable individualism of the farming community is very often a real drawback when it comes to sensible marketing. All my life, therefore, I have supported the milk marketing boards, the Potato Marketing Board and the wool marketing scheme. I was extremely flattered that the Member for Edinburgh, East should have read out so much of what I said so many years ago. In my heart, I still totally subscribe to what I said at that time, and I am not ashamed of saying it.

When I was responsible for these matters, the schemes of the various boards were often attacked, sometimes by the European Commission and sometimes by some of my

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Cabinet colleagues. It is a matter of some pride to me that, in the four years that I was responsible for these matters, there were very few changes in the marketing boards. I recognise, however, that changes must now be made, and I thought that the hon. Member for Edinburgh, East was perhaps not as fair as he might have been in recognising that changes need to be made. There have been challenges from the Community and from the courts, and the Government, quite understandably, must make these changes. It is about the nature of the changes that I want to speak.

I have a good deal of nostalgia for the schemes which are now to be changed, and I have always subscribed to the view that the devil you know is nearly always better than the devil you don't. The big question is how these essential changes can be made while leaving farmers with adequate marketing arrangements so as to give them a fair chance collectively of getting the best price for their produce.

As an example of this, we should recall that the first milk marketing board was set up in the early 1930s, and it became the saviour of thousands of farmers. In the dales and valleys of the north of England, in the west country and in Wales, many small farmers were being driven relentlessly out of business because of their weak, fragmented marketing position.

Dame Elaine Kellett-Bowman (Lancaster): Sixpence a gallon.

Mr. Jopling: My hon. Friend who has such experience of these matters reminds us of the paltry sums paid for milk in those days.

Today it is appropriate that somebody should pay tribute to the milk marketing boards, because they have done a fine job in spite of some difficulties. I have often thought that the boards could have done considerably better but for what I have always regarded as almost a fatal flaw in their constitution, which made it, in practice, impossible to have adequately skilled business leadership at the head of the boards. If I could have made one change in the constitution of the boards, that would have been it.

However, given the difficulties that successive boards have had, they have done a fine job, of which we can all be proud. My anxiety tonight is that some of these changes could well return dairy farmers to those bad old days. To an extent—the hon. Member for Edinburgh, East was right—that cannot happen, given the quota. The quota will make it much more difficult for the various purchasing organisations to hold farmers to ransom and to drive the price down and down, and the existence of milk quotas and the absence of surplus milk production should mean that that is unlikely to happen.

I should very much like to have seen one co-operative, covering England and Wales, to succeed the milk marketing boards, and I welcome the launch of Milk Marque, which I wish every possible success. I am particularly pleased that it has made it clear that it will not discriminate against milk producers on the grounds of size of operation and milk collection or the location of the farm.

Already, other potential buyers have appeared on the scene and, as one who believes in competition, I wish them well, but I hope that the price is not driven down by predatory buyers, as happened between the wars. I urge my right hon. Friend never to forget what happened before the Milk Marketing Board was set up, and always to be prepared to act again if the industry suffers seriously as a result of these changes.

The potato regime is a wholly different set-up. As I said in that speech I made when we were in opposition in the 1970s, the milk marketing board is a very heavy regime, as the sole first buyer of milk, whereas the potato board merely has a reserve right to support-buy. The potato scheme has worked extremely well over the years and, as a potato grower, I am much disappointed that there is a danger of the potato marketing scheme disappearing. There is a free market, which is at times fiercely competitive.

I realise the problems of getting full supplies for the processing industry in this country, and I hope, as a potato grower for processing, that we can in future supply a bigger part of it. I pay tribute to the processors, who have done a great deal to get contracts which are satisfactory to growers. My own son is on the negotiating committee of one of these arrangements. They have been very much in the interests of farmers, producers, processors and the consumer.

Under the potato scheme as it exists, producers and consumers are protected by the quota acreage regime, which has worked well over the years. The Minister has told us that none of the other Ministers in the Council is particularly enamoured of the British scheme. That is a pity, if I may say so, and I urge my right hon. Friend to try just once more to see if he can persuade them of the merits of the British scheme.

I am glad that the Potato Marketing Board supports the Bill. In a letter to me, it wrote:

"The PMB broadly supports the Bill, since it permits a 'successor body' for limited purposes, if the Potato Marketing Scheme (PMS) were to be revoked."

The Minister said that he believes that the potato marketing scheme must be revoked. I was surprised to hear him being as critical of the scheme as he was in his speech. I hope that I can say this to him in a friendly way. I was surprised that he talked that way, in view of the fact that the scheme was reviewed only in 1989 and the producers decided to take up one of the options proposed by the Government at that time.

I was sorry to hear the Minister be somewhat dismissive of the way in which the Potato Marketing Board has been arranging its affairs. I hope that he will not seek to change the Government's defeat in another place. In his speech, he said that the Government would not do that, and that is welcome. It is right that, if the potato marketing scheme must be revoked, the Minister, his successor or whoever, will have to come to the House for a separate decision of the House to revoke the scheme. That is right.

Mr. Gummer: Can I put my right hon. Friend's mind at rest? I want it to be clear in this debate that I am not sheltering behind some decision of the European Community or suggesting that all the fault lies with Brussels. That would be the wrong thing to do. That meant that I had to share with the House my concerns about the future for potato producers in a single market, where it is manifest that we will have an increasing number of imports from outside the United Kingdom. Therefore, I sought to emphasise that side.

I should not like any hon. Member to think that I underestimate the important job done by the Potato Marketing Board in changing itself to be more able to meet

the present circumstances. I thought that it was right that the House should not be bamboozled by some suggestion that all the fault lay with Europe and that we all had to do it that way. That would be to hide my fear for the future, on which I felt I should stand honourably when it came to discussing the issue for the benefit of the House.

Mr. Jopling: My right hon. Friend has been characteristically honest and straightforward with the House, and I am glad that he has been able to endorse what he said. Indeed, I said earlier that I recognised the difficulty of British potato producers satisfying the full demands of the processing industry. I was pleased to hear that at least two of the major processors in the United Kingdom have invested in new plant and factories. That is certainly good news. When the successor body is set up, I hope that the Minister and the growers together will be able to find a way in which the growers can fulfil a larger share of the processing market.

I should like to talk about the wool guarantee, which is of tremendous interest and importance to my constituency. I do not need to remind my right hon. Friend of the uncertainties and anxieties in the upland areas at present. He will remember the difficulties we all had when various changes were made to the regime shortly before Christmas. Mercifully and happily, most of those difficulties have been substantially resolved by the Minister being able to use other methods fully to compensate upland sheep farmers.

I simply remind the Minister that wool holds an important, if sometimes rather emotional, place in the minds of upland sheep farmers. If it is the Minister's desire to abolish the guarantee scheme, which has worked well over the years, he should be prepared to use even more sympathetically and realistically the other devices which he has to protect that vital, hard-working group of farmers who do so much to make upland Britain the glory that it is.

The Minister referred to the various devices he has—the hill sheep subsidies, the annual ewe premium and the other premiums through the environmentally sensitive areas scheme, all of which can help dramatically with regard to upland farmers. Therefore, the end of the wool guarantee is not fatal. As the Minister said, that matter will be all right, provided the other arrangements are used.

The Bill causes me some considerable anxieties, which I hope are unfounded. I hope that the Minister can steer farmers into marketing their produce in new ways, which will not seriously disadvantage them. We all understand that changes have to happen. Clearly, those changes need to be made now. Agriculture—probably above all industries in the United Kingdom since the war—has demonstrated its adaptability and inventiveness. Given the new challenges, I have no doubt that it will respond once more.

6.36 pm

Mr. John Home Robertson (East Lothian): The House has just listened to a thoughtful, knowledgeable and, I believe, genuinely worried speech from an experienced Member. The right hon. Member for Westmorland and Lonsdale (Mr. Jopling) has had wide experience as an Agriculture Minister. His speech was delivered with all the loyalty that one would expect from a former Government Chief Whip. Nevertheless, I sincerely hope that those on the Government Front Bench were listening to what he had to say, because it was worth listening to.

I must preface my comments by declaring an interest. There are no tatties growing on my farm, but the wool from a flock of more than 700 sheep rightly goes to the British Wool Marketing Board. My second interest is that of the 250 farmers in my constituency of East Lothian, including a substantial number of potato producers and sheep farmers. Sadly, nowadays there are few dairies—it is an east coast constituency.

In common with all hon. Members, my overriding interest is that of the 68,000 consumers of East Lothian whom I represent in the House. The interests of those consumers is well served by the marketing boards which are run in partnership with farming producers. I fear that this Bill could undermine those interests. No one in my constituency has expressed support for the Bill, but a significant number of constituents have expressed genuine fears that the abolition of the marketing boards and the statutory powers provided for in the Bill could be detrimental to the interests of consumers and jeopardise hard-pressed farming businesses in my part of Scotland.

I shall say a few words about milk marketing boards. I understand the genuine difficulties in the milk sector, where the expansion of the commercial activities of milk marketing boards into retailing and processing has created a situation in which independent traders find themselves competing in the retail marketplace with boards which have a statutory monopoly in the wholesale market. That situation can be especially insidious in areas where quota restrictions have created a shortage of milk. I accept that that point must be addressed, but I cannot accept that it is a justification for scrapping the statutory scheme altogether. The scheme has worked extremely well since its inception, and it seems characteristically reckless for the Minister to sweep it away and scrap it altogether.

There may be a fair debate about the detailed operation of the milk marketing boards, but there is no such controversy about either the wool guarantee or the Potato Marketing Board. The threat to destroy those arrangements seems to be undisguised doctrinaire vandalism on the part of the Government. We have seen that before, and we are seeing it again today.

I wish to concentrate on potatoes, but I begin with a few words about the wool guarantee and the statutory powers of the British Wool Marketing Board, which the Minister did not mention in his introductory speech. The Confederation of British Wool Textiles pointed out that this could not be a worse time to remove the guarantee. It warned that removal of the guarantee could lead to dumping and the disruption of the supply of wool to British industry at a time when the industry needs all the help that it can get.

From my limited experience of a hill farm, I know that one is lucky to get 2·5 kg of wool in the fleece of a hill ewe. With the present guarantee price, one gets 90p per kilo, which comes to £2·25 for the fleece of the ewe. Without that guarantee, the net income could drop to 45p per kilo, which is £1·12 for the fleece of a ewe. The sum could easily be as little as £1, or even less.

I therefore agree with my hon. Friend the Member for Edinburgh, East (Dr. Strang) that, as it can cost 50p or more to have a sheep clipped, it is not difficult to foresee circumstances in which it would not be worth while to clip sheep in view of the calculations that I have described. So,

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apart from disrupting the market and depriving our textiles industry of British wool, the proposal could have significant animal welfare implications. I am not aware of anyone who supports the proposal, so why on earth are the Government proceeding with it?

The same criticism can be levelled at the Government's proposals for the Potato Marketing Board. The Government conducted a major review of the potato marketing scheme back in 1989, and rightly reached the conclusion that the basic powers of the Potato Marketing Board, including the vital power to control the area planted, should be left intact. As a result of that review, the board now represents all the interests—not only producers, but processors, consumers and independent representatives. It works efficiently. In the future, the scheme will not cost the taxpayer a penny, so one may well ask why the Government seek to interfere with it.

The only new factor is the possibility of a minimalist proposal for a European Community potato regime, but that is not a genuine justification for the legislation. The potato marketing scheme does not restrict trade in potatoes across the European Community. I suggest that it is a red herring for the Minister of Agriculture or anyone else to suggest that the present system interferes with free trade.

The Minister of State, Ministry of Agriculture, Fisheries and Food (Mr. David Curry): Perhaps I may clarify the position. The legislation provides for a successor body in the event of the Potato Marketing Board being wound up. If we did not include that provision in the Bill, the only choice would be to continue with the full scheme or wind up the scheme entirely and distribute the assets to the subscribers to the existing Potato Marketing Board. The Bill takes the middle course, which my right hon. Friend the Member for Westmorland and Lonsdale (Mr. Jopling) talked about, of providing for the successor body to carry forward the best of the Potato Marketing Board's activities. I am sure that the hon. Gentleman is not against that.

Mr. Home Robertson: Indeed not. My concern is that the power is being established to wind up the scheme in the first place. Fair enough, in Committee we must look at ways of making the best of bad job, but my fundamental objection is to the abolition of the board and, in particular, the abolition of the statutory power to control acreage. That is an important power.

I submit that there should be no problem in maintaining our internal scheme for regulating potato production under the principle of subsidiarity which we have debated on the wretched Maastricht Bill. Spain and France also have national support schemes, which cost considerably more than ours cost, at present. As I have said, in future our support scheme would not cost anything under the provisions that the Potato Marketing Board has talked about.

We are dealing with an inherently fragile industry. The potato market is potentially highly volatile.

Mr. John Marshall: Does the hon. Gentleman accept that the only area of potato consumption which is growing is processed potatoes? Does he further accept that there has been a significant growth in the import of processed potatoes simply because potato processors can buy potatoes £20 per tonne cheaper in Holland than in Britain?

Mr. Home Robertson: I understand that the processing market is increasing. There is nothing to stop the Potato Marketing Board taking advantage of that—as I am sure it will, if it is allowed to continue.

I return to my fundamental point—that we are dealing with a fragile industry which should not be messed about for purely doctrinaire reasons. If planting in the United Kingdom increased beyond the current quota of 155,000 hectares, there would almost certainly be a glut of potatoes on the market. The market would be flooded. Fair enough, consumers would have the short-term benefit of very cheap potatoes for perhaps a year, until the inevitable shortage followed as producers were forced out of business. I fear that that would be particularly the case in the more remote areas of the country, especially Scotland, which are further from the processors to which the hon. Member for Hendon, South (Mr. Marshall) referred, and from other parts of the mass market.

Conversely, if planting fell below the quota which has been carefully calculated by the Potato Marketing Board, there would be a shortage of potatoes and market prices would rise inexorably, contrary to the interests of consumers, processors and everyone else. It is precisely to avoid such dangerous fluctuations in a capital and labour-intensive industry that the potato marketing scheme was established in the first place. I say again that it would be reckless to scrap it now.

Mr. Curry: The hon. Gentleman will know that, in the present circumstances, the Potato Marketing Board is paying £10 per tonne for potatoes. In other words, the price is at rock bottom, even with the scheme in existence. It may well be the case that next year fewer potatoes will be planted, as indeed there have been fewer potato producers year on year simply as a result of the market conditions within the scheme. So the hon. Gentleman should not draw too much of a comparison between conditions inside and outside the scheme.

Mr. Home Robertson: I gently remind the Minister that the position is even worse in the free market paradise that he is so happy about on the other side of the English channel. The Potato Marketing Board has achieved a great deal in the way of stability. Certainly there are difficulties just now, but the position would be far worse without the safeguards that the board can provide.

The House will have gathered that I am not particularly impressed by the representations of the Potato Processors Association. There are just 33 processors. Crisping, freezing and dehydrating processes now constitute 37 per cent. of the consumer market. There may be only 33 potato processors, but they have a highly lucrative share of the market. I went downstairs earlier today and bought myself a 30 g packet of crisps. It cost 20p. According to my basic arithmetic, that comes to £6,666·66 a tonne. Compare that with what my local Co-op charges for potatoes—85p for a 5lb bag. That comes to £380 a tonne, which is still a great deal more than the £10 a tonne which the Minister said was paid by the board to producers just now.

The profit margin of rogues who want to destroy the potato marketing scheme are put into fair perspective by the figures that I have given. They want an even bigger

profit margin for their 37 per cent. of the market, at the risk of creating chaos in the fresh potato market which, let us not forget, is still 63 per cent. of the trade. I suggest that the processors should be seen in much the same light as the monopolistic supermarket chains. They can have an anti-competitive role and can be a bottleneck in the market, controlled by a handful of powerful companies which all too often operate against the interests of both consumers and producers.

Who are the voracious chippers and freezers who have so much influence with the Conservative Government? I understand that fully 60 per cent. of the British chip market has been cornered by a single company—McCain. I long to know how it and the 32 other members of the Potato Processors Association—a tiny group of people—have influenced the Government to undermine the interests of every housewife in the nation, not to mention every potato producer. I think it stinks. It seems to me that it is either a case of mad Minister disease or, more likely, corrupt politician disease. How much has McCain or other members of the Potato Processors Association contributed directly or indirectly to Conservative party funds? That is a subject which ought to be addressed. It is a question being put to me by potato producers in my constituency.

The potato marketing scheme is serving the interests of consumers well. It is regulating the industry. It is improving the quality and the marketing of potatoes and it will not cost the taxpayer anything at all. It would be sheer madness to destroy that scheme. To talk about "shackling the market", as the Minister did earlier, does not make sense, but sadly it is not unheard of for the Tory majority in this House——

Mr. Curry: Will the hon. Member give way?

Mr. Home Robertson: No, I am just concluding and I want to let other people take part.

It is not unheard of for the Tory majority in this House to vote for sheer madness, and I fear that they are going to do it again tonight.

6.50 pm

Mr. Malcolm Moss (Cambridgeshire, North-East): The speech of the hon. Member for East Lothian (Mr. Home Robertson) started pleasantly enough, and was thoughtful and provoking, but then he appeared to go completely off the rails. His constituency covers the whole range of farming. I could not help feeling a little envious, because he was able to speak on potatoes, milk and wool. My constituency is a flat fenland area, and I shall restrict my remarks to the part of the Bill relating to potatoes.

Potato growing has gone through significant changes in the last decade, involving massive investment, particularly in things like cropping and husbandry, in modern refrigerated storage, in grading, packaging and marketing for the retail sector for the consumer and for the processor. Potatoes are a vital crop in arable areas such as north-east Cambridgeshire, particularly with the CAP reforms which are looming on the horizon, and also with the GATT negotiations attacking agricultural prices and the generally anticipated lower incomes from historically staple crops such as wheat, sugar beet and oil seed.

The Potato Marketing Board and the scheme have served producers and consumers extremely well. They are not perfect, but they have responded to pressures to reform in the past and are willing to do so again. It would seem quite unreasonable to revoke them under this Bill without giving them the opportunity to meet the new requirements of a modern EC marketplace.

The PMS has adapted to these changing conditions by expanding target areas to accommodate the growth sectors in the industry—notably, the export market, processing and pre-packing. As I have said, many growers have invested heavily in potato storage and specialised equipment, because this is a highly capital-intensive sector. They will feel badly let down if the Government scrap the PMS and give them a period of uncertainty. That is the last thing they need at this time of heavy investment.

The potato clauses—22 to 43—seem to have been stimulated by EC proposals to introduce a potato regime which the Council of Agriculture Ministers hopes to approve some time later this year. It is meant to be a light regime, probably intended to guard against increased imports from eastern Europe but it does not give the Commission power to intervene in the potato market and makes no mention at all of national support schemes.

If these are the main ingredients of the proposals, many people, including my potato growers and farmers, may question whether it is worth having any EC regime at all, since it will do so little. Is there a hidden agenda, I wonder, to prevent a shift into potatoes by arable farmers who may become dissatisfied, after a few years, with set-aside? After all, the EC's record is strong on quotas. How can we discount the introduction of quotas in future if these proposals lead to chronic over-production?

The EC Council regulation says:

"appropriate measures should therefore be taken to ensure stability of the market and a fair income for the producers concerned".

Those are laudable aims, but it is highly questionable whether the proposals will achieve this.

According to the explanatory memorandum, it is

"proposed that a common organisation for potatoes be established, based on the following principles: The common market organisation should not interfere with the market forces".

It defines this as:

"Only a potato market whose principal regulative is the play of supply and demand will make sure that production takes place in the most efficient way and that consumers do not have to pay unduly high prices."

I ask, what is the evidence for any market distortion within the EC? After all, potatoes are freely traded. A free market already exists beyond the farm gate. In this country alone, 14,000 growers compete with each other to sell their products. Purchasing power of the supermarket chains and processors in the market place is extremely powerful. There are no restrictions on imports from other EC countries, so United Kingdom farmgate prices and quality have to remain competitive with the price and quality of imports.

The Minister mentioned the natural barrier of the channel, and transport costs of about £30 a tonne. There is no question but that there is a free market and that EC producers already have a massive hurdle to clear with the costs of transport across the channel.

The second principle is

"The market position of potato growers should be improved."

We would all say aye to that. It says:

"Farmers growing potatoes should be given an incentive to market their produce through a producer group."

We are now on to setting up co-operatives and it goes on later to talk about 1·5 million ecu in grant aid to enable

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this to happen. Nobody will say no to that either, but that does not, in any shape or form, strike against the modus operandi of the potato marketing scheme.

The third principle—this is perhaps the rub—is:

"There should be a common approach in trade with third countries. Imports from third countries, under normal circumstances, should not be subject to any other restriction than the Common Customs Tariff. However, if there is a significant rise in imports which could endanger the Community market then import licences may be requested. These licences serve the purpose of observing the market more closely."

Does this not have a definite ring of intervention, to control supply and hence to control price? How ironic it would be if we were to replace our own successful system for price stability with one from Brussels.

Frankly, the proposals seem designed to accommodate the complaints voiced by the processors. It has been argued that processors are having to import, particularly from Holland, because United Kingdom prices are too high, but the evidence is to the contrary. In four out of the five years since 1987-88, the Great Britain average spot price for potatoes was well below that of Dutch potatoes. I have a table showing that, in 1988-89, our spot price was something like £44·93 per tonne, while in the Netherlands it was £54·79, and so it goes on.

Mr. John Marshall: My hon. Friend might be interested in a sentence from an answer I had from our hon. Friend the Minister of State this afternoon:

"In the Netherlands potatoes are currently £27 to £32 per tonne compared to £25 to £50 per tonne (depending on variety) in Great Britain."

It goes on to explain that that is more than doubling the level of processed imports in the past decade. Surely the figures are not as he says they are?

Mr. Moss: As the Minister of State stated, or as I stated? I am not quite sure what my hon. Friend means.

Mr. Marshall: As he stated.

Mr. Moss: As I stated? The evidence is there for all to see. I shall be happy to supply it to my hon. Friend later.

Dutch exports are greatest to Germany, which consistently has lower prices than the Netherlands. Does that not prove that Dutch export penetration is not related to the raw potato price or to the existence of a potato marketing scheme here? Dutch success in penetrating markets is more a reflection of the overall structure and performance of the Dutch processing sector compared to that of their competitors, rather than a reflection of the price of raw potato imports.

In the current year, there has been substantial over-production in this country, and in the Netherlands, France and Belgium; hence the low prices that we are seeing. The average price from August last year to January this year in the United Kingdom was around £40 per tonne, compared with average prices in the Netherlands of £30 per tonne, France £32 and Belgium £20. Although the United Kingdom prices at this level are still well below production costs, they were held above disaster levels by the action of the PMS—first, the stabilisation effects of the quota and, secondly, grower-funded floor price intervention.

Looking at this evidence, it is very difficult to disagree with my potato growers that the potato marketing scheme works and has prevented them from suffering the catastrophic prices of their Belgian counterparts. No wonder many EC potato producers are looking enviously at our PMS system and secretly wishing for something similar.

However, I have some sympathy with the processors. I recently visited a processing factory in my constituency, known as Garden Isle Foods. They complained to me more about the security of supplies of potatoes of the right quality and in the right quantity than about the price they have to pay. They need a guaranteed supply of these potatoes to ensure proper and efficient planning of their industrial throughput. They told me that, on one occasion last year, they were unable to buy forward at any price from any merchant. The story that came down the line from the co-operatives was they had not been empowered by their directors to sell potatoes on a rising market. There is plenty of scope here for the PMS and the growers to get their act together to make sure that the processors do not come forward with unnecessary complaints.

From my discussions with my potato growers and with the processors, who are a very important part of the industrial scene in my constituency, I do not think that the two sides are a million miles apart. There needs to be better co-operation between them, and better co-ordination, and certainly increased investment by the producers and the merchants, particularly in areas such as grading and storage.

Size is of vital importance to processors. Grading is still a farm-based activity, and is often too unreliable to meet the requirements of the modern specifications of the fast food industry. Producers need to consider the market requirements in a more professional manner. It is no longer good enough to expect processors to take surplus production of the wrong types of potatoes which have been rejected as unacceptable by the supermarkets and the packers.

The potato industry, in all its parts, is working reasonably well. It is certainly profitable, given production figures over a reasonable number of years, and it works without subsidy. I have not heard any overwhelmingly persuasive arguments that this replacement by a lightweight EC regime will bring any real competitive advantages.

The Bill as it stands is certainly acceptable, but I caution the Minister against the exercise of his powers under clause 22, particularly if, as he has said, he is not responding to proposed EC regulatory changes.

Mr. Andrew Mackinlay (Thurrock): On a point of order, Madam Deputy Speaker. I apologise for detaining the House, but earlier today, when Madam Deputy Speaker was in the Chair, I brought to her attention on a point of order the fact that the Secretary of State for the Environment proposed to hold a press conference at 10 o'clock tomorrow on the future of the east Thames corridor, and that documents were not yet available in the House of Commons Library. I drew attention to the fact that policy statements were to be made to the press before they were reported to the House.

In the past half hour, there has become available in the Library a question and reply, which I have furnished to you, Madam Deputy Speaker, which indicate that the Government's approach to the matter—that is, the east Thames corridor development—will be published tomorrow at 10 am. That coincides with the press conference of

the Secretary of State for the Environment, also at 10 am, on a major development issue affecting millions of people in south-east England.

Is it not possible for Government Front-Benchers to arrange for a Minister to come here at 10 o'clock tonight and make the statement to which the House is entitled on this major issue, before it is reported to the press? It seems to me to be very important that this matter is reported and a statement made to the House, so that hon. Members on all sides can question the Minister on this development.

Mr. Bob Cryer (Bradford, South): Further to that point of order, Madam Deputy Speaker, I wonder if you could take this up with Madam Speaker. On 17 February this year, Madam Speaker made a comment about a similar set of circumstances that had been drawn to her attention. The hon. Member for Antrim, East (Mr. Beggs) raised a point with her about hon. Members releasing to the press the content of a speech intended to be made during a debate in the Chamber and allowing it to be published as if it had been made, although it was never made in the Chamber. Madam Speaker said:

"If what the hon. Gentleman says is correct—I have no reason to believe otherwise—I hope that the practice will cease forthwith. I caution the House that any speech which is not published in *Hansard*, although it may be published elsewhere, is not a parliamentary proceeding and is therefore not privileged. All hon. Members should be made aware of that."—[*Official Report*, 17 February 1993; Vol. 219, c. 322.]

That deals, of course, with the question of absolute privilege with regard to any action for libel, but the principle is the same. Madam Speaker was deprecating information being given outside as though it had been given here in the House. Certainly, with the response to a parliamentary question, the impression is given that it is a parliamentary occasion, whereas clearly the information is being given in a press conference. It really is contempt by the Government, who have been in office far too long, for the House since their accountability is primarily to the House, not to the media.

Mr. John Marshall: Further to that point of order, Madam Deputy Speaker. Is it not the case that the Secretary of State for the Environment is due here at 2.30 tomorrow afternoon to answer questions for one hour?

Mr. Tony Banks (Newham, North-West): Further to that point of order Madam Deputy Speaker. I realise that you are not in a position to require Ministers to make statements, but in the past, as has been said in the House, Madam Speaker has deprecated this practice of making significant statements in that way. This is not an incident; it is a very important statement. It really shows profound disrespect to the House that we are not to have a statement from the responsible Minister tomorrow, before the press gets hold of the information.

I wonder whether, since there happens to be an Environment Minister on the Front Bench, he might seek to catch your eye so that he can explain whether we are to have an opportunity to investigate this matter tomorrow with the Minister.

Madam Deputy Speaker (Dame Janet Fookes): As this matter was raised with Madam Speaker earlier today, I think it best that I report to her what has been said. She will in due course, no doubt, make her views known, if she so wishes. I cannot, obviously, bind her by anything I might say. Members will be aware, of course, that it is not for the Chair to require Ministers to come to the House and make statements—a point that one hon. Member has already made.

Mr. Jeremy Corbyn (Islington, North): On a point of order, Madam Deputy Speaker.

Madam Deputy Speaker: No. I have already dealt with the matter sufficiently. Mr. Paul Tyler.

7.7 pm

Mr. Paul Tyler (North Cornwall): I have no direct interest in farming, but I have a very considerable interest in the future of the rural economy, the rural environment and rural employment opportunities, and this Bill is very relevant to them.

Many farmers today, faced with the complexity, confusion and constant flux which surround their industry, must have some sympathy for the view of Gaius Petronius in the year 66 AD. I am sure that the Minister knows it well, as I believe that he studied either classics or theology and it is very relevant to both. Gaius Petronius said:

"We trained hard—but it seemed that every time we were beginning to form into teams, we would be reorganised. I was to learn later in life that we tend to meet any new situation by reorganising, and a wonderful method it can be for creating the illusion of progress, while producing confusion, inefficiency and demoralisation."

The House and the Government have indulged in that all too often.

This Bill is obviously a very important opportunity. Indeed, it may be the last best chance for the farming industry. If it is approached in the right way, it could be a springboard for real opportunity, but if it is to create a new straitjacket for restriction it will doom the industry not to better marketing opportunities but to worse ones. That is why we Liberal Democrats come to the debate in a spirit of reasoned amendment rather than outright opposition.

One of the most unpleasant and unfortunate implications of the proposals before us is that because it is so difficult to plan ahead in this industry in the very uncertain world of agricultural marketing the Minister has had to take to himself a number of enabling powers for implementation at a later date. We understand the problem, and let us not fool ourselves that it is easy to get around it, but the House is entitled to know the circumstances in which the enabling powers will be exercised; that is the crux of the issue. If it is to be in the context of an increasing discrepancy between farm gate prices and the prices that the consumer pays, and of nothing being done to reduce that discrepancy, the Bill will be counter-productive.

In the past 10 years, retail food prices have risen by 52 per cent., but the retail price index has risen by 70 per cent., which means that in the past decade food prices have actually fallen in real terms. As any farmer knows, in the same period farm gate prices have increased by only 18 per cent., so farmers have contributed greatly to United Kingdom consumers' standard of living by helping to reduce the real cost of food.

Farm gate prices actually fell in the years 1985, 1988 and 1991, but in no year in the past decade have retail prices fallen. In the decade 1982 to 1992 the producer price of milk, the central feature of the Bill, has increased by

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45·5 per cent., but over the same period the shop price has increased by more than 70 per cent., so the margin has increased rather than reduced.

The farm gate prices for lamb—which are relevant to the income from wool—have decreased, but the shopper has not seen a similar reduction, as the retail price has increased by 26·5 per cent. or more than a third. Against that background, concerns have been expressed in all parts of the House about the impact of the Bill on the viability and vitality of the agriculture industry. In the past decade there has been low or even no growth in real farm incomes in most sectors. Last week's Ministry figures showed that:

"In real terms cash flow has remained virtually unchanged".

Throughout the decade there have been considerable and continuous supermarket price rises. Despite the recession, food retailing has been one of the most successful and profitable sectors of the economy. It has also been one of the most generous contributors to Conservative party election funds.

The effect of the Bill on individual sectors will clearly be the litmus test for many farmers and for the consumer, and I turn to the three sectors principally covered by the Bill. The hon. Member for East Lindsey (Sir P. Tapsell), the right hon. Member for Westmorland and Lonsdale (Mr. Jopling) and the hon. Member for Cambridgeshire, North-East (Mr. Moss) all raised serious concerns about potatoes. It is clear that there is no imperative from Brussels for the scrapping of the board or the scheme. The Minister has been clear, open and honest about that, but there seems to be some doubt in the minds of some of his hon. Friends, because every so often up pops the ogre of Brussels as the rationale for change.

The Minister, as President of the Council of Agriculture Ministers in the latter six months of last year a very important person, was in an extremely important position to drive forward the Community's own regime. The problem now is not so much the merits of the present scheme versus the new scheme as the fact that we are being asked to buy what could be decribed as a potato in a poke. We do not know what regime will operate. It it possible that in the long term it could be very satisfactory, but there is an old saying, "If it works, don't fix it." Until we see a real improvement in the type of regime that is developed, it is open to many people to express scepticism about the nature of the transition, its speed and its timing.

We heard sensible cautionary words from a number of Conservative Members about the nature of the successor body, which is not specified at this time. We welcome the fact that Ministers have agreed to maintain—in substance, they say—the good work of our noble Friends in another place, but many of us will be concerned to ensure that parliamentary scrutiny is guaranteed and will not be watered down.

At the end of the day, there seem to be remarkably few people in any part of the industry—producers, consumers, retailers or wholesalers—apart from the processors, who want to make the proposed change. As a number of hon. Members on all sides of the House have said, there seem to be some major question marks about the way in which the potato scheme is being driven forward. We need reassurance.

We all know that in areas such as my constituency in the south-west, and the constituency of the right hon. Member for Westmorland and Lonsdale, wool now represents only a small part of the overall income of sheep and hill farmers, but taking away the guaranteed price will halve what is already a very low price. The average price paid to farmers at the moment is 117p per kilo, which will drop to about 60p per kilo when the world market price is introduced. There are still 98,000 wool producers in Britain, many of them clinging on in a difficult situation, eking out a minimal existence. Farming in the hills and the least-favoured areas continues to be one of the most vulnerable sectors of the farming industry. To lose the security of that small part of their income at this stage would be extremely unfortunate.

As the right hon. Member for Westmorland and Lonsdale said with characteristic understatement, there was some concern and anxiety from those parts of the country about the hill livestock compensatory allowances, but it was a great deal more than that. There was real anger from those areas because they felt that their interests were not being understood and that the position they came from, which was a steady deterioration in their income, although it was increasing somewhat in the current year, was not widely recognised within the Ministry.

We know that the proposal is not new and has been widely forecast, but for the Government at this time to take powers in the Bill to destroy what is left of the guaranteed wool market when it is at its weakest, without anything to take its place, seems to give precisely the wrong signals to the most vulnerable sector in the farming community. I remind the Minister that, according to his Department's figures published last week, there have been only modest rises in the incomes of hill livestock farmers, while in Scotland they have continued to fall for the second year running. As a minimum, the sector is entitled to ask that revocation be delayed for two years to allow the market to recover.

It is rumoured that the Government are planning to circumvent the whole process of parliamentary scrutiny and to use a statutory instrument to lower wool guaranteed prices to zero prior to the passage of the Bill. It is not for us to insist that the timing of the Bill should be brought forward—that is up to the Minister—but we could legitimately ask for a delay until that specific issue has been debated properly. It seems unlikely that the Bill will be enacted before the end of April, so surely the guarantee should continue for a full clip year and avoid disruption and unfair treatment to sheep farmers.

On the main issue in the Bill—milk—it is of critical importance that a "very heavy regime", to use the words of one hon. Member, should be replaced with an equally effective regime, if all the advances in the sector are not to be put at risk. If the Bill provides an effective co-operative organisation for the dairy sector, with real muscle in the marketplace—comparable with the co-operatives which work so well for producers in most other member states of the Community—it could be the springboard for the improvement that I referred to at the outset.

We accept that the vertical integration of the English and Welsh boards into a single co-operative would create a body which had the potential to be too monopolistic. In principle, the proposals of the milk marketing boards for Milk Marque are therefore along the right lines. We do not believe that Dairy Crest can be incorporated within that organisation and agree that it should be floated, but there is a problem with timing. If the Diary Crest flotation is delayed beyond the vesting day for Milk Marque, the

market could be distorted during the transitional period. We must have safeguards to ensure that that does not happen, and that there is no conflict of interest. Too long a transitional period could be damaging and could fatally compromise the new system.

Scotland is very different. The latest figures from the Ministry show that dairy farming incomes in Scotland continue to fall, in contrast with other areas. With the three boards, the proportional and actual scale of operations are somewhat different. Despite earlier exchanges, I believe that there is a good case for the Minister to seek the co-operation of his colleague the President of the Board of Trade, who has just set a precedent by overturning an Office of Fair Trading recommendation on Owners Abroad, to reconsider the reference to the Monopolies and Mergers Commission and the provision that the Scottish milk marketing boards should not be allowed to engage in any production. It must be obvious that the milk production set-up in Scotland must be different from that in England and Wales, not merely for historic reasons but because of the state of that sector of the industry north of the border. I hope that the Minister will also be able to reassure us that the Government will allow the constitution of a separate Scottish development council for milk.

The last thing we want is for the new milk co-operatives to be so constrained from the outset that they are not able to work for the full benefit of their members, to enable them to survive and to compete in the single market. Since January, the economic context of the industry has completely changed and it must surely be only a matter of time before some of the enterprising producer co-operatives in other member states target our market. After all, many cases of them have generous backing from investment by their Governments.

It is extremely important to us that the Minister, with other Ministers in the Community, should consider the problems of quota allocations now. It is a high priority, which should be resolved before completion of the change to the new marketing system. Either more quota should be allocated to member states such as the United Kingdom, whose home market suffers from a major deficit—we are importing liquid milk now into this country—or we should allow quota to be traded across member state boundaries, which might prove preferable. If our dairy industry is as efficient and productive as it has shown itself to be in the recent past—which I believe to be the case—that could only work to our advantage, and we should consider it urgently.

Mr. Gummer: The hon. Gentleman's second suggestion is Government policy. We are in favour of trading quotas across borders. That is one way in which one can make the quota system more flexible and sensible and make it react properly to the market. The sadness is that we are unique. That is a European view, and as good Europeans we ought to do that to attempt to ensure that milk production takes place in those countries most suited to it. I hope that the hon. Gentleman will help us by ensuring that members of his fellow parties in Europe start to support that policy, as until now they have been implacably opposed to it.

Mr. Tyler: I am grateful to the Minister for his intervention—and all power to his elbow during the negotiations. It is a great pity that more advance was not made in that direction when he was in the driving seat in the Council of Ministers. Surely with the change in our milk marketing we can start to press for such an initiative.

Mr. Campbell-Savours: Perhaps the policy that we have adopted—which, as I understand it, is the free movement of unrestricted quotas—has been the problem with our European partners. If the Government were to take the view that there should be some control and restriction on the amount of quota which could move across boundaries, our European partners might be more amenable to the suggestion.

Mr. Tyler: I am grateful to the hon. Gentleman. No doubt he will develop that theme later in the debate, and it may be better for me to leave it to him to do so.

Quota management is an important issue. I think that it is fair to say that the sector was orginally sceptical of the value of the introduction of quotas, but the system is now working reasonably well and therefore any major change in quota management will inevitably cause concern for the reasons that I have advanced. For that reason—in Committee, or by whatever means appropriate—I hope that the Minister will be able to guide us on the current thinking on quota management before the Bill reaches the statute book. Little guidance is given in the Bill or in any statements made by Ministers during its passage in the other place or today to guide us on how it will operate, and clearly there are different views of the extent to which Milk Marque, as the successor body but one which does not represent 100 per cent. of producers, should be involved in the exercise.

We want a producer co-operative, but not as a fallback position: we want a potential ground breaker which will establish itself as a strong marketing co-operative to match those in other member states. From our experience of agriculture in other member states, we know how effective producer co-operatives are. They are prepared to use their marketing muscle in the market place and to prevent the sort of domination of buying power which results in this country from a small number of processors and supermarkets. A co-operative with the ability to compete in the world of the giants—the supermarket chains and food processors—would be a benefit to producers and consumers. By cutting back on the bargaining power of the middle men there is no reason why retail food prices should not fall.

Speaking with all the authority of a former Minister, the right hon. Member for Westmorland and Lonsdale referred to the individualistic tendencies of farming communities, and there are no more individualistic farmers than those in my area of Cornwall. This is the time for us to stimulate, encourage and cajole, by every means possible, to ensure that they work together in co-operation.

In the long term, the Milk Marque pioneer should be able to expand into other commodities. Why should it not expand into potatoes, wool or eggs, where we desperately need producer co-operatives to give more muscle to producers vis-a-vis those who buy from them? By that means, we could develop a multi-product group to market the best of British produce, and it would certainly command more confidence and respect than the inadequately funded Food from Britain organisation.

The Minister referred to liberating creative potential, and there are opportunities to do that. In the case of both

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potatoes and wool, however, the Bill seems to be too early, too drastic, and lacking in realistic provisions to enable a transition to a well-managed market. On milk, the Bill is still too sketchy and the sector is understandably concerned about what may happen. The Bill retains a distinctive whiff of Thatcherite philosophy, offering little prospect of real competition to the dominance of the supermarkets, and putting too much potential power into the hands of the Minister. It will need radical revision in Committee.

This is not the Bill for which we hoped and expected. If we are presented with a real Bill which achieves the sort of objectives about which hon. Members have been talking today, we can all support it. I hope that the House or the Standing Committee will be able to improve the Bill, but I have no more confidence in the Government's policies at present than, I believe, agriculture has.

7.30 pm

Mrs. Elizabeth Peacock (Batley and Spen): My interest in manufacturing and industrial issues, as well as, of course, consumer matters is well known, and leads me to contribute to today's debate in two ways—first, in relation to wool, as chairman of the all-party wool textile group and, secondly, in relation to milk, as someone who has been closely involved with the industry for many years. I declare an interest as my husband is employed by one of Britain's largest dairy companies, with which I am in regular contact on a range of issues. I am happy to leave the future of the potato board to my hon. Friend the Member for Cambridgeshire, North-East (Mr. Moss), who made an interesting speech on that subject.

At first glance, the Bill, as it relates to wool, milk and potatoes, seems straightforward with no controversial issues—but nothing could be further from the truth. The bill is a privatisation Bill to remove Government involvement from the market for those commodities. I fully support privatisation as it gives a new boost to industry, but if we privatise, we must do so properly—something which the Bill does not appear to do.

One aspect of the Bill will have a serious effect on the wool industry and wool producers, which will, in turn, affect our textile industry—the measure to terminate the guaranteed wool price from 1 May this year. As has been said, that guaranteed wool price will disappear before the Bill has completed its passage through the House. The main purpose of the guaranteed price has been to give stability to wool producers, which it has done for 40 years. The cost to the Government has been small, and the stability continued until the world collapse in wool prices in 1990.

The stability created by the guaranteed price has allowed the British wool clip to improve in quality and image, and turn itself into an internationally recognised fibre. There are licensees all over the world, and there is representation in Japan, which is now one of the biggest consumers of British wool. The existence of the guaranteed price has helped to develop an efficient structure for the collection, distribution and promotion of British wool. That structure is the envy of many European countries and it was the basis of the system now operating in South Africa.

The guaranteed price has served producers in the less-favoured and remote areas of this country particularly well. More than half of British wool is exported, either in greasy, scoured or top form. Much of the processing takes place in Yorkshire, and Scotland and the borders. The stability created by the guaranteed price has ensured a constant supply of wool into the wool industry which, at present, is increasing its exports, both in terms of value and quantity. The guaranteed price has helped to secure employment in those areas. That has been a particularly important factor as the textile industry has declined over the years.

The existence of the guaranteed price has been of great value in preserving the environment and countryside. The British Wool Marketing Board, the Confederation of British Wool Textiles and the National Farmers Union have repeatedly asked the Government to maintain the guaranteed price until 1995 to allow time for the industry to recover from the unprecedented difficulties resulting from the international wool crisis of 1990-91.

There is still a big discrepancy between supply and demand, and the reduction in world stockpiles could take two or three more years. If the guaranteed wool price is removed this year, as proposed, producer returns will fall by almost half, which will compound the hardship recently experienced by sheep farmers. There could not be a worse time to remove the guaranteed price as, due to the international stock piles, world prices are at their lowest level in real terms.

At today's market prices, many grades or breeds of wool have no commercial value. They could disappear and be lost from the market when prices recover. Like the milk cheque, the wool cheque is important to farmers, even though it does not amount to much. It is an important source of income to producers, particularly those in hill and remote areas.

The sheep industry has been depressed and uncertain for some years. The loss of the guaranteed price will compound the problems. As many sheep farmers say, their incomes are being reduced. I understand that a farmer in Bedfordshire—an area that you, Mr. Deputy Speaker, will know well—receives less for a whole lamb complete with fleece than I pay for one leg in the butchers. That discrepancy shows that there is something wrong in the market.

Production will be lost to third world countries, which will affect textile manufacturing output, and employment in areas that are already suffering due to competition from cheap overseas labour. Exports will be lost and there will be an increase in imported wool. Both factors will affect the balance of payments. There may even be a switch back to synthetic fibres, which could cause environmental problems. Shearing and dipping will be discouraged—we have already heard about the cost of shearing sheep—which will have an effect on the general welfare of the national flock. Environmental problems could be caused as sheep shed their wool all over the countryside. We all know the importance of maintaining the countryside, but it could suffer.

The importance of sheep farming should not be understated. The quality and image of the clip will suffer, and the present system of collection, distribution and promotion could be undermined. We all know that promotion is important—both the British Wool Marketing Board at its headquarters at Clayton, Bradford, and the Confederation of British Wool Textiles

must both be complimented on their work in that sector. If the British Wool Marketing Board carries large stockpiles of wool into a post-guarantee period, producers will have to bear the cost of holding stocks inherited from the guaranteed price regime.

I shall call on the Minister—when he returns to his seat—to reconsider the issue and, at the very least, to extend the scheme until May 1995 when we hope that the wool market will be in better shape. Wool producers need the Minister's help, and they need it now. Perhaps as the Minister is busy in discussions, he will read *Hansard* tomorrow to see what I am saying.

When we see how milk is treated in the Bill, its true nature comes to light. It is an enabling Bill which leaves the action to the Minister. It is a sort of Arthur Daley Bill which suggests, "Trust me, guv'nor." I am not sure that many of us would buy a used car from Arthur Daley, and I leave my colleagues to gather the inference from my words.

Surprisingly, the Bill requires only the milk marketing boards to come up with schemes to reorganise the industry—the Minister then has to agree to those schemes. The Minister has no obligation to publish the schemes or consult anyone else in the industry. That does not constitute democracy, but provides a potential abuse of power.

I hear that there is already a mood within the milk marketing boards merely to change the letterhead, repaint the trucks, get rid of a few troublesome milk producers and carry on as before. That is patently unsatisfactory. The Minister should be obliged to consult the milk purchasers, retailers and consumer organisations. We are all consumers. Perhaps not all my colleagues do the weekly shopping, but their partners, wives, sons and daughters may do so—we are all consumers and all ultimately pay the prices. Such groups should be consulted by the Minister before he gives his approval to a reorganisation scheme. I am sure that, if the Minister were advising me on the reorganisation of my now infamous mythical whelk stall, he would at least take into account—I hope—the views of my customers. I suggest that he does the same in this case.

I should like to spend a moment discussing the competition aspects of the Bill. It is here that the issue of privatisation comes into play. The milk marketing board in England and Wales has already proposed that it should be converted to a milk brokerage, Milk Marque, aiming to control 80 per cent. of milk from farms. Its equivalent in Scotland proposes to operate an integrated milk brokerage and dairy business, with more than 50 per cent. of the market in Scotland. Clearly, we have competition on our hands, and it could be an issue from the very first vesting day.

It reminds me of the problems that we have had with privatisation in the energy market. We have privatised gas and we are allowing a monopoly to continue, restricted only by an efficient and tough regulator—and even he suggests change. In the electricity industry, there is an inefficient regulator who has been unable to prevent the industry from falling into disorder. If I were to use any more such examples, I am sure that the Chair would quickly rule me out of order, but we have adequate supplies of energy in this country, and a great deal of milk, so we should not have to import either.

I am advised that Milk Marque, the potential monopoly, has already announced the non-negotiated price at which it will supply dairies as from 1994. I understand the proposed price is 20 per cent. higher than current prices. I cannot see the British housewife wanting to pay 20 per cent. more for milk just because the Government are allowing a monopoly to develop. I trust that the consumer organisations will pick up this point and discuss it forcefully with the Minister.

Not only will Milk Marque attempt to set prices that bear no relation to the market; it also reserves the right to ration supplies, presumably to impose its own prices. That strikes me as a potential abuse of a monopoly position, and we do not want references to the Office of Fair Trading or the Monopolies and Mergers Commission early in the new scheme. I sincerely hope that it will not encourage British dairies to import raw material supplies from northern France, as we do with French electricity, or British farmers will be very cross. I know that the chairman of Northern Foods has already described the massive investment that that company will make in plant in this country once he knows what the Minister's views and actions will be. I would certainly not want him to go away with the idea that it would be much better if he invested money in jobs in northern France rather than here.

We want our industry here. I want British electricity in our power system and British milk on my cornflakes. I expect the Minister to ensure that I and future generations will have it.

The Bill must deal with the competition aspect. We cannot just leave it to the Minister to sort out the industry as best he can. Limits must be placed on the size and form of any milk marketing board successor established as a result of the Bill. The Bill must also set limits on the size of any future milk brokerage. We cannot rely on a regulator with the title of Ofmilk. That would do nothing to encourage our British industry. In any case, our regulators are only partly successful, and there is no reason to suppose that they would do any better in this industry.

We have made a botch of some of our privatisations, and we must not make a botch of milk reorganisation. Most people need milk every day of their lives and like it delivered to their doorsteps, so the legislation needs to be framed to promote competition and prevent the need for intervention by the OFT or the EC Commission.

I understand that certain services are of significance to British dairy farmers and the dairy industry. They have already been mentioned, but I shall mention them again so as to leave the Minister in no doubt about the concern felt. The services are artificial insemination, milk testing and milk recording. These services are currently provided by the milk marketing boards. I understand that Milk Marque has assumed that they and their assets would be vested in the new organisation.

That would be unsatisfactory. Some milk producers will not be trading with Milk Marque. They will sell to other organisations or direct to dairies—but they will need the benefit of those services. For reasons of commercial confidentiality, those producers will be reluctant to use the services if they remain within Milk Marque—and who could blame them?

Moreover, the same farmers have a claim on the assets used by all those services, in the form of farms, offices, laboratories and means of transport. Milk producers have contributed to their cost for many years, so they should remain freely available for use by all milk producers. The services are critical to British dairy farming and should

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therefore be moved to independent control—to the Agricultural Development Advisory Service, to a commercial organisation or even to a non-profit-making trust.

The milk producers who do not trade with Milk Marque also have a claim on other MMB assets—the land and property at Thames Ditton, at regional offices and at depots and farms around the country. The property belongs to all milk producers; they have all paid for it over the years they have been members of the scheme. It would be most unfair if the benefit of these properties fell into the lap of a single milk brokerage.

Mr. William Ross (Londonderry, East): The hon. Lady will be aware that many people have stopped producing milk. How can they get their share of all this back?

Mrs. Peacock: The hon. Gentleman, who has been in the House longer than I have, knows how to tackle the Minister on that question. It was a good point, but I cannot answer it. I hope that the Minister will. I suggest that the Bill be amended to require the sale of these properties and the distribution of the proceeds to all producers. If Milk Marque requires them for future activities, they could be leased back.

I hope that the Minister will listen carefully to what I and my colleagues have to say, because the Bill is flawed. That is why I may oppose it if it stays in its present form. I was quite surprised that it emerged from the other place without major amendment. We have only partly heard what Opposition Members think of it, but I suggest that change is needed. The producers want change, and the wool and dairy industries recognise that change is inevitable. So I am prepared to vote for the Bill on Second Reading if I have the Minister's assurance that these points will be dealt with in Committee. When the Bill returns to the House it must then stand or fall on its merits, and I trust that it will be significantly amended.

7.47 pm

Ms Jean Corston (Bristol, East): Three themes run through the Bill—themes to which we have become accustomed in the past 14 years. One is the accretion of ministerial power. Another is a preliminary failure to consult. The third is the consequent creation of a monopoly. Legislation on education, health and local government has exhibited a growing concentration of power in Ministers' hands. The idea seems to be that it is easier to confer power on a Minister than to mess about with democratic or statutory bodies. It is also handy because it enables Ministers to evade parliamentary scrutiny by means of delegated legislation. The upshot is that Minister, take decisions that used to be taken by people with more expertise and experience.

The explanatory memorandum tells us that clause 3 and schedule 1 give Ministers powers. Clause 4 enables Ministers, clause 5 enables Ministers, clause 6 empowers Ministers, clause 7 gives Ministers power, clause 9 enables Ministers, clause 13 confers powers on Ministers, clause 16 empowers Ministers, as does clause 20. Clause 22 enables Ministers. Clauses 24 to 27 and schedule 3 set out Ministers' functions. Clause 44 empowers Ministers. The Bill is a perfect illustration of practices that we have got used to, but which have not worked.

My second theme is the failure to consult and I address my comments specifically to the milk industry. While Bristol, East is not well-known as an agricultural constituency, my constituents eat food and drink milk and there is a large dairy, which is a major employer. In particular, there has been a failure to consult interested parties, other than the successor body, about the milk regime. That is a major flaw.

There should have been a specific provision for consultation with all the parties affected. For example, there should have been consultation over reorganisation schemes for the board and before the winding up of the residuary body, and over the conditions under which the development council will operate. Those are all major failures to consult people who have expertise in the industry.

The Government say that they believe in competition, but, so far, their privatisation policies have created only monopolies. What has that to do with a free market, even if it was a good idea? We have seen it with gas, electricity, water and British Telecom. The new body, Milk Marque, is, as I understand the Bill, to be a private co-operative. There is concern in my constituency over how that will operate, because the Government have said that competition legislation will protect milk producers from any abuse by Milk Marque of its dominant position in the market. However, as co-operatives enjoy exemption, particularly on price restrictions, under the Restrictive Trade Practices Acts, it is important to make further legislative provision to prevent abuse. I hope that that matter is addressed in Committee.

Mr. Curry: The milk marketing boards are exempt from the operation of the monopolies and mergers regulations, so the Director General of Fair Trading cannot be referred to. When Milk Marque comes into existence, that immunity will be removed and it will be subject to the full rigour of the Office of Fair Trading and possible reference.

Ms Corston: There is all the difference in the world between a statutory body, for which there is a possibility of parliamentary scrutiny and of input from the general public, and a private, horizontally integrated co-operative, which is what we are talking about.

The Dairy Trade Federation, no less, has expressed concern that Milk Marque proposes to increase the price of milk by 20 per cent., a fact to which the hon. Member for Batley and Spen (Mrs. Peacock) referred. On 9 March, the Dairy Trade Federation asked for

"independent supervision of this dominant monopoly".

As I read it, there is nothing in the Bill to provide proper transitional arrangements on price, sales, a disputes procedure and continuity of supply, all of which are important. Hon. Members on both sides of the House have spoken already of the dispersal of the milk marketing boards' assets. That should not confer an unfair advantage on, or improperly influence, farmers to join the successor body rather than supply milk direct to a company.

Other hon. Members have already spoken about the important national assets held by the boards and I make no apology for referring to them again. They include, among other things, the national milk record centre, the Genus farm service—that is vital for ensuring a healthy stock and for research into genetics, artificial insemination and other matters—the central testing laboratories, and the milk collection vehicles. The statutory arrangements

are the best, but if there is to be a change, it is vital to ensure that there is no discrimination against bodies or companies other than Milk Marque in the use of these national assets. It would be more appropriate if there were a transfer of those functions and services to an independent national body.

It is vital that the flotation of Dairy Crest takes place as soon as possible, because it should be treated by Milk Marque in the same way as any other customer for its milk. That would only be fair to other competitors, if competition is, as it is supposed to be, at the heart of the Bill. There should be either safeguards to ensure effective scrutiny of the milk marketing board-Dairy Crest relationship or a separation of Dairy Crest and Milk Marque.

Mr. Curry: Let me make it clear that Dairy Crest cannot be owned by Milk Marque in the interim period after the end of the scheme, or by the residuary body of the milk marketing boards. Therefore, if Dairy Crest could not be floated in advance, it would be necessary to propose a means to deal with the short-term problem of ownership —perhaps through a trust arrangement. It would not be acceptable for Milk Marque, by accident or design, effectively to control Dairy Crest, even for the transitional period, and alternative arrangements would have to be made.

Ms Corston: Although I am grateful for the Minister's explanation, it would have been helpful if that had been made clear at an earlier stage, rather than only now.

At the heart of the Bill, and anything that the House considers, there should be basic tenet. To quote a former Foreign Secretary, Lord Healey, "If it ain't broke, don't fix it." The milk marketing board has worked well and the Government should have fought for it in the way that Governments have supported it and fought for it in the past. European Community legislation did not oblige us to wind it up.

The Labour Members are not the only people opposed to the new regime. I understand that there is concern in Ambridge. Phil Archer has said how worried he is about the winding up of the milk marketing board, which he described as a trusted friend. He spoke about the uncertainty of a new regime and how opposed he was to it.

Mr. Paul Marland (Gloucestershire, West): What about Eddie Grundy?

Ms Corston: Watch this space.

All producers can sell their milk to, and have confidence in, the milk marketing board. Anything put in its place should provide the same opportunities and give the same confidence. The proposals threaten the livelihood of farmers and those in the dairy industry. There is already a great deal of concentration of power in that industry. Some 79 per cent. of the United Kingdom dairy products market is in the hands of multiple retailers, and four of the largest monopolies have no less than 75 per cent. of that market.

It is vital that we protect the milk industry in the interests of those who work in it, and of the consumers of milk and milk products. Members of Parliament have the primary duty of protecting the interests of our constituents, who are consumers. Other organisations have professional bodies to represent them, but we are here to make sure that whatever we do through legislation on food is in the interests of consumers. Judged by that criterion, the Bill signally fails. That is why the Labour party would be right to vote against it and try to get it amended in Committee.

Several hon. Members *rose*——

Mr. Deputy Speaker (Mr. Michael Morris): Order. As the wind-up speeches will commence at 9.15 pm, I appeal to hon. Members to make relatively brief speeches so that more can be called.

7.59 pm

Mr. William Hague (Richmond, Yorks): I am grateful, Mr. Deputy Speaker, for the opportunity to take part in the debate, and I shall heed your request for speeches to be relatively brief.

This is a debate of great interest to my constituents. I have enjoyed listening to the speeches made so far, most notably that of my right hon. Friend the Member for Westmorland and Lonsdale (Mr. Jopling), with which I concur in many respects, not only because of its content but because of the measured way in which my right hon. Friend criticised some aspects of the Bill, striking a more appropriate note than that struck by one or two Opposition Members who attributed the Government policies on the Potato Marketing Board to potato processors' donations to Conservative party funds.

To make such an accusation in the very month that the Duke of Westminster has resigned from the Conservative party because his views were apparently ignored on the Housing and Urban Development Bill, and against a Government who proceeded with their reforms of competition in the brewing industry against the most vociferous complaints of many of the party's principal contributors is extraordinary. If the Conservative party evolves its policies in order to please its contributors, it does so in a way that can only be described as bizarre.

I welcome many of the provisions in the Bill, particularly those relating to group marketing grants. Marketing is important for British agriculture. Improved marketing of our products is essential. We have one of the most efficient agriculture industries in the world, but, compared with the marketing of products from other countries at international food exhibitions, our industry often falls down at the crucial marketing stage. I hope that the group marketing grants will be the spark for many new ideas and projects. They will not revolutionise the industry, but they will begin to show the way and address one of the great weaknesses of our industry.

I hope that my hon. Friend the Minister of State will be able to say a little more about which organisations have expressed interest in those grants so far, what level of interest there has been, what he can do to encourage co-operatives, as well as other ad hoc groups of producers, and how the measures will proceed. The measures are obviously welcome, permitting recovery procedures in the event of the breach of the scheme conditions, enabling grants to relate to the whole of Britain, and so on.

I also give a broad welcome to the provisions relating to the milk marketing boards and the revocation of the milk marketing scheme. Like my right hon. Friend the Member for Westmorland and Lonsdale, I think that the milk marketing boards did a good and useful job for a long time, but it is right to revoke the scheme now. If we did not do so, it would probably collapse under its own weight. It

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is under challenge in the courts, there are all kinds of constraints on Dairy Crest, which do not apply to its competitors, and the pricing and allocation system for milk has clearly failed in Britain during the past 10 years or so, causing consumers to pay a high price for their milk while producers receive a low price when they supply it.

The margins of manufacturers are artificially protected and that has led to an insufficient incentive to go for high value-added products. Often there is not the availability of milk in the United Kingdom to make high value-added products because of the protection of milk for export for lower value-added products.

That particularly came home to me in my constituency where there has been great controversy recently over the future of a dairy in Hawes which Dairy Crest attempted to close. After the valiant and, I am pleased to say, successful efforts of many of my constituents, it has been brought from Diary Crest and is once again churning out true Wensleydale cheese which I hope hon. Members will join me in consuming in the Dining Room at every possible opportunity.

But what really brought home to me the problems in the milk marketing scheme was studying the economics of that dairy and seeing that it was gravely affected by the fact that milk simply was not available on many days of the year for it to produce at all. We have the extraordinary situation where milk is not directed to those customers who value it most. It is not available even to businesses who want to buy it and are prepared to pay for it. That cannot be the right way to run an industry. The result is inefficiency and import penetration of high value-added products. Clearly, this scheme must go.

Mr. Nick Ainger (Pembroke): Does the hon. Gentleman accept that the problem of supply to processors, to producers of cheese and so on, is not just inefficiency within the milk marketing boards, but the fact that we are allowed to produce only 80 per cent. of the total market. It was the disastrous deal that his right hon. and hon. Friends brought back from Europe in the early 1980s that caused that problem.

Mr. Hague: Milk quotas are a restraint on our national production, but my right hon. and hon. Friends who negotiated that deal had to start from where they were. They could not suddenly demand huge shares of the European market for milk at the expense of other countries already producing it. In fact, what was done in the 1980s now turns out to have provided an important safeguard for small producers. Like my right hon. Friend the Member for Westmorland and Lonsdale, I am inevitably concerned that small producers should not be driven out of business but should be given the chance to compete. They are to some extent safeguarded by the existence of milk quotas, even though they were savagely denounced when they were introduced. My right hon. Friend has been vindicated by events.

Like my right hon. Friend, I welcome the creation of Milk Marque. I hope that it is a success and that a high percentage of producers join it. Without being a monopoly, it will have great bargaining power if it succeeds. It will help to ensure that there are fair negotiations, particularly with large supermarket chains. I hope that many farmers will join it. However, I agree with my hon. Friend the Member for Batley and Spen (Mrs. Peacock) because I cannot see why such things as artificial insemination, other breeding services and milk recording services must be part of Milk Marque. That does not necessarily follow.

I hope that Milk Marque will stick to the promise that it made in correspondence sent to me and other hon. Members that it will have milk pricing that is market driven and responsive to supply and demand, and will allow easy access for new businesses, encourage the development of new high value-added products, allow rapid and flexible response to the demands of consumers, meet the challenge of foreign imports and provide export opportunities. If it can do those things, it will be a great success and it will do a great service to British agriculture and the British balance of payments. If it succeeds and makes a voluntary co-operative work, it will set a valuable example to the rest of the industry. I endorse and enthusiastically applaud that part of the Bill.

But that brings me to the other major part of the Bill, concerned with potatoes. Again, like my right hon. Friend the Member for Westmorland and Lonsdale and my hon. Friend the Member for Cambridgeshire, North-East (Mr. Moss), I must sound a cautionary note and say that I am worried about what is proposed. I have yet to be convinced that it is the right course of action.

The milk industry has suffered because of rigid price arrangements, the absence of competition and the existence of a monopoly purchaser, but the same is not true of the potato industry. The Potato Marketing Board is different. There is no monopoly purchaser, there is free competition beyond the farm gate, producers compete with each other making contracts with whomever they want and there are no restrictions on imports so British producers have to be competitive.

Therefore, we should be cautious before we sweep away the system. There is a danger in trying to be neat and deal with all the marketing boards at the same time and in tinkering and interfering too much with arrangements that have worked reasonably well. I share with my hon. Friends a natural bias against marketing boards, quotas and restrictions of any kind, but we must look carefully at how the arrangements work.

What is the case against the Potato Marketing Board? First, we are told that it leads to higher prices: indeed, I have heard many people say that it must do that or producers would not want to be part of it. It is true that prices have tended to be lower in some countries, particularly France and Germany; yet, in many recent years, Dutch prices have been higher than spot prices in the United Kingdom—and, after all, we should compare our prices most rigorously with those of Holland, which seems to be the source of most of the imports.

One of the problems generated by today's debate is the existence of tables of statistics that can prove almost any point that hon. Members wish to illustrate. The potato market is very complicated; there are many different grades of potato, and various places and seasons are involved. The price moves all the time. It is possible to construct a table to demonstrate and validate almost any point—but, for what it is worth, I have a table that shows the spot potato price in the Netherlands to have been higher than the United Kingdom price in 1988-89, 1989-90 and 1990-91, and marginally higher, by a few pence per tonne, in 1991-92.

The basic premise that price is at the heart of the matter and that people will pay to be part of the Potato Marketing Board only if they receive a higher price as a result, is not necessarily valid. People pay not just for a higher price, but for a reduction in the risk, regardless of price. The only conclusion that I can draw from the contradictory data that are available is that although the potato market scheme sometimes leads to a higher price in this country, at other times it leads to a lower price. Sometimes the product is scarcer than it would be if the market were completely deregulated, but sometimes supply is made more secure.

After all, producers are liable for a penalty if they do not take up all their quota in any given year: they will lose on their quota allocation in the following year. The potato marketing scheme can act to maintain supply, rather than depressing it in a way that would be characteristic of a damaging monopolistic arrangement. I do not consider the price arguments sufficient justification for sweeping the scheme away.

Another argument used against the scheme is that processing capacity will move abroad. A slight handicap of that argument is the fact that new processing capacity has recently been built in this country. A bigger problem for the industry seems to be the availability of excess processing capacity in Holland, which has led the companies that own that capacity to discount heavily in order to make maximum use of it. Such a development should not be mistaken for a relentless move abroad.

If the scheme's failings have led to more processed imports, why are there more such imports from the Netherlands into many other European countries—countries that have no potato marketing schemes? Perhaps the problem is not so much that processors are moving out of Britain; perhaps it has more to do with inadequate competition among processors in Britain. I feel that my right hon. and hon. Friends in the Ministry of Agriculture, Fisheries and Food must conduct and present a much clearer analysis of the industry and its workings—after all, it is a very complex matter—before they can persuade us that the potato marketing scheme needs to be abolished for the reasons they have given.

It is said that the removal of the scheme would result in generally freer and fairer competition, but can we speak of freer competition when Dutch producers seem to be combined into a few large co-operatives with the ability to control plantings and negotiate prices far more effectively than individual, fragmented producers in other countries? Are Ministers sure that this would be the only country in which producers joined to agree on how much should be planted? Are they certain that it would be against our interests to be the only country with such a scheme?

I am very much in favour of free and fair trade, but I am not sure that the outright and rapid abolition of the Potato Marketing Board is the way to achieve it. I think that the other place was sensible to insert one or two provisions in the Bill, and I welcome the Government's announcement that they will not try to reverse those decisions. I also welcome the provisions to ensure the creation of a successor body. I think, however, that there is a strong case for giving the Potato Marketing Board longer to show that it can make things work—that it can work with processors to reduce the percentage of the processed potato market taken by imports, and do more to meet the right specifications with better grading and the like.

I believe that my right hon. and hon. Friends in the Ministry should pause to reflect before overturning the current arrangements, and I hope that the debate will give them some cause to do so.

8.15 pm

Mr. Nick Ainger (Pembroke): My constituency has interests in all three areas covered by the Bill: wool, potatoes—particularly the early potatoes for which it is famous—and, of course, milk and the proposed abolition of the milk marketing boards.

Recently, I have engaged in extensive discussions both with my local branch of the National Farmers Union and with the Farmers Union of Wales. Both organisations—as well as individual farmers—have expressed grave concern. As my hon. Friend the Member for Bristol, East (Ms Corston) pointed out, we have here an organisation which appears not to be broke, so why on earth try to fix it? This is especially relevant to constituencies such as mine, which is 60 miles from the nearest city and has serious transport problems. We have one or two buyers in the milk industry —processors—and the local farmers fear that, if Milk Marque is not a success, they will be under pressure from those processors. They are afraid that prices will be forced down in the local market because Milk Marque has failed nationally.

Having expressed those reservations, I must say that in the main both unions welcome the idea of Milk Marque. They see certain advantages in it. They recognise that Dairy Crest should perhaps have been separated from the milk marketing boards many years ago, and that if that had been done we might not be faced with this Bill now.

The subject of wool was touched on briefly in our debate some weeks ago on hill livestock compensatory allowances. My farmers on the hills of Preseli quoted figures showing that the price that they now receive for their wool is less than half the price that they received 10 years ago. Wool is no longer a reasonable product for them to sell; it is hardly worth shearing the sheep. In the light of that, it is a great shame that the Government have decided to remove the guarantee price: there is now no bottom to the market, and prices are set to plummet.

Many hon. Members have referred to both milk and sheep, but as Pembrokeshire has a special interest in new potatoes, and a special sector of the market I shall speak mostly about the possible abolition of the Potato Marketing Board. Last year, 35,000 tonnes of early potatoes were produced in Pembrokeshire, and that produce alone put a significant amount into our local economy. In 1989, nearly £6 million was pumped into the local economy by sales of early potatoes. In 1990, the figure fell to £4·3 million; in 1991, it went up to £6 million; in 1992, it fell to £3·1 million. It would have fallen much further if the Potato Marketing Board had not intervened and placed a bottom on the market.

The season last year was unusual because the Cypriot, Moroccan and Egyptian early potatoes came in much later and the early English potatoes, because of a mild winter, came in much earlier. The traditional time for the Pembrokeshire potato was extremely limited. Fortunately, the Potato Marketing Board intervened with about £450,000 for Pembrokeshire growers last year. That is a good example of why we need the board to continue to prevent such enormous fluctuations. To illustrate the price ranges, the House might like to know that the average

[Mr. Nick Ainger]

price paid for Pembrokeshire early potatoes in 1989 was £171 per tonne while the average price last year was £95 per tonne.

The Minister told us that he wanted to break the shackles imposed on producers by the Potato Marketing Board. However, in my discussions with growers and with the NFU, no one has said that they want to see the end of the board or that they want to break free of its shackles. To illustrate that point, I want to quote from a letter—not from a sado-masochist, but from John Davies of Herbrandston Hall, a member of the NFU potato committee and one of the largest early potato producers in Pembrokeshire. He writes:

"If quotas were removed the bulk of growers in Wales would stop growing. This would be because without stability we would have years of shortage and high prices followed by large surpluses. In those years because of the carryover of the main crop from the previous year potatoes in Pembrokeshire would not be sold at all. Rather than cope with this they would leave potato growing and reduce their overheads and fixed costs.

There was no early potato industry in Pembrokeshire before the formation of the Potato Marketing Board. Pembrokeshire is the largest supplier of early potatoes in the UK market during May and the first half of June. If the area was substantially reduced it would not be so easy to influence the market and marketing would be very much less effective. The effect of this happening would be an increase in imports of first early potatoes. The home growers have reduced imports from 385,000 tonnes in 1978 to 264,000 tonnes in 1992. This is one of our great successes in import substitution."

That is a good illustration of how, as a result of the Potato Marketing Board and a regime, we have been able to stop imports or to reduce them significantly.

Mr. Davies also referred to the importance of the potato industry to the local economy in respect of the provision of casual and permanent labour. He wrote:

"Potato growers in Wales spend approximately £1·2 million on seasonal labour which is very important to rural economies. About 350 potato growers employ regular farm workers. If they stopped growing potatoes and returned to cereal production they would no longer need this labour."

It is clear that the Government have completely failed to make the case for the abolition of the Potato Marketing Board. I have yet to hear a speech from the Opposition Benches or from the Conservative Benches in favour of its abolition. I certainly did not hear such a speech from the Minister. He seemed confused as to whether it was a good British idea to get rid of the Potato Marketing Board or a bad European one. We have already heard that the Spanish and French operate intervention policies. Hon. Members on both sides of the Chamber accept that with the removal of the 50,000 tonnes Government limit, leaving the Potato Marketing Board to intervene to the tune of 450,000 tonnes maximum a year, we would have a totally self-financing scheme which would cost the taxpayer nothing.

Why are the Government proposing to legislate away the Potato Marketing Board? The only answer I can think of is that, unfortunately, they seem determined to get rid of any whiff of an organised market which has worked so very well. They are now virtually in the pockets of the only people who will benefit from the board's abolition—the major potato processors.

It is a great shame that the Government have ignored the success of the Potato Marketing Board. I hope that they will listen to the contributions that have been made in the debate, particularly those from Conservative Back Benchers.

8.25 pm

Mr. Paul Marland (Gloucestershire, West): We are in some considerable danger of under-estimating farmers in this debate. The Bill is important, and it offers a great opportunity for farmers and manufacturers to look forward to a more successful future.

There is no doubt that the attitude of most British farmers is changing. They realise that they must move closer to the marketplace and, to do that, they must adapt their businesses. It is perfectly understandable that most people find it difficult to come to grips with change. There is nothing more alarming than change. People fear change itself, rather than what it may bring. However, farmers are business men and many of them take a great pride in being not only good husbandry men, but also good business men.

As David Naish, the president of the National Farmers Union said at this year's annual general meeting:

"We must face up to change and make it work for us."

That is a realistic approach and I applaud David Naish for it.

I believe that Government intervention in markets, in agriculture or elsewhere, leads to the most almighty muddle. It usually results in trouble. Unmolested markets, certainly in agriculture, are by far the most dynamic, as we can see from the pig and poultry industries. The only way in which the Government should interfere in any of those markets or businesses is to ensure fair play. Let us return to a level playing field.

For as long as I can remember, farmers have always mistrusted supermarkets and end use sellers. Just this morning, I had a conversation with a dairy farmer in my constituency. He told me a story about a large-scale strawberry producer who, when there was a glut, picked strawberries to send to a supermarket. The supermarket scrutineers went to the farm and said, "We are very sorry, but we can't take your produce because you have one too few portable loos in this field for the number of strawberry pickers that you have here."

Supermarkets and large-scale end users are very anxious to build bridges with farmers. They have an important selling job to perform. However, I believe that farmers are beginning to realise that the future looks much better with a joint venture with a large retailer, and that a spirit of co-operation and trust between the two parties is essential if they are to go forward together.

Those of us who have already been approached by end users will be aware that Nestlé already buys milk all over Europe direct from farmers, and that Unigate buys milk direct from farmers in Ireland. That has been achieved with very little difficulty, and the farmers are extremely enthusiastic about that regime.

It is early days to talk about how appalling the situation will be if these boards are swept away. There are stepping stones that show the way, in which the spirit of co-operation between farmer and end user or retailer is developing. On a previous occasion, I mentioned the Strathclyde food initiative. This is an arrangement between Safeways, which is a very large retail group, together with Allied Lyons, Rank Hovis, Unigate and

other big operators in the market. If the group finds a farmer who is producing something that it thinks would be of interest to its customers, it approaches him.

Let us suppose that we are talking about someone in Cornwall producing 30 wind-dried hams a week. The farmer is told that the group will send in its experts to show him how to expand his business so that he can produce, say 300 hams a week. He is told that he will be helped to secure larger premises, and that he will be given a five-year contract under which all the wind-dried hams that he can produce will be bought. I use wind-dried hams as an example, although judging from your expression, Mr. Deputy Speaker, they sound delicious to you. That is why retailers are interested in trying to produce more of them.

Obviously there is a way forward for people who are able to develop businesses in this way. As we have seen today, interest rates are coming down. This too gives farmers an opportunity to develop their own marketing enterprises and secure a place alongside the big retailers.

I am extremely pleased that the interest rate under the loan guarantee scheme for small businesses has been dropped by two percentage points and that farmers who came forward with marketing schemes are eligible, as they are eligible for group marketing grants. I am glad that my right hon. Friend is setting up a review to make the scheme more flexible and to ensure that the rules under which it operates are a great deal more straightforward.

In the Ministry of Agriculture, there is a tremendous move afoot to slash red tape. I am very pleased about that, as we hear daily about how much difficulty there is. There is the annual sheep premium. There is the change in the date for claiming headage payments, and support for suckler herds is becoming more and more arduous. Farmers are expected to do more to claim grants, and I understand that in some markets, to cover the cost of veterinary inspection in slaughterhouses, a surcharge is being imposed on farmers who sell their produce in those markets.

That is not right, and I hope that this drive to sweep away regulation and make the farmer's lot a little easier will be continued with gusto. Change is rolling forward. More and more farmers are realising that their best future depends on the changes proposed in the Bill. Opportunities are to be found in a freer market, as David Naish says.

I turn now to milk marketing. In the past few weeks, hon. Members who are interested in this subject and in other agricultural matters, have been approached by the milk marketing boards, or Milk Marque—my hon. Friend the Member for Batley and Spen (Mrs. Peacock) has spoken with some passion about this matter—and we have been approached by Nestlé and Unigate. Every meeting has been interesting and has helped us to understand some of the opportunities that lie ahead for the farmers. Milk Marque has spoken with great confidence about the future and about its hope of persuading many farmers to stay with it.

It is quite right that many of them should gain more confidence by doing just that. The milk marketing organisation has behind it 60 years of history and of service to the farmer. However, we are concerned not about the last 60 years but about the next 60. The milk marketing boards have a fine reputation and a large following of dedicated farmers, but they must be careful not to sully their reputation by trying to persuade farmers to jump into trading with them, come what may. Historically, they have been rather wooden in their efforts to increase farmers' returns.

There is no doubt that Dairy Crest has been favoured with surplus milk. Dairy Crest deals only in low-value products—milk powder and butter. At least, that is one of its main interests. This is what has been done with the surplus milk. It is the cheapest means of getting rid of it. But, as the milk marketing boards have said in the past, "Milk is milk, and if you want to buy from us you will have to take what we give you." In no way have the boards been willing to tailor milk to what the end user requires. The days of milk being just milk are coming to an end. Much more attention must be paid to the opportunities to increase the returns to the farmer.

I was rather shocked by something that my farmer friend said to me on the telephone this morning. He said that the milk marketing board is currently paying him 21p a litre but that it proposes, from April next year, to pay 27p a litre. I should like to know why this man, who is never slow to express his opinions to me, did not chase the board to give him 27p a litre now. What is going to change between now and next April, apart from the fact that the board will have to face up to the real world?

As other hon. Members have said, there is a feeling that the milk marketing boards are giving an uncompetitive edge to Milk Marque, as they are picking up the cost of promoting it. We have heard about the transport fleet, the property currently owned by the boards, including the large office in Thames Ditton and many depots throughout the country, and I understand that they own three large farms. How will those who do not opt in to Milk Marque share in these assets, to which they have contributed?

There are the questions of Genus, central testing and national milk recording. My farmer friend, who is going to join Milk Marque, says that the visits made by the national milk recording staff do not matter—lots of people visit his farm—but the visits of the milk recorders are very intimate matters. A recorder knows precisely what a farmer's cows are producing and how his costings are arranged, and that will give Milk Marque an unfair advantage. As other hon. Members have said, the assets should be separated from Milk Marque, and all those who are to share in the flotation of Dairy Crest should share in them.

Another matter that has come to my attention has rather alarmed me. A circular that the milk marketing organisation has sent to some of its existing buyers says:

"1. We may not be able to supply you with any milk at all if you have declined to submit an intention to purchase form.

2. Your priority return may be scaled down or ignored if it appears not to be a bona fide estimate of your own business needs.

3. We will regard it as part of our responsibility to establish a fair rationing system amongst our customers if there should prove to be a shortage of milk."

If that is not an attempt to put the elbow on some users and on some farmers by saying that they will have a share in the assets to which I have referred, I should like to know what would be. I hope that my right hon. Friend the Minister, in summing up, will be able to say something about this matter.

I am sure that Milk Marque, whatever form it takes, will be successful. If it captures, say, 88 per cent. of the market, who will regulate the market? My right hon. Friend spoke of his distaste for the concept of Ofmilk but said that his mind was still open. Some comment on this

[Mr. Paul Marland]

question in the summing-up speech would be very helpful. We should like to hear exactly what my right hon. Friend's thoughts are now.

I should like to refer to some other points that were put to my hon. Friends and myself at our meetings with the processors. They all feel that there are great opportunities ahead for producers, and, of course, for themselves, to promote British food. The manufacturers want to trade direct with farmers, and will be able to pay them a premium if they tailor the milk they produce to what is needed for the manufacturing process.

We know that there are creameries and manufacturing establishments in isolated areas throughout the country —for example, in St. Erth and Haverfordwest, where Unigate has large manufacturing plants. If these plants are to have a successful future in difficult circumstances, and if the farmers are to have a premium, persuading them to deal direct and produce tailor-made milk will reduce the costs of the manufacturer and enhance the returns.

People talk also about the possibility of imported milk. At the moment, the only liquid milk imported into this country is treated milk and, as I understand it, the cost of moving liquid milk is very high or, at least, is a large proportion of the cost of what is a fairly low value product. That is not on. Many other fears that are being expressed by the farmers about manufacturers going abroad to buy liquid milk are, I believe, ill founded, because I really do not believe they will.

Northern Milk Partnership is another company with which we have been having discussions. It has issued thousands of prospectuses, it tells us, of details that it will send out for its contracts, and good luck to it.

The milk manufacturers have told hon. Members that, it they can achieve a satisfactory transition, the United Kingdom consumer can look forward to greater price stability, and even wider range of innovative and good-quality, added-value products, made here in the United Kingdom and, I hope, an end to having to depend on the French so much to send in the more exciting and unusual milk products that we have been consuming in this country.

I turn to the potato board for a moment, although I do not have many potato growers in my constituency. The hon. Member for Pembroke (Mr. Ainger) read out a letter from a potato grower in his constituency. May I read out part of a letter I received from the secretary of the Potato Growers Action Group? He says:

"Large numbers of farmers now oppose the PMB since it lost import controls in 1979. From that date, its main aim of matching supply to demand became obsolete. By imposing restrictive quotas on UK growers, all it has done is create a gap for imports to fill."

This gap has been filled at the end of the food chain by imported foreign processed potatoes. This is especially disappointing as processed potatoes is where the major growth is in the potato market, and importing processed potatoes denies manufacturers in this country the opportunity of creating work for our own citizens.

Mr. Elliot Morley (Glanford and Scunthorpe): The hon. Gentleman has mentioned an action group. Will he accept that a letter was recently published in the farming press from an organisation of that name? It was immediately denounced in following editions of the paper by a great many individual potato producers, who made it clear, as has the National Farmers Union, that the majority of potato processors support the PMB and feel that it has done a very good job for the producers. Does he accept that it is a minority view that he is putting to the House?

Mr. Marland: No, it is not a minority view. We have had discussions with potato producers, and a number of them are very sceptical of the benefits of the potato board. They are not such a small number.

To carry on with the letter:

"The Board contradicts itself in claiming low prices to consumers and high prices to growers, depending upon whom it is speaking to at the time. In fact, the weather has a greater effect on price than the Board."

To be quite honest, not one potato grower has contacted me to say that he is anxious to see the continuation of the potato marketing board.

The Bill heralds a new era of opportunity for farmers, manufacturers and consumers and will, I hope, ensure that more high-quality, added-value products are made in Britain, to be eaten in Britain and exported to Europe and to the rest of the world.

8.43 pm

Mr. Ieuan Wyn Jones (Ynys Môn): We have heard a number of interesting contributions tonight. I must tell the hon. Member for Gloucestershire, West (Mr. Marland), with whom I share space on the Select Committee on Agriculture, that his was the first voice tonight in favour of the abolition of the Potato Marketing Board. The vast majority of hon. Members who have spoken in the debate have supported its retention, at least for a period. His was a minority view.

What has united both sides of the House is the tributes paid to the milk marketing board and its work over the 60 years of its existence. During that time, it has served the milk sector extremely well. We should not forget the circumstances which lead to its creation as a statutory body in the 1930s. At that time, many farmers faced a crisis of monumental proportions. Bankruptcies were commonplace, and small farmers were at the mercy of the free market. Many were driven to the wall.

It is not surprising, therefore, against that background, that many in the industry view the demise of the board as a statutory body with considerable dismay. It has served milk producers very well. The monthly pay cheque, guaranteed, with regular collection throughout the year, irrespective of location, has been an anchor of certainty in an industry which has seen its fair share of turbulence in recent years.

However, it has been clear for some time that the dairy sector itself is going through a period of profound change and the uncertainty which that inevitably involves. The main changes have been happening in the marketplace. As was said in another place on Second Reading:

"The days are long since gone when British milk was consumed almost exclusively as butter, cheddar cheese and silver top milk."—[*Official Report, House of Lords*, 23 November 1992, Vol. 540, c. 798.]

The dairy market has seen enormous changes in consumer demand and preferences. We now eat considerably more yoghurt and a large range of other products—for example, soft cheeses, which are now consumed in vast quantities—and over 40 per cent. of

drinking milk in England and Wales is purchased in skimmed or semi-skimmed form. We have even seen a sharp decline in the doorstep delivery of milk.

Since a question mark exists over the MMB's exclusive purchasing right of low fat milk, there is no doubt that the board as currently constituted stands at a crossroads. Should the board's powers be amended to take into account these changes in consumer demand or should the statutory powers be abolished? Many producers will feel worried by the approach that has been adopted by the Government but, given that they have adopted this approach, we need to consider the impact of the changes.

Many small producers, in particular, will welcome the proposal to establish a voluntary co-operative for England and Wales—it gives them relative security in the short term. However, they will need assurances on a continuing commitment to collection and regular payment, wherever their farms are located. Farmers located in isolated rural areas, such as those that I represent, will feel vulnerable and will fear that their collection costs will increase over time. This could lead to an increasing concentration of milk production on the fringes of urban areas where collection and delivery costs are much lower. We need some assurances on this matter.

In recent years, when farmers have asked me for my advice as to whether they should dispose of their milk quota, I have told them that on no account should they do so, since it gives them a regular cheque and provides them with certainty in a market which is changing rapidly. However, those who will maintain milk production in isolated rural areas need assurances about the new regime.

One of the most telling arguments in favour of a powerful voluntary co-op is the strength of the multiple retailers. It is a fact that 79 per cent. of the United Kingdom market for dairy products is in the hands of the multiple retailers, and that four of the largest multiples command no less than 75 per cent. of the market. Farmers, therefore, operating through co-ops, have considerable strength to negotiate with retailers; standing outside a co-operative, they face the danger of being picked off one by one.

We must not forget the position of small producer co-operatives; their interests also need to be protected. Many have complained that they have had difficulty in obtaining sufficient milk and that, under new arrangements, they must be given opportunities to secure sufficient quantities of milk for their plants. Many play a valuable role in maintaining the economy of rural areas and provide much needed jobs in those areas. We would welcome an assurance from the Minister which built on his intervention to the hon. Member for Carmarthen (Mr. Williams).

It is important that Milk Marque, or whichever successor body is set up, does not administer the quota system. It should be transferred to an independent body, which would also maintain an important statistical database. That would ensure the maintenance of commercial confidentiality.

Research and development are regarded as important by the farming industry. The idea of a development council is a good one. Proper research and development are vital for any industry, especially the milk industry, which faces great challenges. Can the Government give an assurance about their commitment to the continuation of research and development and ensure, if necessary, that sufficient funding is given to that end? The lack of proper research and development is hampering much of the industry in the United Kingdom today.

On potato marketing, hon. Members from both sides of the House have said that it is extremely premature for the Government to call for the demise of the potato marketing scheme. Farming unions, as well as potato producers, oppose the Government's decision to revoke the scheme. A former Minister of Agriculture, the right hon. Member for Westmorland and Lonsdale (Mr. Jopling) said that, since 1989, the potato marketing scheme has adapted to changing conditions and that targeted areas for potatoes have been expanded specifically to accommodate growth sectors in industry. Many growers have invested heavily in potato storage following the Government's review in 1989, and they would be let down badly by an early end to the scheme.

I regret the Government's decision to terminate the existing guarantees for wool. A sudden ending of the wool guarantee this year will have a damaging effect on the income of wool producers at a time when world market prices are depressed and sheep farmers face cuts in hill livestock compensatory allowance payments. We should remember that the economy of many areas where there are hill farmers is extremely fragile, and that to withdraw the wool guarantee this year would be a severe mistake. The way in which it will be withdrawn has been deplored by the farming unions. We should at least have proper parliamentary scrutiny of the decision. We believe that the wool guarantee should be retained at least for the time being, to enable the industry to stabilise.

I have highlighted several matters of great concern to hon. Members who represent farmers in Wales. I hope that the Government will take those matters on board.

8.52 pm

Mr. Christopher Gill (Ludlow): I thank you, Mr. Deputy Speaker, for calling me at a time in the debate when the Front Bench is full. I thank my right hon. Friend the Minister for obtaining the information which I requested earlier. I understand that, for clause 53(4), we should read 54(4).

I do not underestimate the Government's difficulties in these considerations. It is always much easier to take an industry into state control than to liberate it from the shackles of such control. Essentially, this Bill is about liberating the food and farming industry from certain aspects which could, broadly speaking, be termed state control. The Minister must be pleased that the Bill is generally, if not always enthusiastically, welcomed.

Mr. Home Robertson: Who by?

Mr. Christopher Gill: If the hon. Gentleman wants to make interventions from a sedentary position, I will do my best to deal with them if he speaks up, but it would be much easier if he made them in a more formal way.

Mr. Deputy Speaker: Order. No hon. Member should be making sedentary interventions.

Mr. Home Robertson: Perhaps the hon. Member for Ludlow (Mr. Gill) can tell me exactly who on earth welcomes the provisions of the Bill?

Mr. Gill: Many hon. Members have welcomed many aspects of the Bill, and I stand before the House doing exactly that. However, I point out to the Minister that

[Mr. Gill]

many safeguards will be sought and, especially in the case of the milk and dairy industries, must be given. I hope that the safeguards and assurances that the industry seek will be forthcoming. I am confident that my right hon. Friend the Minister recognises that failure to accommodate the major concerns of the industry will lead to investment plans being delayed, cancelled or even taken abroad.

I recognise the dilemma that my right hon. Friend the Minister faces in trying to reconcile his free market views and instincts within the straightjacket of the managed market imposed by the common agricultural policy. That is nowhere more apparent than in the dairy sector, where a structural deficit of milk in the United Kingdom will tend to inhibit entrepreneurial activity and import substitution. My right hon. Friend reminded the House that the United Kingdom must put its milk to the best use, and he instanced how the Bill would liberate the creative potential of our industry to do just that.

In the context of the views and opinions of people who add value to the product—the processors—I want to make a few further comments. My right hon. Friend said that we must not be left with the commodity end of the business. Obviously, we must concentrate on adding value wherever we can. The concern of the processing industry is well expressed by the Food and Drink Federation, which makes the point that milk and dairy products are major and essential ingredients for food and drink manufacture and that the availability of supplies and the price of milk and dairy products are central to the ability of manufacturers to meet consumer demands.

Manufacturers are seeking a marketing system which ensures regular availability of high quality supplies and which is as open, competitive, efficient and genuinely market based as possible, given the constraints of the European Community milk quota system. They are highly concerned, however, that if the Bill's provisions are introduced in their present form a free market for milk will not be the end result. Manufacturers seek assurances that the terms of transfer of the assets of the milk marketing boards will not be such as to press milk producers unduly to join only successor bodies to the milk marketing boards.

Manufacturers with plant in Scotland and Northern Ireland are concerned that if, as is currently envisaged, the milk marketing boards in those regions are permitted to retain their processor capacity, users will face unfair competition. They also seek assurances that the reorganisation in milk marketing will ensure the development of competition in the market, and about how that will be supervised. The Bill will have failed manufacturers and consumers if it results in a statutory monopoly to market milk being replaced with an uncontrolled voluntary monopoly. Lastly, manufacturers want the Bill to provide full consultation for all interested parties on details of successor schemes. Of course, that theme has been repeated in other speeches today.

I support the amendments introduced in another place in relation to potatoes. In common with other right hon. and hon. Members who have spoken today, I welcome the assurance by my right hon. Friend the Minister of Agriculture that he will not seek to reverse those amendments.

In my experience, the potato industry has difficulty in accepting the end of the potato quota at a time when the quota system has been extended into other sectors of agriculture. I query the premise that the price of potatoes will not fluctuate widely in a totally free market. I draw the attention of the House to what happens in another totally free and unsubsidised sector of the food and farming industry. Twelve months ago the price of pigmeat was about 128p per kilo, whereas eight months previously it has been about 79p per kilo. In an eight-month period, there was a massive fluctuation of about 62 per cent. in the price of that raw material. I repeat that that was in a market which is totally unsubsidised, free and subject to market forces.

Mr. Curry: None the less, I do not think that the hon. Gentleman has heard any pig producers asking for a heavy intervention regime in pigmeat. They appear to think that that system, with all its fluctuations, is still the best.

Mr. Gill: My hon. Friend is right. Those who are associated with the pig industry on either side of the farm gate take that view. They support the concept of earning a living by the market, they accept the workings of the market and market forces, but it is difficult to run an industry in which the raw material has such volatility. In my experience, it means that when the producer is making money, the processor is probably losing money. Conversely, when the producer is losing money, the processor is probably making money.

For a long time, I have believed that, for many agricultural products, there is only one profit in the whole production and processing cycle. I was pleased to hear that view supported by Sir Alistair Grant, the chairman of Safeway, speaking on the farming programme this morning. I am led to the conclusion that I should support the opinion of potato growers in the Ludlow constituency, as endorsed by the National Farmers Union nationally, that the potato marketing scheme should not be summarily dismissed and that, under the principle of subsidiarity, the Government should support the concept of allowing the British potato industry to work out its own salvation over a reasonable period.

Will my hon. Friend the Minister please investigate the system of area and plant royalty levies, which threatens to put seed potato producers such as Shropshire Highland Seeds in my constituency out of business when a free market in potatoes is created?

Another aspect of the Bill is grants for marketing. A curious belief still persists that there is a continuing willingness on the part of the taxpayer to fund such operations. I express some disappointment at the apparent lack of faith in market solutions to essentially market problems. I remind my right hon. and hon. Friends of the old maxim that the road to hell is paved with good intentions. I ask them to consider the effect of earlier grant schemes, particularly on the production side of our industry, which led to serious structural surpluses and over-capacity, all at a huge cost to the taxpayer. As often as not, that has been to the benefit of big businesses rather than, as perhaps was intended, to the benefit of small farmers and small businesses.

I recognise that the Bill is an enabling Bill, and I am, of course, conscious of a previous enabling Bill. I refer to the Food Safety Bill, which I supported with enthusiasm. I remember saying at the time that it contained nothing to which a bona fide food handler could possibly take exception. Had anyone told me that, as a result of the

plethora of regulations it triggered, farmers' wives in my constituency wishing to provide bed-and-breakfast accommodation would have to have their kitchens completely revamped, I might have taken a contrary view.

I draw the attention of the House to clause 54 of the Bill, which says:

"An order or regulations under this Act may include such supplementary, incidental, consequential or transitional provisions as appear to the person making it to be necessary or expedient".

I remind Ministers that we are committed as a Government to deregulation and that this industry and other industries—one might say the butcher, the baker and the candlestick maker—are fed up with too many rules and regulations. The Government simply have to get off the backs of the wealth creators or risk killing the goose that lays the golden eggs.

9.5 pm

Mr. William Ross (Londonderry, East): I intervene in this debate simply because it is intended to extend this Bill by prayable order to Northern Ireland and that is not something that either I or anyone else on this Bench ever welcome.

We should not allow the somewhat bland language of the Bill to conceal the fact that in it we are transferring from this House to Europe a very large authority—and one of the final chunks—that we have remaining over agriculture in this country. That has not so far been mentioned in the debate.

If we are to end these sytems which have served agriculture so well, they should be replaced only by a system which keeps the strengths given to the primary producer by the present schemes.

I expect to hear calls from the processors. They are protesting loudly about vertical integration but I do not hear similar protests about vertical integration when the beneficiaries are the retailers or those who process in that vertical integration. The protests arise because the intention seems to be that this would be a primary producer controlled vertical integration and I, as an ex-farmer, applaud that.

I find it amazing that, when the Minister was introducing the Bill today he was busily talking about abolishing quotas on potatoes but said not a word about abolishing milk quotas or quotas or other goods. He said that we would get rid of quotas on potatoes but keep them on other goods. Why is there this divided opinion on the Government Bench? There must be some reason for it. Perhaps we could have an explanation.

There is no point in talking about a competitive situation in milk and complaining about problems of supply when the shortages of supply about which there are complaints simply arise from the quotas on production of milk in this country. If one wants a really competitive supply, one has to get rid of quotas, and that is mighty difficult to do. That is the reality of the situation that no one here wants to face.

There is real concern about the powers being given to Ministers over any successor organisations. That concern is widespread in the agriculture community.

A number of hon. Members opposite also seem to have forgotten that we have a land frontier in this nation, and it is a land frontier across which raw milk has flowed in considerable quantities over the past few years. That concerns many people in Northern Ireland because we are concerned about how the Northern Ireland milk processing industry will develop and whether any of it will move into the hands of a foreign state which would use it to the benefit of their farmers, so that we would be exporting jobs along with the milk processing.

We are entering a free market situation. Milk is one of the foundation stones of Ulster agriculture and we wish to protect it because it is vital to the whole farming community there. We want a system which is co-operative, firmly based on Northern Ireland producers and controlled by them because they will have the wit to look after their own welfare rather than leaving it in the hands of processors when processing can be sold, right, left and centre to anyone in the world who will use it purely for their own benefit without any concern for the agricultural community.

I understand that the milk marketing board in Northern Ireland wants to effect the change as soon as possible. There is a time scale problem here, because even if the Bill gets Royal assent by July, the Northern Ireland order may not come until the autumn. That will mean that we are at least three months behind and it will be almost impossible to make the conversion date of 1 April next year. I understand that there were problems with the Scottish milk marketing board, with the Monopolies and Mergers Commission and the Office of Fair Trading; I ask the Northern Ireland Minister, who is present on the Front Bench, to remember that there is a great difference in the way in which the milk is split up and handled in the Province.

As for potatoes, I know a fair bit about them because for many years we grew the basic seed propagation for the whole of Northern Ireland on our farm, and I have probably seen more varieties of potatoes than most hon. Members—the reality is that they are a high-cost crop with very variable costs.

There is the problem in Northern Ireland that the potatoes which we grow are very often seed potatoes. They are seed varieties which are of no use in Northern Ireland because they are not grown to produce ware in the British climate; they are grown to produce a ware crop in a continental or north African climate. The Minister is well aware of that. Therefore, we find ourselves this year with a huge number of seed potatoes, while the market has collapsed completely from a sale of £18 million to £9 million. They are potatoes which nobody wants; they are totally useless.

We are also caught by the fact that, although we produce very high quality seed, this year's ware is a very high yield. The seed has not gone, but is sitting there. I know of one farmer in my constituency who has 4,000 tonnes in stock; it is perfectly good seed, but nobody wants it. There is such a huge variation in the price of varieties in Northern Ireland that a stock scheme simply cannot be triggered. There are potatoes in Northern Ireland which are selling at a perfectly good price. The English growers have the salvation of a £35 differential for shipping across the Channel from the continent. We have the problem of shipping them over here and we need some sort of a stockfeed scheme very rapidly indeed.

I know that the Minister has been given all the figures and is aware of the problem. I hope that he will make some effort to help seed potato growers in Northern Ireland, because that is a trade which will come back. Those people who buy our seed potatoes have disease problems after a

[Mr. William Ross]

year or so and have to come back to the northern producers to get healthy stock. They will be back, and I do not want them to come back and find nothing there.

I do not think that the Government have been very helpful to the Northern Ireland producers this year. I understand that 2,000 tonnes of seed potatoes were sent out by the Overseas Development Agency—a Government agency—to Bosnia. They did not go to tender for these, and the price was £140 per tonne. Apparently they all came from one source in Scotland—a perfectly good source I have no doubt, but if they had gone to Northern Ireland they could have had 2,000 tonnes in two days for a lot less than £140 a tonne. I understand that the producers in Scotland got £70 a tonne, so somebody was making a lot of money out of Bosnia. The Government have not handled that one very well and we are most unhappy about it, but we hope that they will do somewhat better in the future.

There is much more that not only I but other hon. Members would like to have said in this debate, but time has run out. I have tried to touch very briefly on the concerns we have, and I hope that we shall get satisfactory answers before the day is done.

9.13 pm

Mr. Peter Atkinson (Hexham): I realise that I am up against the clock and I will make my intervention extremely brief so that the wind-up speeches can start on time.

I share the opinion of other Conservative Members about what will happen to the residue of the milk marketing boards, in particular testing, national data recording and Genus. I agree that it would be wrong to pass those over to Milk Marque.

I have a solution that I can offer briefly to my right hon. Friend about what he should do, particularly with regard to national milk recording. If it is freed from the milk marketing boards, it will be able to sit very well in the new animal data centre which the National Centre for Animal Statistics wants to set up for the livestock industry. The NCAS is based in my constituency and the new centre will be well worth supporting. The danger is that if we go ahead without moving the milk records away from Milk Marque, the records will be scattered all over the place. It is vital for the livestock industry in Britain that those records are kept together.

I believe that, under a development council, the animal data centre could provide the livestock industry with an extremely valuable database and be of immeasurable value to future generations, and I urge my right hon. Friend to consider that when he sorts out the final details of the milk marketing boards.

9.16 pm

Mr. D. N. Campbell-Savours (Workington): We have had an interesting debate, including a chirpy little speech from the Minister which I am sure the burghers of Peckham will well enjoy.

It has been a delayed debate because the Bill has been a casualty of Maastricht. Last week's *Farming News* went as far as suggesting that the Government were pulling the Bill out—no such luck. The overwhelming view of the House tonight has been that the marketing boards—in particular the milk marketing boards—have served the country well.

Lest we forget the measure of stability that the milk marketing board has brought to British agriculture, we need do no more than read *Hansard* debates of the early 1930s prior to the original scheme being set up. The horror stories of milk production difficulties in the 1920s and early 1930s are legion in the industry and those days must never be allowed to return.

The milk marketing boards' cheque has saved the British dairy industry: that point was put eloquently by the right hon. Member for Westmorland and Lonsdale (Mr. Jopling).

One of the biggest threats to the boards was in 1978. I pay tribute to the shadow Minister of Agriculture, my hon. Friend the Member for Edinburgh, East (Dr. Strang) who, with the late John Silkin, successfully secured concessions enabling the milk marketing board to survive. I know that the entire British dairy industry is grateful to my hon. Friend.

Marketing boards in the United Kingdom have been enormously successful, not least the Potato Marketing Board which was alluded to by my hon. Friend the Member for East Lothian (Mr. Home Robertson). Despite occasional difficulties, it has been an important component in market stability over a large number of years; a tightly policed target area, combined with intervention arrangements—the existence of a non-tariff barrier, in the form of a £32-plus channel crossing charge on imports, to which the Minister referred—have produced a relatively stable potato sector.

The problem is that the processors are not getting what they need at the right price and we acknowledge the difficulty. A way round that dilemma has to be found, as the hon. Member for Cambridgeshire, North-East (Mr. Moss) said. However, I am not convinced that the Government's proposals for a totally free market provide the answer. The official Opposition cannot sit on their hands and watch a part of the British potato industry driven into bankruptcy on the altar of Government ideology. We will therefore go into Committee primed to respond to, or to initiate, any compromise suggestion that secures the survival of the board, perhaps under a revised scheme.

It is a pity that the industry—that, is the producers and the processors—has not been able to draw up a revised scheme that the Minister could sell to the Community. However, we must avoid at all costs a scheme based on intervention which costs the taxpayer money. I know that that has been discussed by the industry in recent weeks, but I make it absolutely clear that it is not on Labour's agenda and I understand that it is not on the Government's.

The sight of potato mountains being destroyed in France and, to some extent, in Northern Ireland may invite calls for public subsidy, and there is evidence to suggest that that is precisely what is happening in Europe, but that is not the answer. Where quotas avoid state intervention and public subsidy we should never be too hasty to remove them, which is why we see some merit in the revision of the scheme, rather than its abolition.

The official Opposition are deeply concerned about the Government's proposals for wool—a matter which the hon. Member for Batley and Spen (Mrs. Peacock) alluded to in an interesting contribution. We are acutely conscious of the problems faced by Britain's sheep farmers. As I said

during the most recent debate on hill livestock compensatory allowance payments, we believe that, to some extent, that problem can be dealt with in the marketplace, with an assault by Britain's lamb producers on the European sheep markets where prices are substantially higher. Nevertheless, until higher lamb prices are available to farmers, we strongly believe in the principle of a wool scheme that supplements low incomes in much of the sheep sector.

On milk and the Government's proposals for reorganisation, we believe that the milk marketing boards could have survived and would have done so under a Labour Government. We recognise that a number of difficulties have arisen, all of which have been alluded to during the debate. A series of challenges to the boards' powers have effectively undermined its strategic position in the marketplace.

The activities of Botfari, the Cheshire company acting as a contract processor, having eaten into the board's powers as a monopoly purchaser. Equally, the heat-treated and low-fat milk cases, while being pursued with various degrees of success and failure, served to challenge the role of the milk marketing board as exclusive purchaser in the market place. We are, therefore, faced with the need to address a reality—a real change in circumstances—and it is in that light, and with that in mind, that the official Opposition will play a highly constructive role during the debate in Committee.

Mr. Mark Robinson (Somerton and Frome): Can the hon. Member enlighten me that I am hearing correctly? From what he is saying, the Government had no choice but to introduce the Agriculture Bill.

Mr. Campbell-Savours: I have not said that—indeed, we shall oppose the Bill. I have suggested that we could have retained the milk marketing board but amended its powers. In Committee we shall argue that case.

We want a strong Milk Marque and a level playing field for processors to organise contracts with producers. We have set ourselves a number of objectives for the Committee stage, all of which are founded on the need to retain an orderly market in the supply of milk. We are acutely aware of the need for legislation to be framed in such a way as to balance carefully the interests of direct contract processors and of Milk Marque, acting as a broker. In that light, we shall wish to ensure that the successor organisation to the milk marketing board is not able to manipulate the market through the abuse of its market share or through the restricted availability of any of its retained assets.

The legislation, if properly framed at the enabling stage and in any subsequent orders, should relieve the Dairy Trade Federation or its members of the need to go to the Office of Fair Trading or to the competition authorities in the European Community.

One measure of the success of the Bill will be whether it can be implemented without driving the processors into appeal procedures on reorganisation of the market.

My hon. Friend the Member for Bristol, East (Ms Corston) emphasised the concerns of processors in her constituency about that issue. We shall want to ensure that the Bill provides for the widest possible consultation with producers and processors of milk prior to any reorganisation schemes being approved by Ministers. We are tabling a number of amendments to deal with that process.

We believe that the Dairy Trade Federation has argued fairly for a number of co-operatives to be established under alternative arrangements. It may well be that, as the market develops, a number of new co-operatives will be formed. The question is whether, at the legislative stage, Ministers should have those other arrangements in mind when deciding whether or not to approve the board's proposals.

Mr. Martyn Jones (Clwyd, South-East): I am sorry to disturb my hon. Friend in full flow, but is not one problem for producers, particularly in less-favoured areas such as mine, that they could be picked off by a buyer other than the milk marketing board's successor? Those producers would then be forced out of business because their milk could not be cross-subsidised by the milk marketing board's successor.

Mr. Campbell-Savours: My hon. Friend raises an important issue, with which I shall deal later.

Some people argue that for Milk Marque to be strong in the marketplace it does not necessarily need 80 per cent. of the milk suppliers. We shall no doubt debate such matters at length in Committee.

The hon. Member for Cornwall, North (Mr. Tyler) raised the issue of consumer interests. Before Second Reading, the debate has been characterised by far too little consideration of that vital interest. Apart from comments by the National Consumer Council, there has been almost no discussion in the industry on those subjects. The result has been that a number of developments are proposed which, combined with devaluation of the green pound, have major implications for the processing industry in the United Kingdom.

The formidable and confidence-inspiring Mr. Andrew Dare, chief executive of the English and Welsh milk marketing board, is making statements that cause much concern. Two weeks ago he announced on the radio that Milk Marque would be charging more than 27p per litre. In that interview he failed to say that, within the 15-month period between December 1992 and April 1994, the manufacturing milk price—if one takes the Milk Marque proposed supply price and the green pound devaluation into account—will have risen by almost 35 per cent. for butter powdered milk, almost 35 per cent. for Cheddar cheese milk and almost 37 per cent. for short-life products such as yoghurt and cream.

In the processing industry, milk forms 35 per cent. of the production cost for yoghurt, 40 to 45 per cent. for the liquid milk and 75 to 80 per cent. for butter and skimmed milk powder production. It is clear that increases of that magnitude, which will be imposed on processors and passed on to the consumer, will have major implications, not only for jobs in the processing industry, but for the housewife who will pay more.

Devaluation is one thing, but a predatory Milk Marque acting against the public interest is another. Those early attempts to manipulate the price of milk—which the board justified on the basis of guide pricing—and attempts to influence the flow of contracts, point to Milk Marque effectively becoming a voluntary monopoly. That is unacceptable. We want a strong Milk Marque, but not one that means that free and effective arbitration procedures

[Mr. Campbell-Savours]

can drive up the price of milk in conditions of deficit milk supply and then undermine employment in the processing industry.

I should like to quote an article in *The Grocer* of earlier this year. Under the heading,

"Milk price increases take toll on trade",

it says:

"Cheshire cheese manufacturers are turning tankers away in an effort to limit losses resulting from this year's £330 a tonne increase in the milk price. The £100 a tonne extra they received from buyers in January merely compensated for raw material cost rises last autumn".

That was the increase gained from the green pound devaluation.

"John Fishburne, chairman of Crewe-based Hankelow Foods, went on to say, 'Recouping the remainder from competitive retailers is not easy. In order to keep loss-making stocks to a minimum, Hankelow is only taking four tankers a week into its dairy instead of the usual seven'."

So the writing is on the wall; let the market beware.

There has been a price hike, in this case arising out of the devaluation of the green pound. The next price hike arises out of deregulation and the abolition of the milk marketing scheme. A number of processors in the United Kingdom find their viability at risk unless there is a restraining factor in the marketplace—that is why I asked the Minister my question about arbitration in the market.

Although I accept that the single European market, following devaluation, brings new opportunities for British dairy exports, an inflated milk price can only cause harm to domestic markets. It is likely that we will have to find some means of arbitration in the new deregulated market. These are matters for Committee. The response of the processors, despite the DTF's protests, has been muted. It seems that they do not want to upset Milk Marque and the formidable Mr. Dare. Equally, they seem to believe that the consumer, faced with no other choice, will simply bear the price increases.

This is just not good enough. A great deal of concern —to answer the point raised by my hon. Friend the Member for Clwyd, South-West (Mr. Jones)—has been expressed about the position of low volume milk producers and those who run dairy operations away from processing plants in the more remote parts of the United Kingdom. I was particularly struck by some polling data from the south-west of England, where marginality is such an issue that farmers feel that they must support Milk Marque. Mr. Dare's apparent announcement that Milk Marque will remain, in effect, the buyer of last resort, although helpful as a reassurance to the industry, needs fleshing out and reinforcing in Committee, where we shall press these matters.

We shall also press the case for new entrants to the processing industry who, we hope, within the dynamics of the new marketplace, will have access to sensibly priced milk supplies—a point made by the hon. Member for Richmond, Yorks (Mr. Hague).

We accept that innovation is invariably sparked off in conditions of competitive risk, but competition should not snuff out the potential for such innovation. Much debate has taken place on the milk marketing board's assets and there has been a great deal of exaggeration outside the House of the asset value of Dairy Crest and of the size of the cheque that the producers can expect when it is floated.

The Scottish milk marketing board has fought fiercely for vertical integration, and I have much sympathy with its argument—which, in the light of recent rulings, it would appear to have lost. Northern Ireland has similarly argued its corner; no doubt in Committee we shall pursue the cases put by these boards in greater detail. I give the hon. Member for Londonderry, East (Mr. Ross) that assurance.

There is also, however, the question of the other assets held by the MMB—especially Genus, national milk records and central testing. The instinct of Labour Members favours supporting the retention of many of these assets in the successor body, but that position is not engraved on tablets of stone. We believe that the Committee stage provides some opportunity for further detailed consideration. We hope that the Government, while not having to approve schemes at this stage, will sound out the views of Committee members before taking any decisions.

It would be quite improper of the Government to argue that these matters are for Milk Marque. In our view, those are matters for the Government, in that the wrong decision on approvals could distort the flow of contracts between producers, processors and Milk Marque—a point raised by the hon. Members for Gloucestershire, West (Mr. Marland) and for Ludlow (Mr. Gill). They expressed deep concern on those matters, which we shall be following up in Committee.

The Bill is interesting, but it is highly controversial. There are major flaws at its heart. First, it winds up the wool marketing scheme without paying any regard to the problems of sheep farming incomes in the United Kingdom. Amendments to mitigate the damage were moved in the Lords, but they were rejected. We shall try again in the Commons.

Secondly, the Bill abolishes the potato marketing scheme and will drive the United Kingdom's potato producers into a free market. The inevitable consequence of that policy will be widespread bankruptcies. A number of hon. Members have made that point, if not used that language. That includes my hon. Friends the Members for East Lothian and for Pembroke (Mr. Ainger), the right hon. Member for Westmoreland and Lonsdale and the hon. Members for Richmond, Yorks, for East Lindsey (Sir P. Tapsell) and for Cambridgeshire, North-East. All have emphasised the damage that could be done to the industry if the Government go down the route that they have selected.

Thirdly, the Bill leaves the pricing of milk to free market forces, with major implications for the consumer and the processor. We are most uneasy about that approach. Jobs may be at stake. With those considerations in mind, we feel that we have no option but to divide the House. I ask hon. Members to join us in opposing the Bill.

9.36 pm

The Minister of State, Ministry of Agriculture, Fisheries and Food (Mr. David Curry): The speech of the hon. Member for Workington (Mr. Campbell-Savours) boded well for the Committee because it seemed that we would have a genuine debate about the Bill. The Bill is about how markets operate—a fascinating subject. Only in his last few moments did the hon. Gentleman revert to an apocalyptic vision of what he thinks will happen. I am sure that we will be able to reassure him that that will not be the

case. After all, apocalypse now is what the dairy producers predicted when reform of the milk marketing system was first considered. Now, that argument has been won and people are talking merely about how we get from here to where everybody acknowledges we should be. The argument has been won on milk and the arguments on potatoes is one which we will win, and win by persuasion.

We have been debating three major commodities—milk, potatoes and wool. I join all hon. Members who have paid tribute to the long generations of milk marketing boards. We recognise the role that they have played both in rescuing the industry in the 1930s and in carrying it forward. It is no part of the Bill to confer a denigratory obituary on the scheme. However, the concerns of farmers in 1933 and those of farmers in 1993 are different, and the situation has changed.

As my right hon. Friend the Member for Westmorland and Lonsdale (Mr. Jopling) said, certain new factors radically alter the situation. There are milk quotas—and quotas that have a high value. Farmers are in a sellers' market. After all, Milk Marque, Nestlé and Northern Milk Partnership are fighting their way to the farm gate, competing for the milk. That is a happy situation. Milk Marque appears to intend to offer an equalised price to farmers, with the sort of guarantees that farmers enjoy under the existing system.

For those few hon. Members who suggested that we should be defending the status quo, I must point out that the status quo is beyond defence, not because of actions by the Government but simply because the situation and the market position have changed so much, and the legal challenges to semi-processed products are such that the threat was that the board would implode. No reasonable body—whether those running the board or those in government with a responsibility for agriculture—could take the chance of waiting for that to happen.

Therefore, sensible successor arrangements had to be worked out and it was important that the initiative and the proposals should come from the board. The hon. Gentleman says that the Government are responsible and that is true, but the proposal should be put forward by the board and we should then exercise our responsibility and our judgment in our response to that.

Hon. Members have said that there should be a process of consultation and the Bill provides for that. Before my right hon. Friend the Minister makes an order which would trigger the changes, he is obliged to consult all the people who might be concerned, whether processors, consumers, retailers or producers. That safeguard is already there.

I recognise that people on the other side of the argument have been concerned about the possible abuse of position by a successor body. The quota administration will not be in the hands of Milk Marque. We are discussing where that responsibility should lie. It might lie with the agricultural Departments or with the intervention board, but it will not lie with Milk Marque. That is clear.

Secondly, Dairy Crest must be floated before vesting day for Milk Marque. That is the largest part of the assets that will be distributed to dairy farmers. If, by mischance, it cannot be floated by that date, it must be put in neutral hands, such as a trust, to see it through until it can be launched upon its independent career. Therefore, we have taken care of that possibility. Prices will be set by the market. The milk marketing board, after the letter to which many hon. Members have referred, has issued a press release setting the record straight.

There is a triple safeguard against the abuse of dominant market position. First, there has to be ministerial approval. We shall look hard at what is put in front of us. There is no prior commitment to accept whatever Milk Marque does or whatever the milk board has put forward. We must consider whether it is a reasonable way of handling the question.

Secondly, there will be surveillance by Brussels. I see nothing wrong in there being provisional agreement to what is happening. It is natural that it should ensure that there is no abuse of market position. As I said earlier, the immunity from scrutiny by the Office of Fair Trading that the board enjoys because it is a co-operative organisation will be removed the second Milk Marque comes into existence. Therefore, Milk Marque will be subject to such scrutiny. Any hint that Milk Marque harbours monopolistic nostalgia will bring down the competition authorities before we can say "pinta". I am sure that the board know that that is the case.

Mr. Mark Robinson: I thank my hon. Friend for giving way, particularly as I have a major distribution company in my constituency, Wincanton Distribution, which will be affected by the proposals. What is worrying people is that the process of regulation by the Office of Fair Trading is a cumbersome one. To many, the presence of a regulator will overcome that problem. I hope that my hon. Friend will not close his mind to that problem as the Bill goes through Committee.

Mr. Curry: I hear what my hon. Friend says, but he will appreciate that the safeguards that I have outlined provide a sufficient framework, given that there will be severe competition in the marketplace. At all events, the board, which is responsible for putting the proposals forward, will have heard what my hon. Friend says and what many other hon. Members have said about the situation of the assets and their eventual fate.

I said that the board had, to put it politely, issued a clarification of its earlier circular, saying clearly that there was no attempt to intimidate future purchasers. It was not trying to wave the big stick over them. It understands that people who do not sign up can do so subsequently. It is not trying to create the impression among farmers that it is offering a surrogate monopoly. There is genuine concern, and I think that the board will have learnt from the episode that that is the wrong way in which to go about things. However, I appreciate its anxiety to reassure those who will buy milk, and the farmers who may sign up, that there will be a fundamental stability in the market place rather than a great dislocation.

I appreciate the concerns expressed about wool, perhaps more than many other people. My hon. Friend the Member for Batley and Spen (Mrs. Peacock) and others have mentioned hill farmers, a good many of whom I represent. Let me outline the steps that have been taken. It has not been disputed that four years' notice was given of the ending of the wool guarantee, and the British Wool Marketing Board is not among the organisations quoted as having asked for a prolongation of that guarantee. I have engaged in long and detailed discussions with the board, and it appreciates that it is time to draw a line under the scheme.

[Mr. Curry]

We have helped to establish a £10 million reserve fund by exempting the board from interest charges and reducing the levies that it pays to the Treasury. We have recognised the need for a float. We have also urged the board—I have been personally involved in this—to take account of the need for a reorganisation of its structure. It has been presented with a report on how it can adapt itself to cope with the more competitive world in which it may be moving, but it has addressed the question with a certain lack of urgency. My hon. Friend the Member for Batley and Spen would perform a service by encouraging it to make its decisions a little more rapidly.

Mrs. Peacock: I hear what my hon. Friend is saying, but does he recall a conversation that he had with Donald Holdsworth, chairman of the Confederation of British Wool Textiles? Mr. Holdsworth and the confederation's members took a different view from that expressed by my hon. Friend on behalf of the wool marketing board, and I feel that that view should be addressed.

Mr. Curry: Having met Mr. Holdsworth twice, I clearly recollect the points that he put. I would say to him—as I say to my hon. Friend—that the balance has now swung towards farm support from the Community. Sheep farm wool plays a very marginal role in incomes. This year, total payments for farmers with hardy breeds in the less favoured areas amount to £30·50 per sheep from all sources in public support alone. Market prices are high, partly because of the buoyancy of the continental market. The hon. Member for Workington said that he wanted us to capture the continental markets, and he is right. One third of all the lambs that we produce on British hillsides are going straight into the overseas market place, benefiting the French consumer. I am delighted about that.

There is also an entirely new factor, which was not there even a few months ago: the ewe quota now has a value. We have seen the first sales, and a singificant new capital asset value has gone into the hills. We may not wish to capitalise and monetarise everything, but the fact remains that that development may well provide the security with which the dairy quota has provided dairy farmers.

Mr. Tyler: Will the Minister give an assurance that the guaranteed wool price will not be abolished before the Bill is enacted?

Mr. Curry: No, I cannot do that. Royal Assent was expected to be rather earlier than it will be, for reasons that I need not spell out. It will not now happen before May, when provision for that financial guarantee will end. If we extended it, we should merely have to extend it until Royal Assent, which would lead to a pretty chaotic situation in the market. We shall therefore introduce a statutory instrument to end the guarantee—but it will only end the setting of the guarantee for this year, whereas the Bill removes the requirement to set a guarantee. The statutory instrument will not pre-empt the Bill, but it will get us out of a corner. I put it in those terms because that is the truth. No doubt the hon. Gentleman will appreciate my frankness. It is a timetabling problem—*[Interruption.]* Hon. Members would expect fairly basic language from Agriculture Ministers.

What the Bill does in respect of potatoes is very clear. It permits the Potato Marketing Board to nominate or suggest a successor organisation which can then take forward the essense of the board's work in terms of research and development and promotion. If that provision were not in the Bill and the board had to be wound up because of Community regulations, we should have no choice but to wind it up on the spot and to distribute the assets. We do not want that. The important research and development role should be taken forward and there should be continuity for the security of potato producers.

In addition, I anticipate that if farmers wish to organise themselves as potato marketing groups, they may well apply for marketing grants to which my hon. Friend the Member for Richmond, Yorks (Mr. Hague) referred. No doubt we should look at such applications closely to see whether we could help.

We must be very careful. The Potato Marketing Board is a curiously named organisation. It is actually a potato non-marketing board. It does not market potatoes. It polices quotas for which farmers pay £86·50 a hectare in levy. If a farmer plants potatoes for commercial reasons outside the board's scheme, he commits a criminal offence. That is something of an anomaly in today's circumstances.

There are two threads in our thinking about potatoes. My right hon. Friend the Minister of Agriculture, Fisheries and Food and I could easily say that it was all a Brussels problem. We could say that the proposals came from Brussels and that we did not ask for them. We could say that they came forward because the Commission felt that they were part of the completion of the single market. We could say, "Well, sorry, it's all very unfortunate, but we are going to be forced to adopt this and that's the end of the argument."

Very few member states want something other than a very lightweight regime. Our present area quotas and intervention would be incompatible with the proposal. As my right hon. Friend the Minister has said, we believe that it would be difficult to argue in Brussels, in respect of the one commodity for which there is no regime and no Communitywide intervention, for intervention or that we should retain limits on our producers when no one else in the Community will face such limits. That concept would be rather difficult to sell.

The second thread is the economic argument. I admit that there are questions about whether the surplus scheme serves the United Kingdom interest now.

Mr. Campbell-Savours: Will the Minister give a frank response to this question? I understand that Ministers have received information from several sources about subsidies paid to processors and producers of potatoes from various countries within the Community. Will the Minister give an undertaking at the Dispatch Box that he will provide all that information to the members of the Standing Committee that will consider the Bill?

Mr. Curry: The hon. Gentleman can have any information that I have. However, I do not recall receiving any brown envelopes containing that information.

There are genuine questions about whether the surplus scheme serves the United Kingdom interest in respect of the loss of market share in seed potatoes, the migration of opportunity and fears of loss of manufacturing capacity in the processed sector.

The market has shifted. In 1975, we consumed 143 lb of potatoes per head. That is a lot of potatoes. That figure

declined to 110 lb per head last year. However, the consumption of crisps and potato products has risen from 7 lb per head to nearly 17 lb per head and consumption of frozen chips has risen from 4·7 lb per head to nearly 18 lb per head. We must consider those figures in the context of a slightly declining market in potatoes overall.

The market is shifting. We are anxious that where there are high-value opportunities the United Kingdom should maintain its very significant lead in what is a high-tech part of the industry. This is at the heart of our concern about the present scheme. We know that potato producers are concerned, and we do not wish to have a long period of uncertainty. We should like to settle the issue with the Community and get agreement on the scheme. That is why the Bill contains provisions to avoid an hiatus between any agreement in Brussels and the creation of a successor organisation in the United Kingdom. Even though the structures are to change, we shall be able to assure farmers of the continuity that is essential to their business.

The processors, whom some people regard as the demons at the feast, have an interest in maintaining the loyalty of the people who sell to them. They certainly have no interest in disregarding the producers who have sold to them for years and in going to an entirely different marketplace. As many hon. Members have said, potatoes are a high-tech business. Farmers have to be properly equipped. The efficient producer may well expand his acreage. Over the years we have seen consolidation and a declining number of producers. This measure may merely emphasise a tendency. I shall be surprised if, ultimately, it has a more draconian effect.

My hon. Friend the Member for Richmond, Yorks said that investment is taking place already. Of course it is. Nobody is suggesting that absolutely nothing is happening, that the system is frozen rigid. It is quite clear that processors are investing in Britain despite this scheme, not because of it. They will be able to anticipate increased investment in the event of the freeing of the marketplace. We believe that that argument must be taken seriously. The export of acreage and of added value is of genuine concern to us. However, we want to ensure that we advance in a positive and sensible manner so that there will be a future for potato growing in England and that we shall have an expanded share of the market.

The marketing grants are an uncontroversial but important aspect of the Bill. The grant schemes were deliberately launched in a fairly low key. We were not out for some sort of big bang. We have looked very hard at the schemes to ensure that they are viable. The problem arises from the fact that the current legislative framework is inadequate. We cannot look at the sectors that involve more processing, and processors cannot be brought into schemes very efficiently. Thus, we want more room for manoeuvre. We want marketing schemes that will enable us to respond more satisfactorily to the problems that are experienced in the marketplace. I am sure that this will be welcomed as a sensible addition to our armoury.

All hon. Members agree that British food is extremely good. We want to see more of it being eaten. We want to see more of our own products capturing our markets, as well as getting into the export markets. As I said earlier, one third of our lamb goes overseas, and we have a significant export trade in beef and in pigmeat. At the same time, in several high-value processed sectors, commodities are being imported into Britain, while, to some extent, commodities are produced in Britain and exported.

There is little that we can do with milk, in the sense that we have quotas. Because of the quotas, we are unable to increase our output and, thereby, reconquer the whole of our market. Therefore, we are trying to focus production where added value is to be found, where the jobs are and where the future technology lies. With potatoes, we have the opposite situation. We do not have a quota crisis. If we can get our act together, we shall be able to satisfy all our own needs. That is what we are aiming for. In respect of wool, the marketing situation has changed dramatically in recent years. We do not think that the fears that have been expressed will be realised.

The Bill is about opportunity—opportunity for farmers, opportunity for industry, and opportunity for producers to have better access to British products. It is a Bill about deregulation. My hon. Friend the Member for Ludlow (Mr. Gill) vetoed the Hedgerows Bill on the ground that it was too regulatory. I am sure that he will welcome deregulation of some of the current marketing scene. The Bill is about competition, but, above all, it is about the future of British agriculture. I commend it to the House.

Question put, That the Bill be now read a Second time:—

The House divided: Ayes 287, Noes 243.

Division No. 198] **[9.59 pm**

AYES

Adley, Robert	Carrington, Matthew
Ainsworth, Peter *(East Surrey)*	Carttiss, Michael
Aitken, Jonathan	Cash, William
Alexander, Richard	Churchill, Mr
Allason, Rupert *(Torbay)*	Clark, Dr Michael *(Rochford)*
Amess, David	Clarke, Rt Hon Kenneth *(Rushcliff)*
Ancram, Michael	Clifton-Brown, Geoffrey
Arbuthnot, James	Coe, Sebastian
Arnold, Jacques *(Gravesham)*	Colvin, Michael
Arnold, Sir Thomas *(Hazel Grv)*	Congdon, David
Ashby, David	Conway, Derek
Atkins, Robert	Coombs, Anthony *(Wyre For'st)*
Atkinson, Peter *(Hexham)*	Coombs, Simon *(Swindon)*
Baker, Rt Hon K. *(Mole Valley)*	Cope, Rt Hon Sir John
Baker, Nicholas *(Dorset North)*	Cormack, Patrick
Baldry, Tony	Couchman, James
Banks, Matthew *(Southport)*	Cran, James
Banks, Robert *(Harrogate)*	Currie, Mrs Edwina *(S D'by'ire)*
Bates, Michael	Curry, David *(Skipton & Ripon)*
Batiste, Spencer	Davis, David *(Boothferry)*
Bellingham, Henry	Day, Stephen
Bendall, Vivian	Deva, Nirj Joseph
Beresford, Sir Paul	Dickens, Geoffrey
Biffen, Rt Hon John	Dorrell, Stephen
Blackburn, Dr John G.	Douglas-Hamilton, Lord James
Bonsor, Sir Nicholas	Dover, Den
Booth, Hartley	Duncan, Alan
Boswell, Tim	Duncan-Smith, Iain
Bottomley, Peter *(Eltham)*	Dunn, Bob
Bottomley, Rt Hon Virginia	Durant, Sir Anthony
Bowden, Andrew	Eggar, Tim
Bowis, John	Elletson, Harold
Boyson, Rt Hon Sir Rhodes	Emery, Rt Hon Sir Peter
Brandreth, Gyles	Evans, David *(Welwyn Hatfield)*
Brazier, Julian	Evans, Jonathan *(Brecon)*
Bright, Graham	Evans, Roger *(Monmouth)*
Brown, M. *(Brigg & Cl'thorpes)*	Evennett, David
Browning, Mrs. Angela	Faber, David
Bruce, Ian *(S Dorset)*	Fabricant, Michael
Budgen, Nicholas	Fenner, Dame Peggy
Burns, Simon	Field, Barry *(Isle of Wight)*
Burt, Alistair	Fishburn, Dudley
Butcher, John	Forsyth, Michael *(Stirling)*
Butterfill, John	Forth, Eric
Carlisle, John *(Luton North)*	Fowler, Rt Hon Sir Norman
Carlisle, Kenneth *(Lincoln)*	Fox, Dr Liam *(Woodspring)*

Fox, Sir Marcus *(Shipley)*
Freeman, Roger
French, Douglas
Gale, Roger
Gallie, Phil
Gardiner, Sir George
Garel-Jones, Rt Hon Tristan
Garnier, Edward
Gill, Christopher
Gillan, Cheryl
Goodson-Wickes, Dr Charles
Gorman, Mrs Teresa
Gorst, John
Grant, Sir Anthony *(Cambs SW)*
Greenway, Harry *(Ealing N)*
Greenway, John *(Ryedale)*
Griffiths, Peter *(Portsmouth, N)*
Grylls, Sir Michael
Gummer, Rt Hon John Selwyn
Hague, William
Hamilton, Rt Hon Archie *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, Sir John
Hargreaves, Andrew
Hawkins, Nick
Hawksley, Warren
Hayes, Jerry
Heald, Oliver
Heath, Rt Hon Sir Edward
Heathcoat-Amory, David
Hendry, Charles
Heseltine, Rt Hon Michael
Higgins, Rt Hon Sir Terence L.
Hill, James *(Southampton Test)*
Hogg, Rt Hon Douglas *(G'tham)*
Horam, John
Hordern, Rt Hon Sir Peter
Howard, Rt Hon Michael
Howarth, Alan *(Strat'rd-on-A)*
Hughes Robert G. *(Harrow W)*
Hunt, Rt Hon David *(Wirral W)*
Hunt, Sir John *(Ravensbourne)*
Hunter, Andrew
Hurd, Rt Hon Douglas
Jack, Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert B. *(W Hertfdshr)*
Jopling, Rt Hon Michael
Kellett-Bowman, Dame Elaine
Kilfedder, Sir James
King, Rt Hon Tom
Kirkhope, Timothy
Knapman, Roger
Knight, Mrs Angela *(Erewash)*
Knight, Greg *(Derby N)*
Knight, Dame Jill *(Bir'm E'st'n)*
Knox, David
Kynoch, George *(Kincardine)*
Lait, Mrs Jacqui
Lamont, Rt Hon Norman
Lang, Rt Hon Ian
Lawrence, Sir Ivan
Legg, Barry
Leigh, Edward
Lennox-Boyd, Mark
Lester, Jim *(Broxtowe)*
Lidington, David
Lilley, Rt Hon Peter
Lloyd, Peter *(Fareham)*
Lord, Michael
Luff, Peter
Lyell, Rt Hon Sir Nicholas
MacGregor, Rt Hon John
MacKay, Andrew
Maclean, David
McLoughlin, Patrick
McNair-Wilson, Sir Patrick
Maitland, Lady Olga
Malone, Gerald
Mans, Keith
Marland, Paul
Marshall, John *(Hendon S)*
Marshall, Sir Michael *(Arundel)*
Martin, David *(Portsmouth S)*
Mawhinney, Dr Brian
Merchant, Piers
Milligan, Stephen
Mills, Iain
Mitchell, Andrew *(Gedling)*
Monro, Sir Hector
Moss, Malcolm
Needham, Richard
Nelson, Anthony
Neubert, Sir Michael
Newton, Rt Hon Tony
Nicholls, Patrick
Nicholson, David *(Taunton)*
Nicholson, Emma *(Devon West)*
Norris, Steve
Onslow, Rt Hon Sir Cranley
Oppenheim, Phillip
Ottaway, Richard
Page, Richard
Paice, James
Patnick, Irvine
Patten, Rt Hon John
Pattie, Rt Hon Sir Geoffrey
Pawsey, James
Peacock, Mrs Elizabeth
Pickles, Eric
Porter, Barry *(Wirral S)*
Porter, David *(Waveney)*
Portillo, Rt Hon Michael
Powell, William *(Corby)*
Rathbone, Tim
Redwood, John
Renton, Rt Hon Tim
Richards, Rod
Riddick, Graham
Robathan, Andrew
Roberts, Rt Hon Sir Wyn
Robertson, Raymond *(Ab'd'n S)*
Robinson, Mark *(Somerton)*
Rowe, Andrew *(Mid Kent)*
Rumbold, Rt Hon Dame Angela
Ryder, Rt Hon Richard
Sackville, Tom
Scott, Rt Hon Nicholas
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shephard, Rt Hon Gillian
Shepherd, Colin *(Hereford)*
Shersby, Michael
Skeet, Sir Trevor
Smith, Tim *(Beaconsfield)*
Soames, Nicholas
Spencer, Sir Derek
Spicer, Sir James *(W Dorset)*
Spicer, Michael *(S Worcs)*
Spink, Dr Robert
Spring, Richard
Sproat, Iain
Squire, Robin *(Hornchurch)*
Stanley, Rt Hon Sir John
Stephen, Michael
Stern, Michael
Stewart, Allan
Streeter, Gary
Sumberg, David
Sweeney, Walter
Sykes, John
Tapsell, Sir Peter
Taylor, Ian *(Esher)*
Taylor, John M. *(Solihull)*
Taylor, Sir Teddy *(Southend, E)*
Temple-Morris, Peter
Thomason, Roy
Thompson, Sir Donald *(C'er V)*
Thompson, Patrick *(Norwich N)*
Thornton, Sir Malcolm
Thurnham, Peter
Townend, John *(Bridlington)*
Townsend, Cyril D. *(Bexl'yh'th)*
Tracey, Richard
Tredinnick, David
Trotter, Neville
Twinn, Dr Ian
Vaughan, Sir Gerard
Viggers, Peter
Waldegrave, Rt Hon William
Walden, George
Walker, Bill *(N Tayside)*
Waller, Gary
Wardle, Charles *(Bexhill)*
Waterson, Nigel
Watts, John
Wells, Bowen
Wheeler, Rt Hon Sir John
Whitney, Ray
Whittingdale, John
Widdecombe, Ann
Wiggin, Sir Jerry
Willetts, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macc'f'ld)*
Wolfson, Mark
Wood, Timothy
Yeo, Tim
Young, Sir George *(Acton)*

Tellers for the Ayes:
Mr. David Lightbown and
Mr. Sydney Chapman.

NOES

Abbott, Ms Diane
Adams, Mrs Irene
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Allen, Graham
Alton, David
Anderson, Donald *(Swansea E)*
Anderson, Ms Janet *(Ros'dale)*
Armstrong, Hilary
Ashton, Joe
Barnes, Harry
Barron, Kevin
Battle, John
Bayley, Hugh
Beckett, Rt Hon Margaret
Bell, Stuart
Benn, Rt Hon Tony
Bennett, Andrew F.
Bermingham, Gerald
Berry, Dr. Roger
Betts, Clive
Blunkett, David
Boyes, Roland
Bradley, Keith
Bray, Dr Jeremy
Bruce, Malcolm *(Gordon)*
Burden, Richard
Byers, Stephen
Caborn, Richard
Callaghan, Jim
Campbell, Mrs Anne *(C'bridge)*
Campbell, Menzies *(Fife NE)*
Campbell-Savours, D. N.
Canavan, Dennis
Cann, Jamie
Carlile, Alexander *(Montgomry)*
Chisholm, Malcolm
Clapham, Michael
Clark, Dr David *(South Shields)*
Clarke, Eric *(Midlothian)*
Clarke, Tom *(Monklands W)*
Clelland, David
Clwyd, Mrs Ann
Cohen, Harry
Connarty, Michael
Cook, Frank *(Stockton N)*
Corbett, Robin
Corbyn, Jeremy
Corston, Ms Jean
Cousins, Jim
Cryer, Bob
Cummings, John
Cunliffe, Lawrence
Cunningham, Jim *(Covy SE)*
Dafis, Cynog
Dalyell, Tam
Darling, Alistair
Davidson, Ian
Davies, Bryan *(Oldham C'tral)*
Davies, Ron *(Caerphilly)*
Davis, Terry *(B'ham, H'dge H'l)*
Denham, John
Dewar, Donald
Dixon, Don
Dobson, Frank
Donohoe, Brian H.
Dowd, Jim
Dunwoody, Mrs Gwyneth
Eagle, Ms Angela
Eastham, Ken
Etherington, Bill
Evans, John *(St Helens N)*
Fatchett, Derek
Field, Frank *(Birkenhead)*
Fisher, Mark
Flynn, Paul
Foster, Rt Hon Derek
Foster, Don *(Bath)*
Foulkes, George
Fraser, John
Fyfe, Maria
Galbraith, Sam
Gapes, Mike
Garrett, John
Gerrard, Neil
Gilbert, Rt Hon Dr John
Godman, Dr Norman A.
Godsiff, Roger
Golding, Mrs Llin
Gould, Bryan
Grant, Bernie *(Tottenham)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Gunnell, John
Hain, Peter
Hall, Mike
Hanson, David
Henderson, Doug
Heppell, John
Hill, Keith *(Streatham)*
Hinchliffe, David
Hoey, Kate
Hogg, Norman *(Cumbernauld)*
Home Robertson, John
Hoon, Geoffrey
Howarth, George *(Knowsley N)*
Howells, Dr. Kim *(Pontypridd)*
Hoyle, Doug
Hughes, Kevin *(Doncaster N)*
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport E)*
Hutton, John
Ingram, Adam
Jackson, Glenda *(H'stead)*
Jackson, Helen *(Shef'ld, H)*

Jamieson, David
Janner, Greville
Johnston, Sir Russell
Jones, Barry *(Alyn and D'side)*
Jones, Ieuan Wyn *(Ynys Môn)*
Jones, Jon Owen *(Cardiff C)*
Jones, Lynne *(B'ham S O)*
Jones, Martyn *(Clwyd, SW)*
Jones, Nigel *(Cheltenham)*
Kaufman, Rt Hon Gerald
Keen, Alan
Kennedy, Charles *(Ross,C&S)*
Kennedy, Jane *(Lpool Brdgn)*
Khabra, Piara S.
Kilfoyle, Peter
Kinnock, Rt Hon Neil *(Islwyn)*
Kirkwood, Archy
Litherland, Robert
Livingstone, Ken
Lloyd, Tony *(Stretford)*
Llwyd, Elfyn
Loyden, Eddie
Lynne, Ms Liz
McAllion, John
McAvoy, Thomas
McCartney, Ian
McFall, John
McKelvey, William
Mackinlay, Andrew
McLeish, Henry
Maclennan, Robert
McMaster, Gordon
McWilliam, John
Madden, Max
Mahon, Alice
Mandelson, Peter
Marek, Dr John
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester, S)*
Martin, Michael J. *(Springburn)*
Martlew, Eric
Maxton, John
Meacher, Michael
Michael, Alun
Michie, Bill *(Sheffield Heeley)*
Michie, Mrs Ray *(Argyll Bute)*
Milburn, Alan
Miller, Andrew
Moonie, Dr Lewis
Morgan, Rhodri
Morley, Elliot
Morris, Rt Hon A. *(Wy'nshawe)*
Morris, Estelle *(B'ham Yardley)*
Morris, Rt Hon J. *(Aberavon)*
Mullin, Chris
Murphy, Paul
Oakes, Rt Hon Gordon
O'Brien, Michael *(N W'kshire)*
O'Hara, Edward
Olner, William
O'Neill, Martin
Orme, Rt Hon Stanley
Parry, Robert
Pendry, Tom
Pickthall, Colin
Pike, Peter L.
Pope, Greg
Powell, Ray *(Ogmore)*
Prentice, Ms Bridget *(Lew'm E)*
Prentice, Gordon *(Pendle)*
Prescott, John
Primarolo, Dawn
Purchase, Ken
Quin, Ms Joyce
Randall, Stuart
Reid, Dr John
Robertson, George *(Hamilton)*
Robinson, Geoffrey *(Co'try NW)*
Robinson, Peter *(Belfast E)*
Roche, Mrs. Barbara
Rogers, Allan
Rooker, Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Ruddock, Joan
Salmond, Alex
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon Robert
Shore, Rt Hon Peter
Short, Clare
Simpson, Alan
Skinner, Dennis
Smith, Andrew *(Oxford E)*
Smith, C. *(Isl'ton S & F'sbury)*
Smith, Llew *(Blaenau Gwent)*
Snape, Peter
Soley, Clive
Steel, Rt Hon Sir David
Steinberg, Gerry
Stevenson, George
Stott, Roger
Strang, Dr. Gavin
Straw, Jack
Taylor, Mrs Ann *(Dewsbury)*
Taylor, Matthew *(Truro)*
Turner, Dennis
Tyler, Paul
Vaz, Keith
Walker, Rt Hon Sir Harold
Wallace, James
Walley, Joan
Wardell, Gareth *(Gower)*
Wareing, Robert N
Watson, Mike
Welsh, Andrew
Wicks, Malcolm
Wigley, Dafydd
Williams, Rt Hon Alan *(Sw'n W)*
Williams, Alan W *(Carmarthen)*
Wilson, Brian
Winnick, David
Worthington, Tony
Wray, Jimmy
Wright, Dr Tony

Tellers for the Noes:
Mr. Eric Illsley and
Mr. Alan Meale.

Question accordingly agreed to.

Bill read a Second time and committed to a Standing Committee, pursuant to Standing Order No. 61 (Committal of Bills).

It being after Ten o'clock, MADAM SPEAKER *proceeded to put forthwith the Questions which she was directed to put at that hour, pursuant to Order [19 March].*

ESTIMATES, 1993-94 (NAVY) VOTE A

Question,

That during the year ending on 31st March 1994 a number not exceeding 63,350 all ranks be maintained for Naval Service.

put and agreed to.

ESTIMATES, 1993-94 (ARMY) VOTE A

Question,

That during the year ending on 31st March 1994 a number not exceeding 163,590 all ranks be maintained for Army Service, a number not exceeding 130,000 for the Individual Reserves, and a number not exceeding 70,300 for the Territorial Army.

put and agreed to.

ESTIMATES, 1993-94 (AIR) VOTE A

Question,

That during the year ending on 31st March 1994 a number not exceeding 83,480 all ranks be maintained for the Air Force Service, a number not exceeding 19,450 for the Royal Air Force Reserve, and a number not exceeding 2,800 for the Royal Auxiliary Air Force.

put and agreed to.

ESTIMATES, EXCESSES, 1991-92

Question,

That a sum not exceeding £131,142,154·72 be granted to Her Majesty out of the Consolidated Fund to make good excesses of certain grants for Defence and Civil Services for the year ended on 31st March 1992, as set out in House of Commons Paper No. 432.

put and agreed to.

SUPPLEMENTARY ESTIMATES, 1992-93

Question,

That a further sum not exceeding £2,654,112,000 be granted to Her Majesty out of the Consolidated Fund to complete or defray the charges for Defence and Civil Services for the year ending on 31st March 1993, as set out in House of Commons Papers Nos. 433, 434 and 494.

put and agreed to.

Bill ordered to be brought in upon the foregoing Resolutions by the Chairman of Ways and Means, the Chancellor of the Exchequer, Mr. Michael Portillo, Mr. Stephen Dorrell, Sir John Cope and Mr. Anthony Nelson.

CONSOLIDATED FUND (NO. 3)

Mr. Stephen Dorrell accordingly presented a Bill to apply certain sums out of the Consolidated Fund to the service of the years ending on 31 March 1993 and 1994; And the same was read the First time; and ordered to be read a Second time tomorrow and to be printed. [Bill 162.]

AGRICULTURE BILL *[LORDS] [MONEY]*

Queen's recommendation having been signified—

Resolved,

That, for the purposes of any Act resulting from the Agriculture Bill [*Lords*], it is expedient to authorise the payment out of money provided by Parliament of any expenditure incurred by a Minister of the Crown under any provision of the Act about grants for marketing.—*[Mr. Wood.]*

AGRICULTURE BILL *[LORDS] [WAYS AND MEANS]*

Resolved,

That, for the purposes of any Act resulting from the Agriculture Bill [*Lords*], it is expedient to authorise—

(a) the imposition by any provision of Part I of the Act about the taxation of a person who is a transferor or transferee in relation to a scheme approved under that Part, of charges to income tax, corporation tax or capital gains tax,

(b) the imposition, by any provision of Part II of the Act about the taxation of a person who is the transferor or a transferee in relation to a scheme approved under that Part, of charges to corporation tax, and
(c) the payment into the Consolidated Fund of any sums received by a Minister of the Crown under any provision of the Act about grants for marketing.
—*[Mr. Wood.]*

Trade Union Ballots

10.16 pm

Mr. Frank Dobson (Holborn and St. Pancras): I beg to move,

That an humble Address be presented to Her Majesty, praying that the Funds for Trade Union Ballots Regulations (Revocation) Regulations 1993 (S.I., 1993, No. 233), dated 8th February 1993, a copy of which was laid before this House on 18th February, be annulled.

Mr. Bob Cryer (Bradford, South): On a point of order, Madam Speaker. The Order Paper says that this instrument has not been considered by the Joint Committee on Statutory Instruments. It was considered this afternoon, and the Joint Committee has placed in the Vote Office a report to the effect that a section of the instrument is redundant because of the effect of the Trade Union Reform and Employment Rights Bill. I thought that I should draw the attention of the House to this, because once again the Government are hurrying through delegated legislation without giving adequate time for the Joint Committee to give proper consideration to it. The Committee Clerk has made special efforts to ensure that the House is informed about this matter.

Madam Speaker: The hon. Member, as ever, is helpful to the House.

Mr. Dobson: The regulations would cut off the funds which the Government have, for the past 13 years, provided to cover the cost of trade union secret ballots. In future, the cost will have to be borne by the members of each union. Last year, these ballots cost £4·25 million. That is quite a lot of money, and certainly a lot of money to be found from the voluntary contributions of members of trade unions, which are voluntary organisations without large sources of finance.

This decision is entirely typical of the events of the past week or so, because it is another Tory promise broken and another Tory betrayal of the people who trusted them. Last week's Budget extended VAT, put up national insurance and increased income tax, all in blatant betrayal of promises made during the 1992 general election. This week the Government go back on a promise made at an earlier general election, that of 1979, when they promised in their election manifesto to

"provide public funds for postal ballots for union elections and other important issues."

At that time, ballots were not going to be made compulsory. Now, after the Government have made these ballots compulsory, the funding is to be taken away. The Government have no mandate for this. They have never raised it in any consultative document. They did not put it to the people at the last general election, and it is therefore contrary to the promises made at the outset and repeated at every later stage in the development of the Government's industrial relations policy.

The present Government, the present Prime Minister and the present Secretary of State for Employment all attempt to present what might be described as Thatcherism with a human face. Yet is has to be remembered that Margaret Thatcher and Norman Tebbit promised to provide those funds, and to be fair to Margaret Thatcher and Norman Tebbit, they delivered them. Yet this Prime Minister, this Employment Secretary and this Government are taking those funds away. They

are breaking that promise. The Prime Minister is exceedingly keen on charters, we understand, and clearly, if he is going to cover everyone against the Tory party, he will have to produce a twisters charter to keep an eye on them.

It is not just the Government in general who are twisting and betraying their promises. Individual Tory Members have committed themselves in the past to the provision of these funds. A quick look through earlier debates shows that at least 15 existing Tory Members spoke in favour of the ballots. So far as I can see, not one of those who spoke in the past ever suggested that these funds would be withdrawn at a later stage. Not even any hon. Member on the far right suggested that they should not be provided or should be withdrawn.

The present Secretary of State for Northern Ireland, the right hon. and learned Member for Tunbridge Wells (Sir P. Mayhew), then the junior Employment Minister, said in 1980 that trade unions were being told: "You do not have to have a secret ballot for any of your decisions—it is up to you; but if you are thinking of having one, you do not have to worry about the cost, for the taxpayer will reimburse you." Not any more, Paddy.

The present Minister of State, Foreign Office, the right hon. and learned Member for Grantham (Mr. Hogg) commended the merits of these funds when he said of that 1980 Bill:

"It provides for the establishment of a fund from which secret ballots are to be financed",

and went on:

"That proposal is one to which no reasonable-minded Member could object."—[*Official Report*, 17 December 1979; Vol. 976, c. 138.]

I wonder what he will do in the vote tonight.

The present Minister of State for Social Security, the right hon. Member for Chelsea (Mr. Scott), said:

"The Bill is simply making funds available so that the resources of unions that want to have ballots are not under pressure."

He went on:

"This at least frees them from that constraint."—[*Official Report*, 17 December 1979; Vol. 976, c. 99.]

Mr. Patrick Nicholls (Teignbridge): Will the hon. Gentleman give way?

Mr. Dobson: No, I will not. It is a very short debate, and I do not have time to give way.

The right hon. and hon. Members whom I have mentioned are at present Ministers of the Crown, and they now expect people to take them at their word when they make a promise on behalf of the Government on Northern Ireland, foreign affairs or matters to do with social security. It is quite clear that there is no chance that anybody will take a promise from them.

When the ballots were made compulsory, in 1984, the then Employment Secretary——

Mr. Phillip Oppenheim (Amber Valley): Will the hon. Gentleman give way?

Mr. Dobson: No, I will not.

The right hon. Member for Bridgwater (Mr. King) gave this reassurance at the point when ballots were going to be made compulsory:

"The money provided under the 1980 Act to meet the cost of such ballots will continue to be available."—[*Official Report*, 8 November 1983; Vol. 48, c. 160.]

He is here tonight, and I wonder which way he will be voting.

I could give other examples. For instance, the hon. Member for Chorley (Mr. Dover), told the House on that occasion:

"I support the measures in this Bill, particularly the secret ballots to be paid for by the Government, because ordinary trade union members in my constituency have been crying out for this every day virtually since the general election."

Mr. Oppenheim *rose*——

Mr. Dobson: No, I shall not give way.

Mr. Nicholls: On a point of order, Madam Speaker.

Mr. Dobson: I am willing to bet that the ordinary——

Madam Speaker: Order. I have a point of order, to which I must listen.

Mr. Nicholls: Would it be in order, Madam Speaker, for you to remind the hon. Members on the Labour Front Bench that this is supposed to be a debate, not a boring monologue?

Madam Speaker: The hon. Gentleman knows that it is not the responsibility of the Chair to instruct hon. Members who have the floor that they must give way. It certainly is a courtesy in a debate. The hon. Gentleman is determined that he will not give way for the present, so the hon. Member must bide his time.

Mr. Oppenheim: On a point of order, Madam Speaker. Are you saying that we have been discourteous?

Madam Speaker: I am not saying anything of the kind; I am saying that the hon. Gentleman must bide his time. I think that it was a point of frustration, not a point of order.

Mr. Dobson: Generally speaking, Madam Speaker, I attempt to be courteous to all hon. Members, but there are a number of Members on the Benches opposite who are so notoriously and continuously discourteous that they cannot expect courtesy from this side of the House. Both the hon. Gentlemen who have raised spurious points of order fall into that category.

I should like to ask the hon. Member for Chorley whether any of those ordinary trade union members in his constituency have been crying out for these funds to be taken away. I do not suppose that he told them at the general election that the Government intended to take them away, and I do not suppose that he has told them since, but we have to ask ourselves why the Tories are doing this. We can reasonably say that it is a typical example of Tory spite against trade union members, but I do not think it is only that.

One reason for them taking away the funds at this time is political fund ballots. Up to know, the renewal of political funds by ballot could be financed from Government funds. The Government have forced ballots on trade unions; they have forced postal ballots and therefore, not unreasonably, they funded those postal ballots. They are now about to withdraw that facility, just as another round of political fund ballots appears on the horizon. It is not just spite against the trade unions; it is malice against the Government's political opponents. They have done everything they could by law to obstruct the funding of the Labour party and any political opposition from trade unions.

The trade unions have, rightly, for a long time contributed substantially to the funds of the Labour party

[Mr. Dobson]

through open and democratic decisions reached by British nurses, dinner ladies, miners and railway workers. The Tories have never liked it, and at every chance they have attempted to obstruct it. By this measure, they are attempting to make the process more expensive and to ensure that less money is available for political activities both directly by the unions and by the Labour party. Therefore, it is necessary to contrast this with the process by which the Tory party raises its funds.

Mr. Nicholls: Will the hon. Member give way?

Mr. Dobson: I shall not give way. Unlike the trade unions, who face innumerable legal obstructions——

Mr. Nicholls: On a point of order, Madam Speaker. A few moments ago you said that you anticipated that the hon. Gentleman would want to give way when he had recovered his nerve. Would now be an appropriate moment for him to do so?

Madam Speaker: It is for the hon. Gentleman who has the Floor and is at the Dispatch Box to determine when he is going to give way.

Mr. Dobson: We can reasonably contrast the legal obstructions to raising and disbursing political funds by trade unions which the Government have placed into law with the absence of virtually any obstruction to the funding of the Tory party.

Take company law, for instance. Companies do not have to establish any special political funds; they can make contributions to the Tory party out of their general funds. Nor do they have to conduct a ballot of anybody before they decide to do so. Just a few rich Tories can simply hand over money to the Tory party. Let us take as an example Thames Water, an organisation which is a taxing authority, because——

Mr. Nicholls: On a point of order, Madam Speaker. Is it in order for the hon. Gentleman to start talking about water charges when he is not prepared to give way to Conservative Members on the subject of trade union ballots?

Madam Speaker: It is for the hon. Gentleman to determine what he has to say. It is not for the Chair to involve itself with the comments of hon. Members.

Mr. Dobson: The point I am making, in case the hon. Gentleman cannot understand it, is that the processes whereby trade unions raise funds and use them for political purposes are decided democratically by way of ballots. There is no ballot involved in the decision of Thames Water, the monopoly supplier of water to people in its area, when it levies what everyone recognises as a water tax—known as the water rate—which people cannot avoid. From that tax, Thames Water has been giving money to the Tory party. There was no democracy or ballot there.

Mr. Oliver Heald (Hertfordshire, North): On a point of order. In a debate on trade union balloting, Madam Deputy Speaker, is it in order for the hon. Gentleman to spend his time talking about Thames Water, Conservative party funding and all sorts of irrelevant matters that have nothing whatever to do with trade union ballots?

Madam Deputy Speaker (Dame Janet Fookes): I have only just come to the Chair, and I want to listen carefully. It will be easier for me to do so if there is less noise.

Mr. Dobson: For ease of reference, Madam Deputy Speaker, when Madam Speaker was in the Chair I said that it was proper to contrast the arrangements made by law by the Government for the accrual and disposal of funds for political purposes by trade unions with what happens when companies and other people donate to the Tory party, and she accepted that.

No ballots are involved when people raise money for the Tory party. Only one ballot has been conducted by a company, National Freight, and the shareholders voted overwhelmingly against giving the party any money.

In the interests of democracy, what happens with funds from Britain is bad enough, but when we contrast the different arrangements, we must also consider the Tories' keenness on democracy when it comes to raising money from people from abroad. It raised £2 million from John Latsis, a Greek fascist who was involved with the colonels in the killing and torture of the people of Greece.

Mr. Nicholls: On a point of order, Madam Deputy Speaker. Is it in order to call Robert Maxwell a Greek fascist just because he contributed substantial funds to the Labour party?

Madam Deputy Speaker: That is not a point of order for the Chair, and I notice that the hon. Gentleman raised several points of order before I came to the Chair.

Mr. Dobson: No one in their right mind would suggest that giving money to the Tory party makes someone a fascist. What makes them a fascist is supporting the Greek colonels, who murdered and tortured Greek people who stood up for democracy.

Within Britain, there was the case of Mr. Azil Nadir, who unlawfully shifted more than £400,000 of his company's funds to the Tory party, without declaring them in the company's returns. The Tories were in effect receiving stolen goods, and they have not returned them to the shareholders or to the administrator. No ballots were taken then.

Mr. Heald: On a point of order, Madam Deputy Speaker. Is it in order for the hon. Gentleman to spend his entire speech in our debate on an important issue talking about Conservative party funding, fascists, Greeks and all sorts of people around the world rather than dealing with the issue in question?

Madam Deputy Speaker: I have been trying to follow what the hon. Member for Holborn and St. Pancras (Mr. Dobson) has been saying. I should prefer it if hon. Members left me to decide what is in order and what is not. I am sure that the hon. Gentleman will understand that, while passing reference may properly be made to other matters, he must now—having sketched in the background—deal more closely with the subject under direct consideration.

Mr. Oppenheim: On a point of order, Madam Deputy Speaker. If it is in order for Opposition Members to talk, in passing, about Tory party funding, might it also be in order for Conservative Members—if they are called later—to talk in passing about the filthy Maxwell money that the Labour party accepted before the last election?

Madam Deputy Speaker: I shall wait to hear what is said first.

Mr. Den Dover (Chorley): I was listening carefully to what the hon. Member for Holborn and St. Pancras (Mr. Dobson) said about trade union ballots. When the legislation was passed 10 or more years ago, it was mainly targeted on postal ballots. I should be interested to hear from the hon. Gentleman whether the secret ballots benefit the trade union movement, and whether there might be a move away from postal ballots if the funds were not continued.

Mr. Dobson: The hon. Gentleman has not been keeping up with the increasingly draconian state of industrial relations law under the party of which he is a member. In future, all ballots will have to be postal ballots. It is curious that, at a time when postal ballots were voluntary, the Government agreed to fund them, but now that they are compulsory, the Government are taking away that funding.

One of the problems we face when dealing with this subject is that we have never seen anything from the Government to justify the termination of the provision of the funds. Therefore, we have to guess what the Minister is going to say. My speech is based on the assumption that the Minister will use certain arguments, one of which will involve the need for democracy in the unions. Another argument that he might use is that the process is costing the taxpayer money, so it is unfair to taxpayers.

Therefore, it is necessary to contrast the limited sums that the taxpayer is providing—£4·25 million in the last year for which figures are available—with the cost to the taxpayer of some of the ways in which the Conservative party has been raising money. We now know from several sources that rich foreigners who live in this country have been granted enormous tax breaks by the Government, in exchange, in effect, for donations to the Conservative party. It is true that several of those rich foreigners were invited to No. 10 Downing street for a meal at the taxpayer's expense. But that fell a long way short of the total cost to the taxpayer, as the foreigners were then promised by the Prime Minister that the present tax laws would not be changed if the Conservative party won the election, and they coughed up money for Conservative party funds.

The process cost the taxpayer vastly more than the £4·2 million—the cost of all the ballots, not just political fund ballots. The decision cost the taxpayer hundreds of millions of pounds, which the rich foreigners will not have to pay.

I say—with some care—that secret deals at the expense of the taxpayer in exchange for donations to party funds are utterly unacceptable to the people of this country. At this moment, politicians in Italy are being prosecuted for exactly that offence, and it is likely that they will go to gaol for such processes. We have corrupt arrangements that are costing the taxpayer a fortune and utterly straightforward——

Mr. Patrick Cormack (Staffordshire, South): On a point of order, Madam Deputy Speaker. The hon. Gentleman is making some extremely serious and scurrilous accusations without any evidence. Will you ask him to withdraw the accusations of corruption or prove them?

Madam Deputy Speaker: As I understand it, the points are generalised. The rules of the House relate to accusations made against individual Members. However, I am sure that the hon. Member for Holborn and St. Pancras (Mr. Dobson) will wish to maintain the highest tone in his remarks.

Mr. Dobson: It is my desire——

Mr. Cormack: Further to that point of order, Madam Deputy Speaker. It is clear that the hon. Gentleman's accusations are clearly directed at my right hon. Friend the Prime Minister. The hon. Gentleman is accusing my right hon. Friend the Prime Minister of corruption, which cannot be in order.

Madam Deputy Speaker: That is not what I understood him to say.

Mr. Dobson: I certainly believe in maintaining the highest standards of integrity. It is right and proper for the reputation of this country to maintain those standards in the funding of all political parties.

Mr. Cormack: Is the hon. Gentleman accusing the Prime Minister of corruption? If so, what evidence does he have?

Mr. Dobson: I am saying that the Tory party is guilty of corruption, and I shall maintain that until the day the Conservatives publish their funding details and prove to us that they have not had any money from Robert Maxwell.

Mrs. Angela Browning (Tiverton): Will the hon. Gentleman clarify his remark that Downing street paid for a Tory party function out of the taxpayers' purse? Is that his accusation against the Prime Minister?

Mr. Dobson: The hon. Lady misunderstands me.

Mr. Don Dixon (Jarrow): My hon. Friend did not mention the name of the caterers.

Mr. Dobson: No, I did not. But a dinner was held at Downing street, paid for by the taxpayer, and it turned out to be rather advantageous to the Tory party—let us leave it at that.

By contrast with all this shifty, seedy raising of foreign money to fund the Tory party—because hardly anyone in Britain will make contributions to it—the trade unions have been finding life more and more difficult throughout the recession. Now, all the costs involved in these ballots will have to be met, not from Government funds, but from the pockets and handbags of ordinary British trade union members. The money will come from income on which they have paid tax and national insurance, unlike the income that goes to the Tory party.

The decisions taken by Britain's trade unions are open and democratic. This process will make them more expensive. It is intended to undermine their capacity to achieve something like parity or bargaining power with the employers. It is part of the Government's effort to force wages lower and to force our people to work longer hours in worse conditions. This measure is intended to undermine the resources that the unions have for political action.

[Mr. Dobson]

But it is my view that, instead of doing that, it will strengthen their resolve to get rid of this Government, who betray their promises and betray the British people in the interests of the rich, who want to drive down wages, and of the limited number of rich foreigners who want the benefits of living in this country without having to pay their fair share of the costs of running it.

10.43 pm

Mr. Graham Riddick (Colne Valley): I have just heard an interesting sedentary exchange originated by my hon. Friend the Member for Teignbridge (Mr. Nicholls), who shouted to the hon. Member for Bolsover (Mr. Skinner), "You could have done better than this," to which the latter replied, "Yes, I would hope so." I expect that most of us could have done better than the hon. Member for Holborn and St. Pancras (Mr. Dobson) did. We have heard a series of nasty, unsubstantiated, scurrilous allegations which the hon. Gentleman failed to prove.

Ms Angela Eagle (Wallasey) *rose*——

Mr. Riddick: The trade union reforms that the Government have brought to the House over the past 14 years have been a success. The unions have become more democratic. The Government were responsible for the introduction of ballots for the election of trade union officers and ballots before strike action can be taken. We now have trade union leaders who have to respond to what the members want rather than members responding to what the leaders want.

Mr. Robert Ainsworth (Coventry, North-East): When will the Tory party introduce some democracy into its funding? Why does the hon. Gentleman not answer the question put by my hon. Friend the Member for Holborn and St. Pancras (Mr. Dobson)?

Mr. Riddick: The majority of the money that the Conservative party receives is raised from ordinary, individual members in the constituencies.

We have also brought the trade unions within a reasonable framework of law. All those changes have been brought about in the face of intractable, determined opposition from Labour Members. They have voted against all the trade union measures that we have brought before the House. They voted against all the ballots that we have set up.

The closed shop, as much as anything, kindled my interest in politics in the 1970s. The then Labour Government gave carte blanche to trade union leaders to force employees to belong to trade unions. I was looking through my files for the debate tonight and came across an excellent article in a fine newspaper called *The Free Nation*, produced by the National Association for Freedom—an excellent organisation. The heading is, "Commissar Jones's orders". Here is part of what Jack Jones, the then leader of the Transport and General Workers Union, wrote to his members. He said:

"we can now go ahead with closed shop or 100 per cent. agreements in the knowledge that it will be fair for an employer to dismiss in circumstances of enforcing such an agreement . . . I hope you will advise your officers and shop stewards about the legislation and ensure that maximum efforts are made to achieve 100 per cent. membership wherever possible."

In other words, he was perfectly happy for workers to be put on the dole queue if they refused to join a trade union. When we hear lessons from Mr. Jones about pensioners, we should not forget his past.

It is not surprising that the Labour party has opposed all our legislation. It always has been and always will be beholden to the trade unions. Of the 271 Labour Members of Parliament, 152 are sponsored by trade unions. All 20 of the shadow Cabinet are sponsored by trade unions. The trade unions contributed some £5 million to the Labour party general election fund.

Mr. Frank Cook (Stockton, North): There is no secret about what the hon. Gentleman has just been telling the House. All that information is freely available, declared and publicised. When will the Conservative party behave in a similar fashion about contributions from the likes of Li Kha Shing?

Mr. John Bowis (Battersea): Is the hon. Gentleman swearing?

Mr. Riddick: I do not know.

The Labour party is beholden to the trade unions. The Conservative party is supported by business, but business creates wealth. We are happy to be supported by private enterprise, by the wealth creators. *[Interruption.]* I heard a Labour Member shout "crooks". One could not get a bigger crook than Mr. Maxwell, and whom did he support? What is more, he was a Labour Member of Parliament.

I should like to return to debating the order.

Mr. Richard Caborn (Sheffield, Central): Before doing so, will the hon. Gentleman give way?

Mr. Riddick: No, I shall not give way.

I recognise the difficulty that the regulations will create for some of the trade unions, but they cannot be immune from the recession or the public deficit that we face today. If the Government are faced with the choice of spending money on hospitals or subsidising trade union ballots, there is no contest: the money must be spent on the public services. It is perfectly reasonable to ask trade unions to fund their ballots. We should not forget that the Trades Union Congress has never recommended that its affiliated unions make use of the scheme. Until 1985, TUC-affiliated trade unions boycotted the scheme.

I am not hostile to the trade unions. My advice to anyone who has a bad employer is to join a trade union. Anyone who has a good employer generally does not need the services of a trade union. My advice to my wife when she was working before she had our first baby was to belong to a trade union and to stay in it. She worked in an art gallery and her employer was a Labour-controlled council. I thought that it was important that she should be in a trade union so that the union could protect her against some of the worst excesses of that Labour-controlled council.

The reality is that in the past 14 years it has been the Conservative Government who have had the guts to tackle the excesses of the trade unions. I am happy to support the regulations tonight.

10.51 pm

Mr. Alex Carlile (Montgomery): I am bound to wonder what the Government's attitude would be if the majority of trade unions supported the Conservative party. I suspect that they would be less enthusiastic about removing this small amount of funding from trade unions.

The hon. Member for Colne Valley (Mr. Riddick) rightly advised his wife to remain a member of a trade union. However, the distinction that he sought to draw between people who work for good employers and people who work for poor employers is a bad point.

[Mr. Alex Carlile]

I have always understood that the Conservative party is not opposed to trade unions as such. I understand that many members of the Conservative party are members of, and active in, trade unions. Surely they and hon. Members on both sides of the House should agree that people should join trade unions for their own protection. What Conservative Members seem to object to is not so much trade unions in themselves as the fact that they perceive that trade union members feel compelled to support the Labour party.

The present decline of civil legal aid under the Lord Chancellor's latest proposals and the fact that claimants under civil legal aid will be obliged to make a contribution from the outset, provide a good justification for us as Members of Parliament advising constituents to be members of trade unions.

I have considerable professional experience of acting for trade unionists in civil pesonal injury claims. There is no doubt that even when legal aid was more widely available for such claims, the trade union legal assistance scheme on the whole provided a better and more expert service.

Mr. David Winnick (Walsall, North): The hon. Member for Colne Valley (Mr. Riddick) said that he would encourage anyone who had a bad employer to join a trade union. Is the hon. and learned Member for Montgomery (Mr. Carlile) aware that 10 days ago there was an Adjournment debate about an industrial dispute that has been going on for months in the west midlands and I do not think that anyone would argue that the employer concerned is a bad one? There was a ballot and the vote was overwhelmingly in favour of joining a union. Yet the Under-Secretary of State for Employment, the hon. Member for Derbyshire, West (Mr. McLoughlin), defended the employer's action in refusing to recognise the right of those people to join a union and gave every possible excuse why that employer should not recognise the people involved.

Mr. Carlile: As ever, the hon. Gentleman has made his point powerfully; but I was trying to make the point that not only those working for bad employers, but those working for good employers, are well advised to join trade unions—partly, at least, because of the benefits available to members, particularly in relation to union legal aid.

There is a second reason why those with good employers should join trade unions; a good employer can obtain nothing but benefit from the fact that his employees are union members. He will find it far easier to negotiate, discuss health and safety and deal with common problems that arise if he can do so through the elected representatives of those employees. The best possible elected representatives are responsible trade union officials who have been elected by the employees, and can represent the views of their members not on a whim but on the basis of well-organised and well-constructed union consultation.

I feel that the regulations and the political thinking that underlies it, are purely an attempt to bash the unions because they happen to support the Labour party—but even that is misguided as a political view of the position. Under the existing arrangements, the Government have a stake in trade union ballots: because they fund the ballots, they can enforce the funding regulations. If the existing regulations are breached, they can take the trade union concerned to court for not following those regulations. If the regulations are enacted, they will lose, at a stroke, a considerable degree of lateral influence over the unions. That strikes me as a very bad move, which will do nothing for industrial relations—and, indeed, will encourage many trade union members who may not be inclined to support Labour to decide that the Government are out to damage their interests in the workplace.

The sum involved is so small, and the gain to industrial relations and union-Government relations so obvious, that I ask the Minister to reconsider whether the changes are really in the public interest.

10.57 pm

Mr. Peter Bottomley (Eltham): I pay tribute to the hundreds of thousands of trade union members who give their time voluntarily to serve their fellows at work. When we talk of those intermediate groups in society, we are not talking merely of members of ward committees, Labour or Tory, or about those involved in churches, chapels, mosques, temples or synagogues; we are talking of a body of people that, at its peak, comprised between 250,000 and 300,000 people who served as shop stewards, working often for no thanks and always for no pay.

The hon. and learned Member for Montgomery (Mr. Carlile) pointed out that they have taken up issues that matter to individuals: issues such as accidents at work, health and safety and general representation.

It is beyond dispute that the trade unions have gone wrong at times, but the fact that they have now come right is also well established—partly because of the move towards free and fair elections.

The serious point made by the hon. Member for Holborn and St. Pancras (Mr. Dobson) was that the regulations have come about with virtually no notice and no discussion. I hope that my hon. Friend the Minister will explain why the announcement that the ballot money would be cut off was made so suddenly; most of us were surprised by that announcement.

The issue of the money itself is slightly less important. In the case of a union subscription of about £60 a year, the cost of a postal ballot is not so very great——

Mr. Dennis Skinner (Bolsover): Yes, it is.

Mr. Bottomley: I leave the hon. Gentleman to make that point if he wishes.

If we are to be fair, we must consider other issues. Some parts of the union subscription cover matters which are tax-deductible, but only a small number of union members apply for tax relief on those parts. If some parts of the funds are allowable for tax relief, it would be fair if they were dealt with automatically so that individual members need not have to discover that they qualify. We would then show that we do not keep money from trade unions to which their members are legally entitled. That is one way in which the Government could avoid the accusation that they are union bashing.

I will leave it to other hon. Members to point out something that was not covered by the hon. Member for Holborn and St. Pancras—Labour's attitude to state funding of union ballots. When I was a Minister at the Department of Employment I went to the Trades Union Congress and I managed to live quite well and be more

than a light drinker by offering to pay for the drinks of all my friends in the trade union movement. They said, "Government money? Not a hope." I lived on their money for virtually a week. The idea that the Labour party supports the funding is not consistent.

We can go a stage further. Should we assume that members of trade unions are members of trade unions which support the Labour party? Half the members of trade unions are in unions which do not have political funds and, of course, not every union fund is openly dedicated to the Labour party. If a diplomat tried to comment on the relationship between trade unions and political parties in this country, he would say that there were matters of substance and of direction. It would help trade unions if they shook themselves free of the association with the Labour party.

It was honourable for the trade unions to establish a political party. The lives of many trade unionists around the world are threatened and even ended because the trade unions stand for democracy and for an alternative to a dictatorial regime. We do not have dictorial regime in this country, but in many countries such as in central America, Africa and many parts of Asia, being an active member of a trade union is to volunteer for intimidation and to suffer the kind of violence that people in the United Kingdom may suffer from the IRA. It is as bad as that, as I saw in El Salvador.

If the trade unions with political funds which backed the Labour party at the last four elections, and backed the loser four times in a row, were more neutral in their political interests and were actively involved with both major political parties, they might do much better than by supporting just one political party. However, that is a matter for those unions and that is why the political fund ballot will be interesting in 1995.

With regard to the relationship, there are points of strength and of weakness. The Tory Government and Tory voters can be congratulated on helping to get trade unions away from their dominant political role, which was unhealthy for them and for the country, and back to a position where we can openly say that trade union members and their families are one of the largest groups of Conservative voters.

However, we do not always earn those votes by our actions. For example, it would be healthy if we said, in respect of the Timex dispute, that the management are using tactics ill suited to the United States and not at home in this country at all. When my right hon. Friend the Prime Minister spoke up about the people who were arrested in the demonstration, he pointed out that those who were arrested were not workers at the factory and he was right.

The workers should be proud that they have stayed within the law. When trade union members do that, even though Government do not take sides in an industrial dispute Conservatives should say that they do not like management rolling back wages and conditions arbitrarily. That may sometimes be necessary to stay in business, but we should take a more even-handed approach. It is not our job simply to be on the side of industry as represented by management. We should also be on the side of industry as represented by the workers.

Mr. Frank Cook: Careful—they are getting a bit tetchy on the Front Bench, lad.

Mr. Bottomley: I do not need any help from Opposition Members just at the moment.

We need a network of co-operation, and that means trying to work with the democrats within the trade union movement to provide an election system which the members recognise to be fair.

Those of us who are members of building societies as lenders or borrowers are involved in secret ballots on this, that or the other, and we are aware that that practice is not an unusual thing in the network of institutions which have helped to build up the better parts of this country and have helped people when they required help.

As the Minister will be aware, I believe, that there is sometimes a lack of coherence in our approach. When we consider issues such as the way in which the mining communities were shattered by the form of the announcement in the autumn, and the fact that the courts said that some of that action was unlawful, I wonder whether all the industrial relations experience of the Department of Employment and of the Advisory, Conciliation and Arbitration Service has suddenly vanished. In my day that sort of thing would never have happened. Ministers and civil servants in the Department and, for that matter, outsiders would have said, "You can't do that—look at the law." In respect of these regulations, we are looking at one part of the law.

We need to create an organic relationship with trade unions and their members. We need to consult them about the things which affect them. In the case of this issue, I do not believe that we did consult them. I may be wrong about that; my hon. Friend the Minister will be able to tell me if I am.

I want to speak now as a party politician. The bulk of relationships between people in the Conservative party and trade unionists should be conducted on a people-to-people basis, involving individuals. Let me say something about my own trade union. It is fine to go sponsoring Members of Parliament and to have meetings of those Members, but why, in my seventeen and a half years as a member of that union, have I been excluded on every occasion as a consequence of my not being sponsored?

I am a member of the union, but I am excluded from the meeting. Every time there is to be a new general secretary, I write and ask for an invitation, but I am always refused on the grounds that my election expenses are not met. If the purpose of paying election expenses is to have union members elected to this House, but someone is elected without that sponsorship, what is the democratic reason for that Member's exclusion from all meetings? They cannot all be intended to help the Labour party. If so, they are not very effective. Some of them must be about issues with which the House is dealing.

We need a periods of hard reflection. It is not a question simply of being hard in thought. We must avoid giving the impression of being hard of heart and soft in the head. The Labour party needs to think through its relationship with the trade unions, as does the Tory party, and when the Government are thinking of doing something which will affect trade unions they ought to treat those bodies as they treat other people in society: they ought to consult them and then make their decision, rather than make their decision as a substitute for consultation.

11.6 pm

Mr. John Hutton (Barrow and Furness): Like all my right hon. and hon. Friends, I take the view that this is a foolish and mistaken measure. It is foolish because, whether or not they realise it, the Government have fundamentally contradicted what has been the central theme of their industrial relations policy for more than 14 years.

Since 1979, the Government have lectured the Opposition about the need to improve democracy in the trade union movement. My view is that we should take no lectures about democracy from the Conservative party. If and when it turns itself into a democratic party and publishes its accounts, we may be more prepared to pay attention to what it says. Throughout the past 14 years, the Government have told us that the trade unions are not democratic. We have been told that there is a need to promote the use of postal and workplace ballots in the decision-making processes. At the same time, the Government have claimed that this is not a burden on the trade union movement, as public funds are available for reimbursement of the costs. From tonight, that will not be the case. At a stroke, the Government have undermined their fundamental argument and contradicted the main theme of their industrial relations reform.

This is a mistaken measure, as it will compromise the ability of many trade unions, particularly the smaller ones that make heavy use of the reimbursement scheme——

Mr. Jacques Arnold (Gravesham): Will the hon. Gentleman give way?

Mr. Hutton: No. I intend to make some progress.

The regulations will compromise the ability of many trade unions, particularly the smaller ones, to comply with the mandatory ballot requirements imposed by successive measures since 1980. It is worth bearing in mind the fact that the Government always gave the impression that the refund scheme was permanent and was necessary to help trade unions to meet their new legal obligations. In fact, it might be educational for Conservative Members if they were to be reminded of what the right hon. Member for Bridgwater (Mr. King) said as Secretary of State for Employment. On 8 November 1983, when introducing the Trade Union Bill, he said:

"I hope that whenever possible unions will make use of postal ballots. The money provided under the 1980 Act to meet the cost of such ballots will continue to be available. —[*Official Report*, 8 November 1983; Vol. 48, c. 160.]

Mr. Jacques Arnold: Did the hon. Gentleman perhaps consult his Back-Bench colleague the hon. Member for Cumbernauld and Kilsyth (Mr. Hogg)? If we are to quote debates, the hon. Member said in the debate on the Employment Bill on 17 December 1979,

"The trade union movement has not asked for it"—

that is, funds—

"and there is no evidence that the trade union movement cannot afford to run secret ballots." [*Official Report*, 17 December 1979; Vol. 976, c. 488.]

He said it.

Mr. Hutton: I am quite sure that my hon. Friend is able to defend himself, if he wants to, on that point.

Mr. Norman Hogg (Cumbernauld and Kilsyth): I am grateful to my hon. Friend. I do not like replying to someone else's intervention, and it was very improper of the hon. Gentleman the Member for Gravesham (Mr. Arnold) to quote me in an intervention in someone else's speech. However, if I may answer the point, when I made that speech 12 million people were members of trade unions in this country. They were able to act independently because of the funds which 12 million members generated. The whole basis of opposing it at that time was the knowledge that the Government were setting about introducing legislation which was intended to restrict the trade union movement.

Since then, they have introduced the legislation and it has restricted the trade union movement. They have also created, through the folly of their policies, 3 million unemployed people. In that pincer movement they have caught the trade unions. The hon. Member for Gravesham (Mr. Arnold) shakes his head. He does not like it, but he should not make smart remarks and then be unable to defend them. The trade union movement has been nobbled and, to a large extent, destroyed by the activities of this Government, and evidence of that is the fact that they are withdrawing this funding, which shows that introducing it in the first place was a sham and a lie.

Mr. Hutton: I am grateful to my hon. Friend for making that comment. I was sure that he would be able to respond to the point that the hon. Member for Gravesham made, and I was correct in my assessment. The hon. Gentleman should also bear in mind that what was true in 1980 is not true in 1993, because the balloting regime that the Government have imposed over the past few years has changed dramatically from the one that was introduced in 1980. That was exclusively a voluntary scheme; now it is essentially mandatory. The balloting mechanisms themselves have also changed beyond recognition.

Nor was there any mention of the Government's intention to withdraw the refund scheme for trade union ballots in the manifesto on which Conservative Members were elected in 1992. It is clear from the *Hansard* record of proceedings relating to the refund scheme for trade union ballots, that it was always the Government's intention to make this funding available. Now they have changed their minds.

The scheme provides important practical help to trade unions and is thus a direct benefit to trade union members and to their employers as well. The figures from the annual report of the certification officer bear out the relevance and importance of the rebate scheme. The last year for which we have an annual report from the certification officer is 1991. In that year, 78 trade unions, both large and small, made applications for refunds in respect of more than 700 ballots, and the certification officer paid over £4 million in refunds to those trade unions.

It is also interesting—I am sure that Conservative Members will benefit from doing this—to look at the list of unions and organisations that made use of the refund scheme. They were not large, TUC-affiliated trade unions; many were small, non-TUC-affiliated unions, including, for example, the Royal College of Nursing, the Royal College of Midwives and the Health Visitors Association. The value of the scheme is demonstrated by the range of organisations that make use of it.

The Trade Union Reform and Employment Rights Bill will also add considerably to the cost of trade union ballots by removing the discretion over the conduct of workplace ballots and requiring external scrutiny of those ballots as well. By moving away from the discretion on conduct of

workplace ballots, the Government have added considerably to the cost of conducting the ballots. There is no doubt that workplace ballots are considerably cheaper to operate than fully postal ballots. While we are in the mood to quote from previous speeches, perhaps I can refer again to the speech by the right hon. Member for Bridgwater on 8 November 1983, when he said:

"I am not convinced that postal ballots are always the best means of ensuring maximum participation in elections . . . A workplace ballot . . . may often be a more effective means of getting voting papers into the hands of trade union members, as a comparison between some unions which operate postal ballots and others which operate workplace ballots clearly shows."—[*Official Report*, 8 November 1983; Vol. 48, c. 160.]

I wonder why it is, therefore, that at a time when the Government are about to withdraw the rebate scheme for trade union ballots, they have extended considerably not only the range of subjects covered by the obligation to ballot but the actual mechanism by which the ballot itself may be conducted. Why have the Government chosen this moment to withdraw the scheme?

The Government's case cannot be based on public expenditure criteria, as the hon. Member for Colne Valley (Mr. Riddick) suggested earlier. In the context of a debate about public expenditure, it is important to talk about the options available to the Department of Employment and not make comparisons between expenditure of the Department of Employment and the Department of Health, as the hon. Gentleman did.

If we are talking about the Department of Employment and its expenditure criteria and priorities, is it not extraordinary that, at a time when the Government are withdrawing the £4 million which is necessary for the conduct of the postal ballot introduced by a Tory Government, they are proposing to spend £1·5 million of taxpayers' money on the ludicrous commissioner for the protection against unlawful industrial action? The House has never proposed to spend money on a more stupid and ludicrous proposal. The Government would rather fund fruitless litigation than promote democratic behaviour in the trade unions.

I believe, as do many of my hon. Friends—clearly, Conservative Members also believe this—that the Government's actions are aimed more at the next round of political fund ballots in the near future. The proposal is a naked and partisan use of legislative power to further their own perceived political interests. I wonder whether the Government's real hope is that the unions will not conduct the next round of due ballots and that their political funds will expire. Clearly, that would be to the political advantage of the Conservative Party.

In conclusion, this is not a sensible or desirable path for the House to follow, and we should reject the Government's proposals out of hand.

11.15 pm

The Minister of State, Department of Employment (Mr. Michael Forsyth): At least the hon. Member for Barrow and Furness (Mr. Hutton) addressed the issue that we are debating tonight. The hon. Member for Holborn and St. Pancras (Mr. Dobson) did not do so. Indeed, he made a disgraceful speech which I am sure, on reflection, he will wish in the morning that he had not made. I do not propose to respond to some of the matters that he raised because they are not matters for this debate.

Listening to the hon. Members for Barrow and Furness and for Holborn and St. Pancras and the hon. and learned Member for Montgomery (Mr. Carlile), one might be forgiven for thinking that this scheme was one of the Labour party's most cherished initiatives from the 1970s—a piece of benevolence for which the trade unions are indebted to the Labour Party. As my hon. Friend the Member for Eltham (Mr. Bottomley) said, it is hard to believe that this is the same party whose members objected so violently to the introduction of the scheme in 1980.

On hearing tonight's reaction to the phasing out of the scheme, one might imagine that at the very least we received the support and gratitude of the Opposition when it was introduced. Far from it. The hon. Member for Cumbernauld and Kilsyth (Mr. Hogg) explained what he said in 1979. He replied to my hon. Friend the Member for Gravesham (Mr. Arnold) by saying that, when he said that there was no need for this public funding, that reflected the fact that the trade union movement was larger and more able to pay its costs in 1979.

There is another quote from the same debate, from the hon. Member for Cumbernauld and Kilsyth:

"There is no case for the use of public money for this purpose. There is no demand from trade unions that such money should be used for the purpose. There is no public demand for spending public money in such a way."—[*Official Report*, 17 December 1979; Vol. 976, c. 123.]

I agree with the hon. Gentleman.

Mr. Norman Hogg: I am glad that the Minister reads my speeches. Rumour has it that he only ever reads the works of Adam Smith. At least this represents an improvement in his reading.

The point I made in 1979 remains valid. The trade union movement had an independence born of its strength in 1979 which does not now exist. The Minister is making a case for withdrawing this funding—*[Interruption.]* I am sorry that those on the Government Front Bench are getting excited. They should remain calm.

The Minister is saying that this funding should be withdrawn at a time when the trade union movement is much smaller than it was in 1979. That exposes what the Government are doing, which is turning the screw harder on the trade union movement. Any attempt to pretend that these ballots were introduced in a spirit of good will to the trade union movement is a lie.

Mr. Forsyth: The hon. Gentleman is arguing that the trade union movement is now a lame duck and should therefore have a public subsidy. What the hon. Gentleman said in 1979 was that there was no case for public money being used in this way—as well as the quote which was drawn to the attention of the House by my hon. Friend the Member for Gravesham.

The Trades Union Congress cannot be described as anything other than a late convert to the scheme—if, indeed, it has ever been converted at all. Its policy was, as stated in its 1982 conference report, that

"Affiliated unions shall observe Congress policy and not seek or accept public funds for union ballots under the Employment Act 1980 ballot funds scheme."

At least until 1986, the TUC was openly hostile to the scheme and tried to punish any unions which had the temerity to make use of it. The engineers union and the electricians union learned this to their cost, as they came perilously close to expulsion from the TUC for doing so. That is hardly a ringing endorsement.

The TUC has continued to fudge the issue. Despite all that we have heard tonight, the TUC has never endorsed the scheme—never, that is, until its vociferous protests

[Mr. Forsyth]

after we announced that the scheme was to be brought to an end. We have all heard of deathbed conversions, but surely someone on the Labour Benches should have advised the TUC that these are supposed to come before and not after the moment at which death has been pronounced.

Many taxpayers would, I am sure, find it extraordinary to learn that part of their taxes is spent paying private organisations to comply with what are now, for the most part, the requirements of the law. I say to the hon. Member for Holborn and St. Pancras that to understand why their money has been spent in this was we need to go back to 1980, when the scheme was established, and when the principle of industrial democracy in British trade unions was, to say the least, in its infancy. Postal balloting of trade union members was almost unheard of in 1980. Secret workplace ballots were not much more common.

The norm was that union business—including the all too frequent calls to strike and to take other industrial action—was carried out by a show of hands in the workplace car park, under the meaningful gaze of shope stewards and the more militant union members. That was the context in which the ballot funding scheme was established. Its purpose was to encourage trade unions to adopt postal balloting at a time when this was very much the exception rather than the rule. The Government made no secret at the time of their wish to see much wider use of postal ballots for important trade union decisions. The Opposition and the trade union bosses opposed this. I doubt whether many ordinary trade union members would endorse such a stance now.

I remind my hon. Friend the Member for Eltham that the scheme was never intended to last for ever, and we never said that it would. During the 1980s the law was radically changed. Progressively and, it has to be said, in the clear absence of any willingness on the part of the trade unions to put their own house in order, the law gave union members the right to a postal ballot for electing their leaders and a secret ballot before they could be called out on strike.

Mr. Peter Bottomley: My hon. Friend is putting me in a slight dilemma, because during my year and a quarter as a Minister in the Department of Employment no one once suggested that the scheme was temporary. I put it to him that the regulation would go down slightly more easily if he said that he intended one way or another to continue funding the trade union education and health and safety work, which is also to be cut off. None of his arguments would apply.

Mr. Forsyth: My hon. Friend, as he told the House, is a member of the Transport and General Workers Union, which receives a quarter of the £4 million which has been provided under the ballot scheme, so I understand his concern. The trade union education and training grant is a separate matter. We have already said that we shall make additional funds available to the Health and Safety Executive to provide for training on health and safety.

The truth of the matter is that most trade unions refused to touch the ballot funding scheme so long as the law allowed them to deny their members a secret ballot. They only became interested in the scheme—and then only some of them, and only in the teeth of TUC opposition—when the law compelled them to acknowledge that their members had a right to vote in secret to elect their leaders and before strikes. In 1985, 26 unions made applications, most of them not unions affiliated to the TUC. In 1992, applications were made by 80 unions. Like that of the Labour party, the attitude of the trade unions to the scheme has been a monument of inconsistency.

The issue comes down to the proper use of significant amounts of public money—taxpayers' money. In 1981 the ballot funding scheme cost £13,000. Today it costs £4·2 million. The House must ask itself whether that is the most effective use of public money in the current circumstances.

A total of £4·2 million is enough to pay for almost 3,500 cataract operations, or more than 1,000 hip replacements. The Opposition clearly find this of no interest, but I wonder whether, when people come to their surgeries asking about waiting time in hospitals, they will say that they prefer the money to go on a trade union ballot scheme. I am sure that I know where, given the chance to make a choice, the taxpayer would prefer his money to go—and it is not on buying stamps and stationery to help trade unions to hold ballots on matters such as strikes. The Opposition have argued——

Mr. Dobson: As the Chancellor is here, and as he was Chief Secretary to the Treasury at the time the deal was done, will the Minister ask him to confirm that the cost to the taxpayer of the deal not to tax rich people from abroad who are domiciled here was about 60 times more than the amount spent on these ballots?

Mr. Forsyth: I understand why the hon. Gentleman has spent the entire evening trying to avoid the arguments on this matter, and to change the subject to other matters. Until tonight, I had never known an Opposition spokesman who put down a prayer and then refused to address the reasons behind his prayer.

The hon. Gentleman has argued that the decision to phase out the ballot funding scheme is an attack on trade unions and that it will place an unreasonable financial burden on trade unions. I am totally unconvinced by the argument that trade unions will be unable to afford to comply with the law when the ballot funding scheme is phased out. After all, some trade unions have never used the scheme at all and continue not to do so. The National Association of Local Government Officers, with its 760,000 members, has never made a claim under the scheme, and neither has the Graphic, Media and Printing Union or its antecedents.

The unions which formed the National Union of Rail, Maritime and Transport Workers, which sponsors the hon. Member for Holborn and St Pancras, might seem to many to typify the TUC's schizophrenic behaviour on this whole question. It was formed out of the National Union of Seamen, which made claims under the scheme, and the National Union of Railwaymen, which resolutely refused to do so. The merger of the unions led to even greater schzophrenia, with a claim made under the scheme despite a conference vote not to accept Government money for ballots. Current RMT policy, as the hon. Member for Holborn and St Pancras—who is desperately trying not to look as though he is listening to the argument—knows, is anyone's guess. It would be interesting to have the hon. Gentleman's views on whether his union is still all at sea or off the rails on this issue.

I have already referred to the gross assets of the TGWU. The certification officer records that, at the end of 1990, the gross assets of the 300 or so trade unions

amounted to no less than £777 million. Against that background, the argument that unions will face financial ruin because of the phasing out of some £4 million of Government subsidy—or that this ought to represent a priority claim on scarce public resources—is wholly unsustainable. I simply cannot accept that trade unions will be unable to cope without this subsidy.

It is a dangerous and fundamentally flawed argument, which the hon. Gentleman the Member for Holborn and St Pancras put, to suggest that because the law requires an organisation or an individual to act in a certain manner there should be a public subsidy to enable those affected to meet any costs which might arise from the requirements of the law. Because Parliament decides that seat belts should be compulsory in the rear seats of cars, the Government do not offer subsidies to car manufacturers or individual car owners to fit the belts. That would not be a proper use of taxpayers' money —nor is it any longer a proper use of taxpayers' money to subsidise trade union ballots.

The bottom line is this: trade unions have obligations which exist because they continue to enjoy privileges under the law. For unions to ensure that they comply with those obligations, it is not for the taxpayer to provide them with the resources to enable them to do so.

The trade union ballot funding scheme is a scheme whose time has passed. It was established to accomplish a particular purpose: to encourage trade unions to make postal balloting the rule rather than the exception. That encouragement is no longer needed. Trade union members are now balloted by post on numerous issues, and have a legal right to vote by post on the most important of these. The original purpose of the scheme has been fulfilled and there is no case for continuing this subsidy at the taxpayer's expense. It is right that it should be phased out, and I urge the House to reject the Opposition motion.

Question put:—

The House divided: Ayes 239, Noes 290.

Division No. 199] **[11.29**

AYES

Abbott, Ms Diane
Adams, Mrs Irene
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Allen, Graham
Anderson, Donald *(Swansea E)*
Anderson, Ms Janet *(Ros'dale)*
Armstrong, Hilary
Ashton, Joe
Banks, Tony *(Newham NW)*
Barnes, Harry
Barron, Kevin
Battle, John
Bayley, Hugh
Beckett, Rt Hon Margaret
Beggs, Roy
Bell, Stuart
Benn, Rt Hon Tony
Bennett, Andrew F.
Bermingham, Gerald
Berry, Dr. Roger
Betts, Clive
Blair, Tony
Blunkett, David
Boateng, Paul
Boyes, Roland
Bradley, Keith
Bray, Dr Jeremy
Brown, Gordon *(Dunfermline E)*
Brown, N. *(N'c'tle upon Tyne E)*
Burden, Richard
Byers, Stephen
Caborn, Richard
Callaghan, Jim
Campbell, Mrs Anne *(C'bridge)*
Campbell-Savours, D. N.
Canavan, Dennis
Cann, Jamie
Carlile, Alexander *(Montgomry)*
Chisholm, Malcolm
Clapham, Michael
Clark, Dr David *(South Shields)*
Clarke, Eric *(Midlothian)*
Clelland, David
Clwyd, Mrs Ann
Cohen, Harry
Connarty, Michael
Cook, Frank *(Stockton N)*
Cook, Robin *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Corston, Ms Jean
Cousins, Jim
Cryer, Bob
Cummings, John
Cunliffe, Lawrence
Cunningham, Jim *(Covy SE)*
Dafis, Cynog
Dalyell, Tam
Darling, Alistair
Davidson, Ian
Davies, Bryan *(Oldham C'tral)*
Davies, Ron *(Caerphilly)*
Davis, Terry *(B'ham, H'dge H'l)*
Denham, John
Dewar, Donald
Dixon, Don
Dobson, Frank
Donohoe, Brian H.
Dowd, Jim
Dunwoody, Mrs Gwyneth
Eagle, Ms Angela
Eastham, Ken
Etherington, Bill
Evans, John *(St Helens N)*
Fatchett, Derek
Field, Frank *(Birkenhead)*
Fisher, Mark
Flynn, Paul
Foster, Rt Hon Derek
Foulkes, George
Fraser, John
Fyfe, Maria
Galbraith, Sam
Galloway, George
Gapes, Mike
Garrett, John
Gerrard, Neil
Gilbert, Rt Hon Dr John
Godman, Dr Norman A.
Godsiff, Roger
Golding, Mrs Llin
Gordon, Mildred
Gould, Bryan
Grant, Bernie *(Tottenham)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Gunnell, John
Hain, Peter
Hall, Mike
Hanson, David
Henderson, Doug
Heppell, John
Hill, Keith *(Streatham)*
Hinchliffe, David
Hoey, Kate
Hogg, Norman *(Cumbernauld)*
Home Robertson, John
Hoon, Geoffrey
Howarth, George *(Knowsley N)*
Howells, Dr. Kim *(Pontypridd)*
Hoyle, Doug
Hughes, Kevin *(Doncaster N)*
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport E)*
Hughes, Simon *(Southwark)*
Hutton, John
Illsley, Eric
Ingram, Adam
Jackson, Glenda *(H'stead)*
Jackson, Helen *(Shef'ld, H)*
Jamieson, David
Johnston, Sir Russell
Jones, Barry *(Alyn and D'side)*
Jones, Ieuan Wyn *(Ynys Môn)*
Jones, Lynne *(B'ham S O)*
Jones, Martyn *(Clwyd, SW)*
Kaufman, Rt Hon Gerald
Keen, Alan
Kennedy, Jane *(Lpool Brdgn)*
Khabra, Piara S.
Kilfoyle, Peter
Kinnock, Rt Hon Neil *(Islwyn)*
Leighton, Ron
Litherland, Robert
Livingstone, Ken
Lloyd, Tony *(Stretford)*
Llwyd, Elfyn
Loyden, Eddie
McAllion, John
McAvoy, Thomas
McCartney, Ian
Macdonald, Calum
McFall, John
McKelvey, William
Mackinlay, Andrew
McLeish, Henry
McMaster, Gordon
McWilliam, John
Madden, Max
Mahon, Alice
Mandelson, Peter
Marek, Dr John
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester, S)*
Martin, Michael J. *(Springburn)*
Martlew, Eric
Maxton, John
Meacher, Michael
Meale, Alan
Michael, Alun
Michie, Bill *(Sheffield Heeley)*
Milburn, Alan
Miller, Andrew
Mitchell, Austin *(Gt Grimsby)*
Moonie, Dr Lewis
Morgan, Rhodri
Morley, Elliot
Morris, Rt Hon A. *(Wy'nshawe)*
Morris, Estelle *(B'ham Yardley)*
Morris, Rt Hon J. *(Aberavon)*
Mullin, Chris
Murphy, Paul
Oakes, Rt Hon Gordon
O'Brien, Michael *(N W'kshire)*
O'Hara, Edward
Olner, William
O'Neill, Martin
Orme, Rt Hon Stanley
Parry, Robert
Pendry, Tom
Pickthall, Colin
Pike, Peter L.
Pope, Greg
Powell, Ray *(Ogmore)*
Prentice, Ms Bridget *(Lew'm E)*
Prentice, Gordon *(Pendle)*
Prescott, John
Primarolo, Dawn
Purchase, Ken
Quin, Ms Joyce
Randall, Stuart
Raynsford, Nick
Reid, Dr John
Robertson, George *(Hamilton)*
Robinson, Geoffrey *(Co'try NW)*
Robinson, Peter *(Belfast E)*
Roche, Mrs. Barbara
Rogers, Allan
Rooker, Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Ruddock, Joan
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon Robert
Shore, Rt Hon Peter
Short, Clare
Simpson, Alan
Skinner, Dennis
Smith, Andrew *(Oxford E)*
Smith, C. *(Isl'ton S & F'sbury)*
Smith, Llew *(Blaenau Gwent)*
Snape, Peter

Soley, Clive
Steinberg, Gerry
Stevenson, George
Stott, Roger
Strang, Dr. Gavin
Straw, Jack
Taylor, Mrs Ann *(Dewsbury)*
Taylor, Matthew *(Truro)*
Walker, Rt Hon Sir Harold
Walley, Joan
Wardell, Gareth *(Gower)*
Wareing, Robert N
Watson, Mike
Welsh, Andrew
Wicks, Malcolm
Wigley, Dafydd
Williams, Rt Hon Alan *(Sw'n W)*
Williams, Alan W *(Carmarthen)*
Wilson, Brian
Winnick, David
Worthington, Tony
Wray, Jimmy
Wright, Dr Tony

Tellers for the Ayes:
Mr. John Owen Jones and
Mr. Dennis Turner

NOES

Adley, Robert
Ainsworth, Peter *(East Surrey)*
Aitken, Jonathan
Alexander, Richard
Allason, Rupert *(Torbay)*
Amess, David
Ancram, Michael
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Arnold, Sir Thomas *(Hazel Grv)*
Ashby, David
Atkins, Robert
Atkinson, Peter *(Hexham)*
Baker, Rt Hon K. *(Mole Valley)*
Baker, Nicholas *(Dorset North)*
Baldry, Tony
Banks, Matthew *(Southport)*
Banks, Robert *(Harrogate)*
Bates, Michael
Batiste, Spencer
Bellingham, Henry
Bendall, Vivian
Beresford, Sir Paul
Biffen, Rt Hon John
Blackburn, Dr John G.
Bonsor, Sir Nicholas
Booth, Hartley
Boswell, Tim
Bottomley, Peter *(Eltham)*
Bottomley, Rt Hon Virginia
Bowden, Andrew
Bowis, John
Boyson, Rt Hon Sir Rhodes
Brandreth, Gyles
Brazier, Julian
Bright, Graham
Brown, M. *(Brigg & Cl'thorpes)*
Browning, Mrs. Angela
Bruce, Ian *(S Dorset)*
Budgen, Nicholas
Burns, Simon
Burt, Alistair
Butterfill, John
Carlisle, John *(Luton North)*
Carlisle, Kenneth *(Lincoln)*
Carrington, Matthew
Carttiss, Michael
Cash, William
Churchill, Mr
Clark, Dr Michael *(Rochford)*
Clarke, Rt Hon Kenneth *(Rushcl)*
Clifton-Brown, Geoffrey
Coe, Sebastian
Colvin, Michael
Congdon, David
Conway, Derek
Coombs, Anthony *(Wyre For'st)*
Coombs, Simon *(Swindon)*
Cope, Rt Hon Sir John
Cormack, Patrick
Couchman, James
Cran, James
Currie, Mrs Edwina *(S D'by'shr)*
Curry, David *(Skipton & Ripon)*
Davis, David *(Boothferry)*
Day, Stephen
Deva, Nirj Joseph
Dickens, Geoffrey
Dorrell, Stephen
Douglas-Hamilton, Lord James
Dover, Den
Duncan, Alan
Duncan-Smith, Iain
Dunn, Bob
Durant, Sir Anthony
Elletson, Harold
Emery, Rt Hon Sir Peter
Evans, David *(Welwyn Hatfield)*
Evans, Jonathan *(Brecon)*
Evans, Roger *(Monmouth)*
Evennett, David
Faber, David
Fabricant, Michael
Fenner, Dame Peggy
Field, Barry *(Isle of Wight)*
Fishburn, Dudley
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Sir Norman
Fox, Dr Liam *(Woodspring)*
Fox, Sir Marcus *(Shipley)*
Freeman, Roger
French, Douglas
Gale, Roger
Gallie, Phil
Gardiner, Sir George
Garel-Jones, Rt Hon Tristan
Garnier, Edward
Gill, Christopher
Gillan, Cheryl
Goodlad, Rt Hon Alastair
Goodson-Wickes, Dr Charles
Gorman, Mrs Teresa
Gorst, John
Grant, Sir Anthony *(Cambs SW)*
Greenway, Harry *(Ealing N)*
Greenway, John *(Ryedale)*
Griffiths, Peter *(Portsmouth, N)*
Grylls, Sir Michael
Gummer, Rt Hon John Selwyn
Hague, William
Hamilton, Rt Hon Archie *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, Sir John
Hargreaves, Andrew
Hawkins, Nick
Hawksley, Warren
Hayes, Jerry
Heald, Oliver
Heathcoat-Amory, David
Hendry, Charles
Higgins, Rt Hon Sir Terence L.
Hill, James *(Southampton Test)*
Hogg, Rt Hon Douglas *(G'tham)*
Horam, John
Hordern, Rt Hon Sir Peter
Howard, Rt Hon Michael
Howarth, Alan *(Strat'rd-on-A)*
Howell, Rt Hon David *(G'dford)*
Hunt, Rt Hon David *(Wirral W)*
Hunt, Sir John *(Ravensbourne)*
Hunter, Andrew
Hurd, Rt Hon Douglas
Jack, Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert B. *(W Hertfdshr)*
Jopling, Rt Hon Michael
Kellett-Bowman, Dame Elaine
Kilfedder, Sir James
King, Rt Hon Tom
Kirkhope, Timothy
Knapman, Roger
Knight, Mrs Angela *(Erewash)*
Knight, Greg *(Derby N)*
Knight, Dame Jill *(Bir'm E'st'n)*
Knox, David
Kynoch, George *(Kincardine)*
Lait, Mrs Jacqui
Lamont, Rt Hon Norman
Lang, Rt Hon Ian
Lawrence, Sir Ivan
Legg, Barry
Leigh, Edward
Lennox-Boyd, Mark
Lester, Jim *(Broxtowe)*
Lidington, David
Lightbown, David
Lilley, Rt Hon Peter
Lloyd, Peter *(Fareham)*
Lord, Michael
Luff, Peter
Lyell, Rt Hon Sir Nicholas
MacGregor, Rt Hon John
MacKay, Andrew
Maclean, David
McLoughlin, Patrick
McNair-Wilson, Sir Patrick
Maitland, Lady Olga
Malone, Gerald
Mans, Keith
Marland, Paul
Marshall, John *(Hendon S)*
Marshall, Sir Michael *(Arundel)*
Martin, David *(Portsmouth S)*
Mawhinney, Dr Brian
Mellor, Rt Hon David
Merchant, Piers
Milligan, Stephen
Mills, Iain
Mitchell, Andrew *(Gedling)*
Mitchell, Sir David *(Hants NW)*
Moate, Sir Roger
Monro, Sir Hector
Montgomery, Sir Fergus
Moss, Malcolm
Needham, Richard
Nelson, Anthony
Neubert, Sir Michael
Newton, Rt Hon Tony
Nicholls, Patrick
Nicholson, David *(Taunton)*
Nicholson, Emma *(Devon West)*
Norris, Steve
Onslow, Rt Hon Sir Cranley
Oppenheim, Phillip
Ottaway, Richard
Page, Richard
Paice, James
Patnick, Irvine
Patten, Rt Hon John
Pattie, Rt Hon Sir Geoffrey
Pawsey, James
Peacock, Mrs Elizabeth
Pickles, Eric
Porter, Barry *(Wirral S)*
Porter, David *(Waveney)*
Portillo, Rt Hon Michael
Powell, William *(Corby)*
Rathbone, Tim
Redwood, John
Renton, Rt Hon Tim
Richards, Rod
Riddick, Graham
Robathan, Andrew
Roberts, Rt Hon Sir Wyn
Robertson, Raymond *(Ab'd'n S)*
Robinson, Mark *(Somerton)*
Rowe, Andrew *(Mid Kent)*
Rumbold, Rt Hon Dame Angela
Ryder, Rt Hon Richard
Sackville, Tom
Scott, Rt Hon Nicholas
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shephard, Rt Hon Gillian
Shepherd, Colin *(Hereford)*
Shersby, Michael
Skeet, Sir Trevor
Smith, Tim *(Beaconsfield)*
Soames, Nicholas
Spencer, Sir Derek
Spicer, Sir James *(W Dorset)*
Spicer, Michael *(S Worcs)*
Spink, Dr Robert
Spring, Richard
Sproat, Iain
Squire, Robin *(Hornchurch)*
Stanley, Rt Hon Sir John
Steen, Anthony
Stephen, Michael
Stern, Michael
Stewart, Allan
Streeter, Gary
Sumberg, David
Sweeney, Walter
Sykes, John
Tapsell, Sir Peter
Taylor, Ian *(Esher)*
Taylor, John M. *(Solihull)*
Taylor, Sir Teddy *(Southend, E)*
Temple-Morris, Peter
Thomason, Roy
Thompson, Sir Donald *(C'er V)*
Thompson, Patrick *(Norwich N)*
Thornton, Sir Malcolm
Thurnham, Peter
Townend, John *(Bridlington)*
Townsend, Cyril D. *(Bexl'yh'th)*
Tracey, Richard
Tredinnick, David
Trotter, Neville
Twinn, Dr Ian
Vaughan, Sir Gerard
Viggers, Peter
Waldegrave, Rt Hon William
Walden, George
Walker, Bill *(N Tayside)*
Waller, Gary
Wardle, Charles *(Bexhill)*
Waterson, Nigel
Watts, John
Wells, Bowen
Wheeler, Rt Hon Sir John
Whitney, Ray
Whittingdale, John
Widdecombe, Ann
Wiggin, Sir Jerry
Willetts, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macc'fld)*
Wolfson, Mark
Wood, Timothy

Yeo, Tim
Young, Sir George *(Acton)*

Tellers for the Noes:
Mr. Sydney Chapman and
Mr. Robert Hughes.

Question accordingly negatived.

PETITION

Channel Tunnel Link

11.41 pm

Mr. Brian Sedgemore (Hackney, South and Shoreditch): I wish to present a petition which has been signed by 10,000 residents of the London borough of Hackney, protesting at the choice by British Railways Board of the eastern route for the channel tunnel link because it will go through the centre of Hackney and threaten the environment and local jobs:

Wherefore your petitioners pray that your honourable House instruct British Rail to abandon all plans to route a Channel Tunnel high speed rail link across the Borough of Hackney.

To lie upon the Table.

Missing Persons

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. MacKay.]*

11.42 pm

Mr. Michael Connarty (Falkirk, East): I am pleased that I have been given the opportunity to air on the Floor of the House the vexed question of missing persons in the United Kingdom.

I make no apology for asking the Minister to consider the debate first from a personal and emotional viewpoint. I ask him to consider the anxiety of my now deceased constituent, Janette Hamilton, of Falkirk, when her 14-year-old daughter Vicki failed to return home from a weekend trip to visit her sister Sharon in Livingston, Scotland on 10 February 1990. I ask him to contemplate the growing despair as the police diligently pieced together Vicki's movements: from Livingston to Bathgate, West Lothian; from the bus station to a fish and chip shop in Bathgate; and from the fish and chip shop to where?

More than two years on, no one has been able to unravel the mystery. No one has ever been able to enter the labyrinth into which more and more young people are disappearing and to answer the question, "What happened to Vicki Hamilton?"

Will the Minister ponder the overwhelming despair that engulfed Vicki's mother as the days grew to weeks, then to months and then stretched beyond a year? If he can do so, he will realise why I speak here tonight, and hopefully it will help him to frame his reply.

In July 1992 Janette Hamilton was a broken woman when she approached me for help in persuading the Government to do more to trace missing children like her daughter Vicki. She also wanted Government help for the counselling and support for those who are left behind and who wrack their brains for clues and warning signs that they may have missed. They pray and hope that there is some sign to show that their child is still out there.

The final help for which Janette Hamilton asked was that I should tell the nation through debates such as tonight's that she believed that her daughter was still alive in the hope that the media in England and Wales would display one more photograph of her daughter with the simple message, "If Vicki is out there or anyone knows what happened to her—get in touch." I record that message unashamedly as, sadly, Janette Hamilton died on 12 January 1993, never knowing what happened to her daughter. One year and 11 months after Vicki's disappearance, Janette Hamilton was a broken woman. In the words of Vicki's sister, Sharon, Janette died of a broken heart.

The Government know that the scale of the problem is not measured in ones—tragic though each case may be. The 1988 report of the Association of Chief Police Officers, entitled, "Working Party on Missing Persons", shows that there have been three missing person cases unsolved from my region of central Scotland since before 1988. There were 60 unsolved cases from Scotland. The report recorded 1,642 persons missing for 28 days or more in the United Kingdom in 1998. There have been 2,678 unsolved missing persons cases on record since before 1988. That is the last such report that I have been able to find. It appears that such statistics are not easily collated or found.

The number of instances of missing children in the United Kingdom was estimated by the Children's Society —after conducting a survey of all chief police officers in 1988—as 98,000 incidents each year. In 1992, the survey of the National Children's Home estimated that there had been 100,000 incidents of missing children, involving 443,000 different children under 18 in England and Wales, and under 16 in Scotland.

My investigation and correspondence since July 1992 revealed, first, that the Government gave no financial assistance to provide counselling for missing persons' relatives such as Vicki Hamilton's mother. In a letter of 24 August 1992, Earl Ferrers, for the Home Office, said that he recogised that

"the Suzy Lamplugh Trust has been able to offer comfort and support"

to my constituent.

Surely the 2,678 families of the untraced missing persons since 1988 deserve some support through grant assistance to allow a development of the missing persons bureau and the Suzy Lamplugh trust. Surely an amendment to the social work legislation should be considered if direct funding is denied. That would at least allow local concerns to be turned into local support for such worthwhile organisations.

The greatest deficiency that my investigations have discovered is the lack of success in establishing a national computerised database of missing persons. That was first agreed by the United Kingdom Government when they adopted the Council of Europe recommendation R79(6) in April 1979. The crime committee of the Association of Chief Police Officers submitted a report early in 1989 to the Home Office, recommending such a database. In the House of Lords on 6 November 1989, Earl Ferrers said that the Government were discussing such a database with the Metropolitan police.

Early-day motion 1159, calling for such a database, was tabled on 26 June 1990 in the House of Commons, and signed by 219 Members. On 5 July 1990, the then Home Office Minister replied to a parliamentary question that the Home Secretary

"hopes to announce his conclusion shortly."—[*Official Report*, 5 July 1990; Vol. 175, c. *640.*]

On 12 July 1990, the then Minister said:

"We intend to introduce such a register."—[*Official Report*, 12 July 1990; Vol. 176, c. 444.]

It is now 23 March 1993. Earl Ferrers once again pledged the Government to introducing such a database in a letter to me on 21 August 1992.

The SO5 procedure—the card index system held by the Metropolitan police—is clearly inadequate for the task of tracing missing persons, particularly young people. The procedure used by police forces to notify and seek information on missing persons is, to say the least, less than uniform. In many cases, it is totally inadequate.

In a debate in another place on 6 July 1992, Earl Ferrers said:

"It is unlikely to be done before 1995."—[*Official Report, House of Lords*, 6 July 1992; Vol. 538, c. 1050.]

I have also received reports of a meeting between Earl Ferrers and other interested organisations that was held in November 1992, in which he stated that there were further delays in upgrading of the national police computer 2, which would carry such a database. Does that mean further delays beyond 1995?

I hope that tonight the Minister will show that the Government understand the need for action. I ask that they commit the resources needed to move forward the database development much faster than the planned

completion date of 1995. I also ask the Minister seriously to consider how the Government might better support those who appear to be voluntarily counselling the relatives of missing persons. That should be the responsibility of the Government in a truly caring society. I look forward to being given some reassurances for the relatives of Vicki and of other missing people.

11.50 pm

The Parliamentary Under-Secretary of State for the Home Department (Mr. Charles Wardle): I congratulate the hon. Member for Falkirk, East (Mr. Connarty) on obtaining this debate and on raising the complex and sensitive issue of missing persons. I share his feelings about the tragedy of Vicki Hamilton and about the terrible anguish that her mother must have suffered in the months leading up to her tragic death at the beginning of the year.

The subject of missing persons has, in recent years, aroused considerable and justified public concern, and I am grateful for an opportunity to describe some of the initiatives which the Government are currently pursuing to address it. I am thinking in particular of the development of a national computerised register of missing persons.

The police service is invariably the first agency to which the family of a missing person will turn, whether or not there is reason to believe that his or her disappearance is linked to the commission of a criminal offence. The speed, efficiency and professionalism which characterise the police's response to missing persons inquiries, particularly the mercifully few criminal abductions which they are called upon to investigate, are familiar to the House. The overwhelming majority of people are found, safe, well and usually fairly close to home, within about 48 hours of their having been reported missing.

Impressive though this record is, it has to be said that the existing arrangements for recording missing persons afford the police only limited support in their efforts to trace and identify those who have disappeared from home. Responsibility for investigating reports of missing persons is an operational one for chief officers of police. Records of missing persons are held locally and may be circulated to other forces, or to the Metropolitan police's missing persons bureau at New Scotland Yard—it offers a goodwill service to provincial forces—as chief officers consider necessary, but there are no nationally agreed standards for referral between forces or to the bureau.

This lack of comprehensive, centrally held data on missing persons may mean that a person or body recovered in one part of the country is not readily identified as someone who has been reported missing to the police elsewhere in the country. The additional distress which this delay and uncertainty may cause to anxious relatives can be easily imagined, although a tragic discovery will mark the conclusion of only a very small proportion of missing persons investigations.

At the moment, the police national computer—the PNC—holds details of missing persons, including those under 18 and adults who have disappeared in circumstances which indicate that they may have come to some harm. During the course of the year, the details of some 120,000 missing persons are entered on to the PNC, although at any one time only about 2,500 records are actually held on the system.

A major drawback of the current PNC application is that the records stored on it are retrievable by the police only on the basis of a name—which, as I have said, is obviously not much help when they have an unidentified body on their hands. Very little detailed information is currently held which might give the police some lead in tracing a missing person.

Progress is being made, however. I am pleased to report that there are at the moment some encouraging trials taking place of a new facility to retrieve records from the national file on the basis of descriptive detail. This has already been used in two operational inquiries. There is scope to make it more flexible. Under the present system only batch processing is possible, and the system will not allow the descriptive details to be modified once a search has begun. However, it is clearly a useful tool and a real step forward in streamlining police procedures. I hope that the facility will shortly become available on the PNC.

A separate initiative, using the data from the PNC, has recently been undertaken by the North Yorkshire constabulary, who may be able to offer support to other forces who are attempting to trace missing persons or identify bodies. All that adds up to increased efficiency —making the job of the police easier and, in some cases at least, easing the anxiety of relatives and friends of missing persons.

The development of a much more sophisticated missing persons application is one of a number of proposals that the police have submitted to improve the range of services that the PNC provides. The proposed application would be designed to hold more information, so that police could search across a wide range of descriptive fields—such as hair and eye colour, or clothing—and the facility would allow the retention of records for the purpose of further analysis.

The data protection registrar has agreed that records can remain on the system even though the subject may subsequently have returned home. That is because it is regrettably the case that some children run away from home or care on more than one occasion. Access to the history of previous incidents could be extremely valuable to the police in the event of that child going missing again.

However, there is still some way to go before we introduce the more sophisticated national missing persons register. The priorities identified by the police themselves are of fundamental importance in dictating which new services should have first call on resources. I have to say that the police have said that they look to the PNC to meet other, more pressing needs before an enhanced missing persons application can be brought on stream. They have shown their preference to have the national criminal record system completed, the police national network implemented, a national automatic fingerprint identification system developed, a system built to assist them in handling major disasters such as the tragedy with the Zeebrugge ferry, as well as a development to provide the police officer making a roadside vehicle check with more information about the driver of the vehicle.

The combined effect of accommodating those competing priorities is that the new missing persons facility is unlikely to become available until 1995 at the earliest, as the hon. Gentleman acknowledged.

The Government are aware that the delay in providing a national database has been a disappointment to a number of organisations that have campaigned vigorously and persuasively over a number of years for the introduction of nationally standardised procedures for reporting and recording missing persons.

[Mr. Charles Wardle]

For that reason, we have been looking very carefully at how, in the meantime, we might improve the way in which the existing regime operates. We have been talking to the police about ways in which they might be able to make more effective and co-ordinated use of the facilities that are at present available to them, so that we might bring about some worthwhile improvements to procedures in the short term. I hope that we shall shortly be in a position to announce our plans for promoting a more standardised approach to the problem of missing persons, which will provide useful interim progress until the enhanced computerised register is serviceable and on stream.

The hon. Gentleman will doubtless be aware that the police in Scotland have set up a national index of persons who have been missing for more than one month. The index is held centrally on computer at the Scottish Criminal Record Office and can be accessed by all Scottish police forces. A correspondingly entry is also made on the PNC. The Scottish index is overseen by the Scottish Criminal Records Office, which operates a reminder system, so that forces are advised at regular intervals of those persons in their areas who are registered as missing on the computer.

The hon. Gentleman referred to the important work done by the National Children's Home. That research has prompted us to consider whether existing arrangements are sufficiently sensitive to pick up less immediately obvious warning signals, which may show that something is seriously wrong in the life of a child, that he or she may be the target of hitherto unsuspected abuse, of whatever type or degree, or other criminal behaviour.

Home Office officials are consulting their colleagues in other Government Departments on proposals for developing a strategy that will ensure that the needs and problems of returned runaways are properly identified and, where appropriate, drawn to the attention of the relevant statutory authorities to initiate whatever remedial action is judged to be necessary.

I referred earlier to the representations which the Government have received in recent years from groups and individuals who maintain a special interest in missing persons. None has been more active or committed in this respect than the Suzy Lamplugh Trust, to which the hon. Gentleman referred. My right hon. and learned Friend and I greatly value the trust's continuing work on behalf of missing persons and those they leave behind who, I know, are often beset by overwhelming feelings of helplessness and isolation.

The trust's application to the Home Office for funds for the missing persons helpline, which it operated until the middle of last year, received careful consideration, but, the Department's commitment to improving police procedures for dealing with missing persons precluded the provision of financial assistance to the helpline. Helping people to avoid becoming the victims of violence is a primary aim of our crime prevention effort, and the Suzy Lamplugh trust's contribution towards that aim is significant and welcome.

Support for those people who do become victims of crime is central to the Government's policy on law and order, and has led to the development of a range of services to meet their needs. The victims charter, which was published in 1990, describes the level of service which victims of crime should expect from the criminal justice agencies. We liaise regularly with those agencies to encourage compliance with the aims and provisions of the charter.

There are also, of course, the local victim support schemes, some 380 of them across England and Wales, covering 97 per cent. of the population, whose 8,000 volunteer visitors provide emotional help and practical assistance for about 750,000 victims of crime a year, including 130,000 victims of rape and other crimes of violence. There is a similar organisation in Scotland—as my hon. Friend the Under-Secretary of State for Scotland, the Member for Edinburgh, West (Lord James Douglas-Hamilton), will confirm—which is receiving a grant of more than £640,000 from the Scottish Home and Health Department in the current year.

Local scheme workers or volunteers contact all victims of crime referred by the police in their own homes. Contact is made by letter, telephone or a personal visit. Workers provide emotional support, a sympathetic ear and practical help, such as assisting with criminal injuries or other claims forms, advising on housing difficulties, accompanying victims to court and, if necessary, referring them to other sources of more specialised, long-term help.

The Government fund the national charity Victim Suppport generously. We are providing £7·3 million this year and £8·4 million next year—a 15 per cent. increase. In addition to local victim support services those funds also help to provide more than 30 Crown court witness schemes to support witnesses in the more serious, and inevitably more traumatic, criminal trials. Victim Support offers its services not only to the immediate victim, but to relatives and friends, who are, of course, the indirect victims of crimes.

I hope that what I have said this evening demonstrates the Government's commitment to making progress in the difficult area of missing persons. As I said at the outset, it is a problem which throws up a number of sensitive issues. Although the police are invariably unstinting in their efforts to recover vulnerable missing persons, or those whose disappearance suggests that they may be at risk of harm, not everyone who goes missing will fall into those categories; nor will the circumstances of their departure be at all straightforward.

The problem of missing persons is a deeply complex one which, if its causes are to be understood and effectively addressed, must draw to it the collective efforts and expertise of all the statutory and voluntary organisations which share a responsibility for the welfare of those members of our society. It will never be enough simply to identify symptoms here and there, and then to treat them selectively and in isolation.

The value of sensitive and informed inter-agency co-operation has been increasingly recognised in recent years, and is now brought to bear on a range of difficult social problems which need to be tackled on a number of fronts. For example, joint working procedures are now mandatory in child protection cases, and are encouraged in other areas, such as domestic violence. I have no doubt that only by harnessing this spirit of co-operation and sharing of information shall we succeed in finding a way through the difficult and disturbing area of missing persons. I assure the hon. Gentleman that the tragic lesson of Vicki Hamilton will not be lost as progress is sought.

What is clear is that we must direct all our energies and resources toward protecting the vulnerable members of

our society from those who would harm and exploit them. I hope that the most important end will be materially served by our plans to refine and rationalise procedures for recording and tracing vulnerable missing persons.

Question put and agreed to.

Adjourned accordingly at three minutes past Twelve midnight.

House of Commons

Wednesday 24 March 1993

The House met at half-past Two o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Oral Answers to Questions

ENVIRONMENT

Urban Policy

1. **Mr. Dowd:** To ask the Secretary of State for the Environment if he will make a further statement on his plans for future initiatives on urban policy.

The Secretary of State for the Environment (Mr. Michael Howard): We will continue to support the regeneration of our cities through encouraging private investment and using public resources effectively. That is why I announced today my proposals for promoting growth along the east Thames corridor, which will be of great benefit to Lewisham and south-east London.

Mr. Dowd: I thank the Secretary of State for that reply. It will go down very thinly in Lewisham because of the damage caused by the right hon. and learned Gentleman's statement in November. Does he recall that it was his Department which asked the London borough of Lewisham to prepare bids for the urban programme last year, that that was done at a cost of many tens of thousands of pounds and that his November statement rendered the exercise completely worthless? Despite his assurance that the money would not be wasted because the borough could apply for urban partnership, not one penny piece has come to Lewisham, with the net result that 1,500 jobs and training places have been lost. Are not his assurances about the urban programme completely worthless, in accordance with the Government's statement on taxation, and does not he continue to do immense damage to the prospects of the people of Lewisham and urban areas generally across the country?

Mr. Howard: Urban partnership, to which the hon. Gentleman referred, is a competitive programme and Lewisham was not successful in that competition. However, it was successful in the competition for city challenge, which is a far bigger programme and from which the borough of Lewisham is receiving £37·5 million over five years. That is attracting larger sums of private sector investment. It is absolutely disgraceful for the hon. Gentleman to ask a question about resources in Lewisham without mentioning city challenge. We are accustomed to Opposition Members selling the country short. The hon. Gentleman is selling his own borough short.

Mr. Alan Howarth: May I encourage the Government to retain the city challenge programme? Even if the precise expenditure under the programme in future years cannot at this stage be determined, will my right hon. and learned Friend confirm that the Government intend to build on the achievements of city challenge in mobilising the varied resources of inner-city communities in a new and constructive spirit of partnership?

Mr. Howard: I am grateful to my hon. Friend for his support. City challenge has revolutionised the approach to partnership between central Government and local authorities by escaping from the dead hand of routine and encouraging authorities to examine from scratch the way in which resources can be most effectively deployed. I shall certainly take my hon. Friend's remarks into account in considering how we are to take the programme further.

Mr. Mackinlay: Does the Secretary of State accept that it is a gross discourtesy to the House and to hon. Members who represent Kent, Essex and east London constituencies that he has not made a full statement to the House about the east Thames corridor instead of announcing it at a press conference this morning? Will he also note that while the east Thames corridor documents trail an expansion of housebuilding in the east which, of course, is welcome, the problem is not a shortage of planning permission for housing development in east London, but a shortage of customers and the inability of local authorities to once more build homes for families?

Mr. Howard: I certainly do not accept that there was any discourtesy. It is not customary to make oral statements to the House on planning guidance of that kind. I took steps to ensure that hon. Members, including the hon. Gentleman, knew in advance that the documents would be available in the Library this morning at precisely the same time as I gave my press conference, because I was anxious for hon. Members to be fully informed. The hon. Gentleman spoke about customers for houses. We know that the Labour party does not look any further than its nose, but the purpose of the guidance that I issued this morning was to plan for the future and for recovery. That is exactly what we shall do.

Mrs. Gorman: I congratulate my right hon. and learned Friend on his announcement today of the task force to examine developments in the Thames corridor, which will be most welcome to my constituents. Housing developments throughout my constituency have restarted, so, when I cast my eyes around, I see that there is obviously regrowth and regeneration in the economy. We have many thriving industries in the docks, in Shell and at Ford Dagenham which are only seeking the opportunity for redevelopment. That will come with the kind of interest that my right hon. and learned Friend is taking in our part of the world.

Mr. Howard: I pay tribute to my hon. Friend's acute powers of observation, for which she is renowned. Using those acute powers, my hon. Friend has seen evidence of recovery all around her and her constituents. Those signs will become increasingly apparent over the weeks and months ahead.

Mr. Vaz: Why does not the Secretary of State have the courage to admit that if his future initiatives, including that which he announced today, are anything like his past urban policy initiative they will be a complete disaster? Have not the Government learnt the lessons of docklands? Given the Government's humiliating defeat in the vote on

the Committee of the Regions, will the right hon. and learned Gentleman bow to democracy and give the House an assurance that people in the east London corridor and in inner-city areas will be properly represented on any bodies, structures or organisations which the right hon. and learned Gentleman creates through their democratically elected local councillors, not through the Secretary of State's stooges and puppets?

Mr. Howard: If the hon. Gentleman had taken trouble to study the announcement that I made this morning, he would know that the whole purpose of the task force that I have established in the east Thames corridor is to work together with the area's 16 local authorities, to help them to co-ordinate their efforts and to put in place the framework necessary to make sure, for the benefit of the people in the area, that we take the greatest advantage of the opportunities that the area has to offer. I am confident that, in time, we shall all benefit from the results of that exercise.

House Building

2. **Mr. Milligan:** To ask the Secretary of State for the Environment how many houses will be provided in Hampshire as a result of the measures announced in the autumn statement.

The Minister for Housing, Planning and Construction (Sir George Young): Housing associations will purchase some 18,000 additional homes in England using the £577 million allocated for that purpose in the autumn statement. That is a very great achievement, exceeding by 2,000 the target of 16,000 homes set in November. I congratulate heartily the Housing Corporation and the 80 associations involved. Purchases have been widely spread across the country, with acquisitions in some 97 per cent. of local authority areas. More than 800 of those new homes will be in Hampshire. We hope that grants to local authority and housing association tenants will enable some 3,500 to become owner-occupiers, freeing their current homes for those in need. Latest estimates suggest that more than 200 may be in Hampshire. Overall, well over 20,000 families in England will benefit from permanent new homes.

Mr. Milligan: Is my hon. Friend aware that Swaythling housing association believes that his measures will house 2,500 people in Hampshire this year? In my constituency, the number of people in temporary accommodation has halved in the past three months as a direct result of my hon. Friend's measures. In addition, extra Government aid has enabled my council to increase by one fifth the money spent on housing development, and proposed rent rises have been halved as a result of Government aid. Is not that proof positive that, despite the Opposition's claims, the Government are implementing practical measures to help the homeless and those in council accommodation?

Sir George Young: The House will take heart from the encouraging news from my hon. Friend's constituency, which is replicated throughout the country. The number of families in bed-and-breakfast accommodation has fallen 38 per cent. over the past 12 months and that is a substantial achievement. In Hampshire, the Housing Corporation has approved allocations for projects next year totalling almost £29 million. We are determined to maintain the momentum and to continue to make progress on all housing fronts.

Mr. Denham: Does the Minister accept that short-term measures, however welcome—and I welcome every additional home for rent—will not tackle the fundamental housing problem? Does he accept that the Government were responsible for a fall in the number of new homes to rent in Hampshire from 1,000 in 1988 to 462 in 1991? In the most recent year, well over 3,000 households in Hampshire became homeless. Existing measures must be expanded and sustained at a much higher level if homelessness is to be eradicated. What assurances can the Minister give the House that the type of measures taken will not be a flash in the pan, but will be expanded and sustained in future years?

Sir George Young: On the question of expansion, the output of housing associations is forecast to rise from 27,000 units in 1991-92 to more than 65,000 this year. That is a substantial improvement. As for homelessness, I hope that the hon. Gentleman will take comfort from the fact that, over the past 12 months, the number of people accepted as homeless by local authorities has fallen by 2 per cent. It is the first time in 17 years that we have seen a reduction in homeless acceptances.

I hope that the hon. Gentleman will recognise that there are good signs on the horizon and that the rather gloomy picture that he has painted does not represent what is really happening.

Mr. Malone: Will my hon. Friend confirm that the measures that his Department announced today about Hampshire's structure plans should be viewed along with the measures announced in the autumn statement, as they will have an equally significant effect on housing in Hampshire? Will he note that there is great relief in Hampshire following the news that no new settlement is to be imposed as a means of creating additional housing in the county and will he accept the thanks of the county council?

Sir George Young: I can confirm that the announcement made today by my right hon. and learned Friend, announcing regional guidance for Hampshire, makes it clear that a new settlement will not be required during the plan period to 2001. I note that that news has been accepted with relief by my hon. Friend's constituents.

Mr. Battle: Is the Minister aware that, as a result of the Government's proposed reduction in housing association grant rates to 55 per cent.—announced in the autumn statement and since—rents are set to rise to more than 39 per cent. of tenants' incomes? Is he aware that the number of housing association tenants on housing benefit will rise to 89 per cent. by 1996? According to UBS Phillips and Drew, pensioners in Hampshire, Shropshire and Hereford will find that they have to spend 61 per cent. of their incomes on rent. Will not that totally undermine any common-sense understanding of the Government's declared intention of providing affordable housing through the housing associations—or will the Minister reassure us that those huge rent increases will be met by massive housing benefit increases?

Sir George Young: I reject the alarmist propaganda that the hon. Gentleman has just revealed to the House. He

knows perfectly well that no decisions on grant rates for 1994-95 have been made; when they are made, we shall bear in mind the important question of affordability.

Grant rates for the coming year have indeed been reduced, from 72 to 67 per cent., but, because of falling interest rates, lower land values and more competitive tenders, that will have no significant impact on rents. It will enable us to produce 3,300 more units, which is precisely what the hon. Member for Southampton, Itchen (Mr. Denham) advocated.

Mr. Colvin: How many more homes might have been provided in Hampshire if the Budget had done more to assist the private rented sector? If my constituency is anything to go by, there are about 10,000 empty dwellings in the county. I acknowledge the importance of building new houses, both for owner-occupation and to rent, but is not it equally important to make use of the private rented sector when so many dwellings are empty?

Sir George Young: My hon. Friend is absolutely right. Those 10,000 empty units represent a resource which must be returned to use. My right hon. and learned Friend and I are examining proposals to revive the private rented sector further and to restore incentives for property owners to make their accommodation available for rent, so that we can make more progress in tackling the housing problems in my hon. Friend's constituency.

Water Quality (Bassenthwaite)

3. **Mr. Campbell-Savours:** To ask the Secretary of State for the Environment, pursuant to his oral answer of 27 January, *Official Report*, column 1029, what further developments have taken place in respect of management of water quality in Bassenthwaite.

The Minister for the Environment and Countryside (Mr. David Maclean): I understand that the hon. Member had a useful meeting and follow-up with the National Rivers Authority. The NRA's study of water quality in Bassenthwaite is continuing and will enable the authority to establish whether improvements are required.

Mr. Campbell-Savours: I also had a useful and helpful meeting with North West Water. May I have an assurance that no administrative, procedural or bureaucratic obstacles will delay whatever proposals North West Water presents with a view to sorting out the problems in Bassenthwaite?

Mr. Maclean: I, too, would deplore any unnecessary administrative or bureaucratic delays. The best way to avoid any bureaucratic delays in the future is to have this conclusive study conducted by the NRA, with which no one can disagree. If, following that study, the NRA should request North West Water to take remedial action, I would not anticipate any bureaucratic delays.

Local Authorities (Spending Levels)

4. **Mr. Byers:** To ask the Secretary of State for the Environment what plans he has to allow local authorities to determine their own spending levels.

Mr. Howard: It is for each local authority to set its own budget, taking account of all appropriate considerations, including any provisional criteria for capping which have been announced.

Mr. Byers: That is a particularly disappointing reply, even from this Secretary of State. Is he aware that, because of the severe capping regime being forced on local government, about 35,000 jobs have been lost in local councils in just the past few weeks and that, as a result, there have been deep and damaging cuts in vital local services? Does the Secretary of State agree that if there is to be the renaissance of local government promised a few weeks ago by the Prime Minister, it must entail giving local people the freedom to determine the level of local services, instead of the present interference from Whitehall?

Mr. Howard: I certainly do not accept that there have been the job losses to which the hon. Gentleman refers. He is referring to the estimates which we always hear at this time of year and which are rarely translated into practice. What clearly emerges from his question is that he and his hon. Friends are prepared to remove all constraints from local authority spending and to see it go through the roof. That is a message which we shall take to every home in the shire districts of England in the forthcoming county council election campaign.

Mr. Robert B. Jones: Does my right hon. and learned Friend agree that councils that set budgets that are indifferent to the plight of those who have to pay the council tax towards those budgets are not providing good leadership for their areas? Is not it the brutal truth that the vast majority of the local authorities that come up against the capping criteria are Labour or Labour and Liberal authorities, which are indifferent to the people who live in their area?

Mr. Howard: My hon. Friend is entirely right. The attitude that the Opposition take to this question is entirely typical of their lack of concern for those who have to pay the bills.

Mr. Straw: Has not the Secretary of State seen the Audit Commission's draft report entitled "Passing the Bucks", which wholly damns his disreputable standard spending assessment system as being "neither simple . . . nor stable". It states that it does not provide a standard level of service, that SSAs are now

"being used for tasks"—

such as capping—

"for which they were not originally designed",

and that they are confusing accountability between central and local government. How can he justify a system which claims that the Prime Minister's Huntingdonshire is more deprived than Chester-le-Street and that Bournemouth is more deprived than Barnsley? Is not the only explanation for such perverse outcomes that he has gerrymandered the system to suit his party? Does not he understand that the credibility of the whole system can be restored only if grant allocation is taken from his partisan hands and given to an independent grant commission, reporting via the Select Committee to the House?

Mr. Howard: I thought that the hon. Gentleman was going to rise to confess at last that all his dire predictions about the council tax had been mistaken, that his prophecies of doom and gloom about the council tax in the past few months had been without foundation and that he had been entirely wrong.

The hon. Gentleman knows very well that we are going to undertake a fundamental review of the SSA system in time for the next settlement. I invite him and his colleagues

to make representations to us in the context of that review. We know from experience that there will be as wide a variety of views expressed by members of the Labour party about what should happen as there will be from any other source.

Mr. Knapman: Will my right hon. and learned Friend confirm that few councils want to spend more than their SSAs and that most council tax payers want to be protected from the ambitions of high-spending councils? Will he also bear in mind the fact that if Oxfordshire can be in the south-east for area cost adjustment purposes, Gloucestershire would like to be in the south-east for those purposes, too?

Mr. Howard: I understand the concern that my hon. Friend expresses on behalf of Gloucestershire and I certainly agree that people want to be protected from high-charging councils and that Conservative councils, on the whole, do not wish to spend beyond their capping limits. However, I cannot extend my agreement with my hon. Friend to cover Labour-controlled councils. If given the chance, they would undoubtedly spend beyond their capping limits and would be encouraged to do so by the Labour party, with total disregard for the interests of the people who live in those areas.

Nuclear Industry

5. **Mr. McAllion:** To ask the Secretary of State for the Environment what plans he has to meet environmental groups in the near future to discuss the impact on the environment of the nuclear industry in the United Kingdom.

Mr. Maclean: I have no such plans.

Mr. McAllion: Is the Minister aware that the President of the Board of Trade once described Magnox nuclear power stations as old and unsafe? Is he also aware that the nuclear installations inspectorate has identified serious safety problems in five Magnox stations and that there is therefore a risk of a serious accident? Will he explain to the House why he has allowed Nuclear Electric to continue to operate those stations far beyond their design life and why, in view of the serious safety problems, he has not ordered their immediate closure?

Mr. Maclean: I am also aware that we have the toughest regulatory framework in the world for our whole nuclear industry, which operates only if the independent inspectorate believes that it is safe for it to do so.

Mr. Whittingdale: Does my hon. Friend agree that nuclear power stations are the most environmentally friendly means of generating electricity and are responsible for producing virtually no greenhouse gases? Does he further agree that early closure of the Magnox nuclear power stations, such as Bradwell in my constituency, would make it more difficult for us to meet the targets set by the Rio convention?

Mr. Maclean: My hon. Friend is right. The nuclear power industry makes no contribution to our CO_2 and greenhouse gas problems—[HON. MEMBERS: "Rubbish!"] The authentic voice of the Labour party is emerging—it opposes nuclear power. Labour Members should talk to one or two of their hon. Friends, especially the shadow Foreign Secretary. He may put them right.

Mr. Simon Hughes: Is the Minister aware that his answer to the question reveals that the Government have no plans to discuss the White Paper after its production tomorrow until it comes to the House for a vote next week? That shows that the White Paper is meant to be a general fiddle, as well as a quick fix. The implications for the environment, energy use, employment and the economy are meant to be obscured, as the Government make a dash for safety and buy the votes of their Back Benchers. When we are asked to consider the future of the coal industry, we shall not even have the chance to consider the finances of the nuclear industry. Is not that madness, as well as a fiddle?

Mr. Skinner: So why did you vote for the Government?

Mr. Maclean: Far be it from me to suggest that the hon. Member for Bolsover (Mr. Skinner) may have made a valid point, too. Perhaps the hon. Member for Southwark and Bermondsey (Mr. Hughes) should concentrate more on the facts, instead of preparing sound bites for question time.

Local Government Corruption

6. **Mr. Booth:** To ask the Secretary of State for the Environment what action he has taken to curb fraud and corruption in local government.

The Parliamentary Under-Secretary of State for the Environment (Mr. Robin Squire): The prevention and detection of fraud and corruption is the responsibility of the members and senior management of local authorities, with the support of the auditor. Where the system has failed, the police also have a role to play. I welcome the recent announcement by the Audit Commission of a study into fraud and corruption and if the study finds that local authorities or auditors need new powers I will certainly be willing to consider its proposals.

Mr. Booth: In view of the widespread and worrying expansion of corruption, extending to places such as Hackney, where fraud worth £40 million has been reported, will the Minister tell the House whether his proposals will cover incentives and protection for the people who have the courage to expose those practices? Will his study of malpractice cover contracting out by local authorities and all that has happened in that connection under Labour local authorities?

Mr. Squire: I trust that I speak for the whole House when I say that we share my hon. Friend's concern about fraud, wherever it occurs. On my hon. Friend's serious point about the risks that may be run by whistle blowers, as I think they are called, if there is any evidence that further protection is needed I will examine it carefully. On the wider powers in respect of compulsory competitive tendering, on which there is a later question, I can assure my hon. Friend that we have significant powers at present and that we shall not hesitate to use them whenever and wherever there is any evidence of anti-competitive behaviour.

Mr. Snape: Does the Minister accept that the main cause for worry about fraud in local government emanates from the Secretary of State's office—the kind of fraud which deprives authorities such as my own borough of Sandwell of resources while showering largesse on some of

the richest boroughs in the country such as Westminster and Wandsworth? Judging from his earlier reply, even the current Secretary of State is so embarrassed by the scale of fraud that he has at last—not before time—promised us a review.

Mr. Squire: The hon. Gentleman makes light of the very serious subject of fraud in local government. That is the subject of the question and I had thought, perhaps wrongly, that it was something against which the House was united. I am sorry that the hon. Gentleman cheapened the argument as he did.

Council Tax

7. **Mr. Simon Coombs:** To ask the Secretary of State for the Environment what steps he is taking to ensure that council taxpayers know the level of tax charged by each tier of local government in their area.

The Minister for Local Government and Inner Cities (Mr. John Redwood): The main way in which people will learn of the different precepts set by the different constituent local authorities is through their bills. I have a sample bill which makes very clear the amounts being charged by the county and district, respectively, any discounts which apply, and finally the amount that the individual or household is required to pay. I hope that my hon. Friend's constituents will find their bills clear. They will know who has imposed the charges and—from what they read in their local papers—who is delivering the goods.

Mr. Coombs: Is my hon. Friend aware that there is a difference of £108 between what a householder in an average band C house would pay under a Labour-controlled and under a Conservative-controlled council? Needless to say, the difference is in favour of the Conservative council. Is there a lesson that my hon. Friend would like to draw to the attention of those who will be voting in the county council elections in May?

Mr. Redwood: Indeed—they will get better value for money and better services at a realistic price from Conservative councils. My hon. Friend may like to know that Thamesdown, a Labour borough, imposes a £94 band C district charge while the adjacent Conservative authority of Salisbury charges £41—notwithstanding the fact that Salisbury receives less grant than Thamesdown.

Mr. Betts: Does the Minister accept that comparisons involving the use of band D, band C or any other band are wrong? The only comparison that should be drawn is between the average council tax for whole areas. If there are two similar authorities with the same average council tax, the authority with more lower-band properties will automatically have a higher council tax for any given band. That is the truth of the matter. Generally, it is Labour authorities that have more lower-banded—that is, cheaper—properties. Is it not time that Conservative Members stopped using fiddled figures to try to justify their own inadequacy?

Mr. Redwood: The Opposition do not understand a thing about how the system works. Labour authorities that have more lower-banded properties get a lot more grant to compensate for that. Contrary to Labour Members' allegation that the fraud is that Labour authorities get too little grant, those authorities get much more grant to compensate. The correct comparison is between band D and band D and between band C and band C. On those comparisons, Conservative authorities win every time.

Mr. Pickles: Has my hon. Friend noted the trend in local government spending whereby the highest council tax in a shire, a district, a metropolitan district or a London borough is to be found in a Labour authority and the lowest council tax in a shire, a district, a metropolitan district or a London borough is to be found in a Conservative authority?

Mr. Redwood: My hon. Friend is quite right. There is Newcastle at £704 and Wellingborough at £218, Greenwich at £696 and Westminster at £262—in each case, the higher amount is charged by Labour and the lower amount by the Conservatives, even though more grant goes to the Labour authority and less to the Conservative one.

Mr. Straw: The Minister is not telling the whole story, as he well knows. Will he stop picking bands C and D to suit his case and accept what my hon. Friend the Member for Sheffield, Attercliffe (Mr. Betts) has said—that what matters to people are the bills that come through their doors? Is he not delighted to hear that the average precept in the eight Labour shire counties is running at £6 lower than the average precept in Conservative counties, and that the latest survey by the *Local Government Chronicle* of all 363 tax-raising councils in England shows that the average bill per household is running at £493 under Conservative councils and at £479—£14 less—under Labour councils? Is the Minister aware, therefore, that Tory claims about the council tax are as worthless as Tory claims about value added tax and that Labour councils cost less and give a great deal more?

Mr. Redwood: The hon. Gentleman, speaking from the Opposition Front Bench, does not understand the system any more than his Back Benchers understand it. He is wrong on every count. Labour authorities get more grant and charge more, property for property, in the same bands. That is the relevant comparison. The hon. Gentleman is simply drawing attention to the fact that Labour authorities get more grant than Conservative authorities get.

Leasehold Enfranchisement

8. **Mr. Waterson:** To ask the Secretary of State for the Environment what proposals he has to publicise the leasehold enfranchisement provisions of the Housing and Urban Development Bill once it receives Royal Assent; and if he will make a statement.

Sir George Young: The leasehold enfranchisement provisions have received much publicity in the press over the past few months, most of it supportive. There will, of course, be further publicity when the provisions, which will be welcomed by many hundreds of thousands of people living in flats, come into force. We are planning to publish a booklet to help leaseholders and have offered to help fund an advisory agency for up to three years.

Mr. Waterson: Does my hon. Friend accept that the 750,000 potential beneficiaries from these provisions,

including many in Eastbourne, will welcome that announcement, as they will welcome the Government's redeeming of this important manifesto pledge in the teeth of opposition from Labour Members?

Sir George Young: My hon. Friend will be interested to know that the Bill has left this House and is in another place, where it has provoked a lively debate but where, in the capable hands of my noble Friend the Parliamentary Under-Secretary of State, the leasehold enfranchisement clauses have so far emerged unscathed.

Mr. Raynsford: Will the Minister now give his estimate of how many leaseholders will be able to take advantage of the provisions of the Bill? I ask him because in Committee he was unable to say how many had taken advantage of the provisions of the previous legislation. Is he aware of the anxieties that have been expressed about the fact that the complexities of the current Bill are such that many leaseholders who would like to enfranchise will not be able to do so?

Sir George Young: About 750,000 leaseholders will potentially benefit from the Bill. It is entirely up to the leaseholders whether they exercise the choice that the Government are making available to them, so at the end of the day it is not the view of the Government that matters but the view of the leaseholders of the flats.

Use of Resources (Lambeth)

9. **Mr. Bowis:** To ask the Secretary of State for the Environment when he last visited the borough of Lambeth to discuss the efficient use of resources.

Mr. Robin Squire: How an authority uses its resources is a matter for its members, who are accountable to their local electorate. The voters of Lambeth must be deeply concerned about the staggering allegations of maladministration in their council's performance, as revealed in the recent report of Lambeth's chief executive.

Mr. Bowis: Does my hon. Friend agree that the people of Lambeth cannot complain about lack of resources from the Government when each dwelling in Lambeth receives £500 more than each dwelling in Conservative Wandsworth next door, but that they can certainly complain about the level of corruption in the Labour council, as recognised now even by Streatham Labour party? Does he agree that they can also complain about the level of inefficiency which leads to uncollected rent, rates and community charge now totalling £140 million, which could and should be spent on better services at lower cost?

Mr. Squire: My hon. Friend makes a powerful case. As he knows, the standard spending assessment methodology is applied consistently across all local authorities in the country, and as a consequence of that methodology Lambeth receives a very high SSA, although it may not do so if Opposition Members get their way. My hon. Friend also points out that, despite that support, in the year just ended Lambeth managed to set the highest community charge of all, at £425.

Mr. Fraser: I congratulate the Minister for Housing, Planning and Construction, the hon. Member for Ealing, Acton (Sir G. Young), on coming to Lambeth this week to discuss the efficient allocation of resources and the city challenge scheme. I hope that the example that he set of co-operation with local authorities will be followed by some of his fellow Ministers.

Mr. Squire: The best evidence for co-operation between the Government and Lambeth is that Lambeth council was one of the winners of city challenge on merit and, subject to the usual procedures, will receive some £37·5 million over the next five years for much-needed work. That is the most effective answer to the hon. Gentleman's remarks.

Mr. Dickens: Is my hon. Friend aware that in Lambeth they are still doing the Lambeth walk with £20 million worth of rent arrears and £18·2 million of rate arrears? What the hell are Lambeth councillors up to? Why should they ask the Government for more money when they do not get down to doing the job themselves?

Mr. Squire: My hon. Friend makes most eloquently the point about the failings of Lambeth council over many years. The House will be relieved that he did not go into a dance to demonstrate it.

Mr. Keith Hill: Can the Minister confirm that the London borough of Lambeth is co-operating fully with the police and the Audit Commission in all their investigations, and will he join me in welcoming the public inquiry established under Elizabeth Appleby QC? Can he confirm that the minority Labour administration's correct proposal to close down immediately the directorate most affected by the allegations was scandalously defeated by an unholy alliance of suspended and Conservative councillors?

Mr. Squire: The most important development recently in Lambeth has been a statement from the hon. Gentleman issued by the Streatham branch of the Labour party in which the hon. Gentleman, with considerable support, called for the immediate retendering of building maintenance contracts and for Lambeth council's huge finance and legal services departments to be put out to tender. I ask the hon. Gentleman, first, to persuade all the local Labour councillors to back that and, secondly, to get his own Front Bench to agree with it.

Sir Paul Beresford: Is my hon. Friend aware that the mismanagement of Lambeth council has knock-on effects which go well beyond Lambeth? In my constituency, for example, children from Lambeth who are in care are being looked after in private care homes in Croydon. The lack of speed of payments from Lambeth council is such that many of those homes are now in extreme difficulty. The payments are not coming forth from Lambeth council.

Mr. Squire: My hon. Friend makes a valid point. There are knock-on effects which go beyond the boundaries of Lambeth. It is in all our interests that Lambeth councillors organise themselves more properly in the next five years than they have in the past 10 years.

Mr. Henderson: When the Minister visited Lambeth last week, did he discuss the use of resources in the building management south east division of the Property Services Agency and the allegations of fraud and malpractice, including false payments to bogus companies, misuse of Government resources, tax fiddles and nepotism?

Does he agree that, at a time when he is calling for an independent inquiry into allegations of malpractice in

local authorities, the public interest can be served only by an independent public inquiry into his Department's agency? Does he agree that anything less than that procedure would serve only to confirm suspicions of a ministerial cover-up and double standards? Can he tell the House that the privatisation of BMSE will be suspended until an independent inquiry publishes its findings?

Mr. Squire: The House will note that attention has shifted from local government. With regard to the Property Services Agency, hon. Members have been told that a full inquiry is under way. To date, that inquiry has not discovered any evidence of fraud, although there was a small piece of undercharged work. The allegations that the hon. Gentleman has made today, and which are repeated in a national newspaper, will be taken over by that inquiry. As none of the allegations has so far been substantiated, there is no reason on earth why there should be a delay in the sale of PSA businesses. We are confident that the sale of the five businesses will not be significantly affected.

Urban Partnership Fund

10. **Mr. Matthew Banks:** To ask the Secretary of State for the Environment what recent representations he has received concerning the urban partnership fund.

Mr. Redwood: I have received several representations about the urban partnership fund. Many have welcomed the £20 million of Government cash, which the partnerships forecast will bring in another £33 million of local authority receipts and £130 million of private investment.

Mr. Banks: I thank my hon. Friend for listening to and acting on representations from my constituency in Southport, which resulted in an urban partnership fund grant of £310,000 for the redevelopment of Southport sea front. Will my hon. Friend give me an assurance today that he will find time later this year to visit Southport to ensure that the local authority spends the money as it was intended? Does he agree with me that the urban partnership fund is an outstanding success?

Mr. Redwood: Of course I agree that it is a great success. It is an example of partnership in action. It encourages local authorities to raise more money by asset sales and to use the money for the benefit of their local community. If I can fit in a visit, I should love to visit Southport. The Under-Secretary of State, my hon. Friend the Member for Hornchurch (Mr. Squire) was in my hon. Friend's constituency only yesterday. I should love to come and see the good work. I am sure that Southport sea front will benefit a great deal and will produce another £9 million of private investment for that £310,000 Government grant.

Budget

11. **Mr. Turner:** To ask the Secretary of State for the Environment what assessment he has made of the environmental impact of fiscal changes announced in the Budget.

Mr. Howard: As I understand it, the hon. Gentleman owns a part share in a racehorse, so I would imagine that he would be the first to pay tribute to my right hon. Friend the Chancellor of the Exchequer for his Budget measures. I welcome the changes announced by my right hon. Friend the Chancellor in his Budget statement, which will greatly benefit the environment. It was the greenest Budget ever.

Mr. Turner: Instead of inflicting cruel damage by increasing fuel costs by 10 per cent. across the board, would it not have been better for the environment if the Chancellor had adjusted the differentials between leaded and unleaded petrol and introduced a higher rate of tax on cars with large engines than on small cars? I suggest to the Secretary of State that that would have been a much better contribution to our environment.

Mr. Howard: My right hon. Friend the Chancellor introduced measures on the taxation of cars which will achieve precisely the effect to which the hon. Gentleman referred. The use of unleaded petrol does not contribute to a reduction in global warming. Therefore, increasing the differential would not have the effect that the measures that my right hon. Friend introduced will have.

Mr. Gallie: Is my right hon. and learned Friend aware that yesterday Britain came under attack from our EC partners for failing to endorse an EC-wide energy tax? Will he make our critics aware that our right hon. Friend the Chancellor in his recent Budget met our commitment fully by covering energy tax in the way that he has done?

Mr. Howard: I did precisely that at a meeting of the Council of Environment Ministers in Brussels on Monday. As a result of my right hon. Friend the Chancellor's Budget, we already have in place measures that take us two thirds of the way towards achieving our target under the climate change convention that we signed up to at Rio. In the next few months, we shall announce how we propose to fulfil the other third of our target.

Mr. Chris Smith: Will the Secretary of State admit that the imposition of VAT on electricity and gas bills will, at the most generous estimate, reduce carbon emissions in Britain by less than 1 per cent? Is that not a pathetically small advance for the environment at the cost of massive hardship to millions of people who will now have to struggle hard to heat their homes? Is it not true that, as Greenpeace pointed out, the Budget was far more about raising money than about tackling climate change? Are not the Government pretending to be green purely and simply because their finances are in the red?

Mr. Howard: The hon. Gentleman will know that Friends of the Earth warmly welcomed the measures in my right hon. Friend's Budget. Has the hon. Gentleman forgotten that in February this year he told *Green Magazine* that his party had been thinking of a number of small but effective tax measures which included increasing VAT on environmentally unfriendly products? Does the hon. Gentleman think that he can get away with telling *Green Magazine* one thing and the House another?

Caravan Sites Act 1968

12. **Mr. John Marshall:** To ask the Secretary of State for the Environment what representations he has received about the Caravan Sites Act 1968.

The Parliamentary Under-Secretary of State for the Environment (Mr. Tony Baldry): We have received more than 900 responses to our consultation paper, "Reform of

the Caravan Sites Act 1968". A list of the respondents is in the Library, and copies of the responses are in the Department's library. We are considering the responses carefully and will announce the way forward as soon as possible.

Mr. Marshall: Does my hon. Friend agree that it is unfortunate that many of those who use gipsy sites are not gipsies, but itinerants, didicoys and ne'er-do-wells who feel that they have no obligation to society? Can we have some assurance of early legislation to repeal the Act?

Mr. Baldry: I think that there is general agreement that the Caravan Sites Act needs reform. At present, it fails gipsies and local communities. We want to ensure that the gipsies can have proper provision for sites through the planning system and that local communities are freed of the problems of illegal camping whether by gipsies or by new age travellers.

Mr. Pike: Does the Minister accept that some of the proposals in the consultation document last August that official sites should be abolished and sold off in the way suggested by some hon. Members would create more problems than it would solve? Will he undertake to consider in a positive way whether one solution that would be more acceptable to local authorities and residents, while overcoming some of the problems caused by unofficial sites, would be to consider the provision of smaller sites rather than large official sites?

Mr. Baldry: With respect, I do not think that the hon. Gentleman has fully read the consultation paper. We are keen to ensure that local authority sites are properly managed. Many local authorities are not managing their sites. If gipsies are allowed to make provision for their sites through the planning system, I have no doubt that the consequence will be smaller sites.

Mr. Bellingham: Is the Minister aware that his proposals have widespread support, especially those which aim to stamp out the plague of illegal occupation? Is he aware that my local borough council, King's Lynn and West Norfolk, is aware that the proposals might lead to the withdrawal of 100 per cent. funding of local authority sites? Will he look again at the proposals and seek a compromise whereby there is still some Department of the Environment funding for those sites?

Mr. Baldry: There is no other parallel anywhere in the machinery of government for 100 per cent. direct grant as there is for caravan sites. There is no longer any justification for that. We have no objection to those who wish to pursue a nomadic form of life, but they should not do so at a cost to the general taxpayer and should increasingly make their own provision.

Tenants Charter

13. **Dr. Wright:** To ask the Secretary of State for the Environment if he will make a statement on progress on the tenants charter.

Mr. Baldry: There is continuing interest in the charter, mainly from tenants. More than 200,000 tenants, have already applied directly to my Department for copies of the full charter.

Dr. Wright: Is the Minister aware that tenants used to have a charter right to decide who should manage their estates? Will he confirm that that right of veto by tenants is being removed by the Government's Housing and Urban Development Bill? Does that not demonstrate the hypocrisy of a Government who pretend to be the tenant's friend, but when it comes to the choice between the rights of tenants and the Government's mania for privatisation they put dogma first and tenants last?

Mr. Baldry: If the hon. Member were to look at the Bill and its provisions, he would see that tenants have far more rights to be consulted under the Bill than they have at present and will be much more involved in the tendering process than they are at the moment. The truth is that this Government and the Conservative party have introduced the right to repair, the right to improvement, the right to manage, the right to buy and the right to be consulted. We are determined that tenants should have proper rights and effective remedies. Labour Members are concerned about that because they know that all too often Labour councils are incapable of delivering effective housing management.

Mr. Dunn: Will the Minister confirm whether, under the tenants charter, it will be possible for tenants who pay their rent regularly and on time to force incompetent councils such as Lambeth and Southwark to take action against tenants who do not?

Mr. Baldry: We are determined that standards of housing management should be driven up. Too many local authorities are lax in doing repairs and lax in collecting rents—and all too often they are Labour-controlled authorities. I invite any Opposition Member who doubts that to spend half an hour with me and walk across Westminster bridge to the China Walk estate in Lambeth, where I can introduce him to large numbers of people who have been waiting for basic repairs for some considerable time.

Mr. Alf Morris: How satisfied is the Minister with his Department's record in improving housing conditions for disabled people seeking more suitable premises?

Mr. Baldry: We have a very good record on renovation grants and on grants for disabled facilities. They have increased substantially in recent years and we will see that they continue to do so.

Rivers and Beaches

14. **Mr. David Nicholson:** To ask the Secretary of State for the Environment if he will make a statement on the trend of investment in (a) water supply and (b) environmental measures to cleanse rivers and beaches since the Water Act 1989.

Mr. Maclean: Since privatisation, investment in water supply and the cleansing of rivers and beaches has increased dramatically. The £30,000 million investment programme in new pipework in water supply and sewerage treatment works is cleaning up our rivers, beaches and seas. It is good for the environment, good for consumers, good for the construction industry and good for jobs.

Mr. Nicholson: Those of our constituents all over the country who are paying greatly increased water charges will need to know of the value for money in the increased investment in the water and sewerage industry.

Incidentally, they will also be concerned about the burden on single-person households and share the general pressure for water metering. Is my hon. Friend aware that the consumers of South West Water, who include people in the western end of my constituency, are very resentful indeed about its high charges and the rapid increase in those charges and that their view is strongly held by my hon. Friends the Members for the area? They feel that the whole country should be responsible for the clean-up of the beaches in the south-west, which are a national asset.

Mr. Maclean: Of course I am aware of the concern of my hon. Friends in the south-west about the increase in their water charges, due to implementing various measures designed to clean up the large number of beaches in the south-west. I think that my hon. Friends will agree that if we are to continue to have a fine tourist industry in the south-west of England we need the highest possible environmental quality. We are embarked, and the water industry is embarked, on a programme there, but I also take careful note of, and am very sympathetic to, the point that in the longer term any other measures that we sign up to must have quantifiable, value-for-money results. We are keen to sign up to measures that protect the environment, but we must show that they give value for money.

Ms Short: Does the Minister agree that his attitude in boasting of the investment that is taking place is far too complacent? His duty and that of the Government is to ensure that people have safe water to drink, that our rivers are clean and that our beaches do not make children ill. We do not have the best. In 1992, the European Court of Justice found Britain guilty of failing to comply with the drinking water directive. That means that over a million people have been drinking water that damages their health, river standards have declined and many of our beaches cause ill health in children who play there. The Government must encourage more investment and less profit for the privatised water companies.

Mr. Maclean: Sometimes I am amazed at the Labour party's attempts to try to grapple with the concept of the market and delivering goods and services to people. The hon. Lady accuses us of complacency and boasting of a £30,000 million investment programme. Of course we are boasting about it—it is the biggest investment programme in this country's entire history; because of it, the quality of water in our rivers and in our seas gets better every year and we are on target to meet our investment programmes and all our water quality directives.

East Thames Corridor

3.30 pm

Mr. Tony Banks (Newham, North-West): On a point of order, Madam Speaker. I wonder whether you could assist a frustrated and perplexed Member. During Question Time, the Secretary of State referred lightly to the east Thames corridor, and we moved quickly on. Today, he made an important announcement about the corridor which, according to his policy document, will help to shape the region's environment and guide its development for the remainder of this century and the early years of the next.

One understands that the east Thames corridor initiative and the consultation process are important to the whole country, so it would seem to be an appropriate subject for a ministerial statement at the Dispatch Box. Ministers make some fairly insignificant and unimportant statements when they choose, but we have had no statement on a matter that everyone agrees is of great importance.

Yesterday, you, Madam Speaker, said, as reported in column 824 of *Hansard*, that you would consider the matter and would in due course make your views known. I wonder whether you are in a position to give us the benefit of your thoughts on the matter.

Mr. Jack Straw (Blackburn): Further to that point of order, Madam Speaker. May I reinforce my hon. Friend's point? The report on the east Thames corridor is of immense significance to more than 1 million people who live in the area and to at least 100 Members on both sides of the House. In view of that, I wonder whether you would accept that it is precisely the sort of issue on which Ministers should make their views known to the House before they make them known to the press.

Madam Speaker: I am sure that I shall be able to help the House. As the issue was raised in the Chamber last night, as the hon. Member for Newham, North-West (Mr. Banks) said, I have had an opportunity to look into the sequence of events relating to it.

A written question from the hon. Member for Erith and Crayford (Mr. Evennett) was answered yesterday evening, and the answer was placed in the Library in a perfectly regular way. By means of that answer the House was informed that the Government's consultation proposals for the east Thames corridor would be available in the Vote Office at 10 o'clock today, and they duly arrived. At the same time, the House was informed that general publication of the proposals would take place simultaneously.

As the House knows, occupants of the Chair have frequently stated that it is a discourtesy to the House for Governments to make available substantial information for publication in the press before it is available to hon. Members. On this occasion that is distinctly not the case. On the contrary, the written answer drew the attention of the House to the fact that information would be available in the Vote Office at the same time as it was released for publication. Whether the launch of that consultation exercise justified an oral statement to the House is entirely a matter for the Government's judgment and is not one on which the Speaker is, or will ever become, involved. I am satisfied that there has been no breach of order or discourtesy to the House—and I now intend to move on.

Mr. John Denham (Southampton, Itchen) *rose*——

Madam Speaker: Does the hon. Gentleman wish to raise a different point of order?

Mr. Denham: Yes, Madam Speaker.

Madam Speaker: In that case, I must hear it.

Mr. Denham: It is a rather similar matter.

Madam Speaker: Order. I have dealt with this subject, and I shall not take points of order on similar matters. If it is on a different subject, I shall, of course, take the hon. Gentleman's point of order.

Mr. Denham: This morning, the Secretary of State for the Environment issued a press release concerning the Hampshire county structure plan, which is an important strategic issue. So far as I have been able to establish, no attempt was made to alert me, as a Hampshire Member of Parliament, to the intention to issue the press release. At Question Time, the hon. Member for Winchester (Mr. Malone) made it clear that he had been made aware of the press release. Would not it be courteous for the Secretary of State to inform all Hampshire Members, and not just his hon. Friends, of such important strategic announcements?

Madam Speaker: This is a matter for the Secretary of State, but I should point out that I did call the hon. Gentleman, and was delighted to do so. I hope that, with regard to this matter, I have been as helpful as possible.

Registration of Domiciliary Care Agencies

3.35 pm

Mr. David Hinchliffe (Wakefield): I beg to move,

That leave be given to bring in a Bill to make provisions for the registration of domiciliary care agencies; to make provisions consequential thereon; and for connected purposes.

This Bill aims to clear up an anomaly in registration and inspection procedures relating to the provision of care services. The anomaly concerns the fact that, while a person in receipt of care in a residential or nursing home has the protection of the Registered Homes Act 1984, a person in receipt of the same form of care in his own home has no similar statutory protection. The Registered Homes Act requires the registration of all establishments providing care and a named person deemed to be suitably qualified who is responsible in law for the operation of the establishment. It enables homes to be inspected by local registration and inspection units. It makes provision for the cancellation of registration and for the protection and care of residents in residential or nursing homes.

My proposed Bill would apply the principles of the Registered Homes Act to domiciliary care, requiring all agencies in the private, voluntary and public sectors to be registered and inspected by the same local registration and inspection units. The same fit-person requirement would be applied, whoever was responsible for the operation of the agency.

When the National Health Service and Community Care Act 1990 was passing through the House, and consideration was being given to the development of domiciliary care, this inconsistency in the law was the subject of amendments supported by hon. Members on both sides. The amendments were resisted by the then Minister of State, now the Secretary of State for Health, on behalf of the Government, on the basis that the contracting and purchasing arrangements included in the legislation offered sufficient safeguards.

Many hon. Members will be aware that, after the House debated this issue, the need for legislation to protect vulnerable people who are cared for in their own homes became even more apparent when a 66-year-old woman in a wheelchair was viciously murdered in her home by her female carer. Subsequent police inquiries revealed that the woman convicted of the murder had supplied false written references to the agency that had arranged for her to care for the disabled woman. To the agency's great credit, it has been at the forefront of subsequent campaigning for the introduction of statutory registration and inspection requirements for domiciliary care.

It is quite apparent that the Government's reliance on contracting and purchasing arrangements does not in any way offer protection to vast numbers of elderly disabled and vulnerable people and will not avoid a repetition of such incidents. The Government's central assumption is of a local authority contracting with agencies for the provision of services. However, it is the case now, and will be the case after 1 April, that many people purchase these services privately without any form of local authority involvement. Such people therefore receive no protection whatsoever from the contracting arrangements, and the Government must be aware that the more stringent charging policies forced on local authorities are encouraging this process even further.

Many directors of social services have written to me supporting my proposed Bill, and several have pointed out that contractual arrangements are a very poor way of ensuring quality services at an individual level. One director said in his letter:

"Experience in the residential sector shows that placing authorities are often the very last to realise that abuses are going on involving their clients"

The extent of concern about the anomaly has led, in a number of areas, to the establishment of voluntary registration schemes. Many of those schemes are applying standards for registration for domiciliary care drawn up by the Joint Advisory Group of Domiciliary Care Associations. However, while such schemes are an important step forward, many of those organising them point to their weaknesses. Obviously, only the better agencies will volunteer to participate and those operating low standards are likely to be missed.

There is also no means of enforcement under such voluntary arrangements. As several directors of social services have said to me, voluntary schemes are a poor substitute for statutory regulations that would make the position of the service user, provider and local authority much clearer. In implementing the community care changes with effect from 1 April, the Government have included the requirement that 85 per cent. of the Department of Social Security funding that is passed to local authorities after next Thursday should be spent in what they call the independent sector. The Government anticipate that that will lead to more domiciliary provision by the voluntary and private agencies that are currently unregulated.

Many agencies have argued that the individual residing in his or her own home has the same right of protection under the law as those residing in a care or nursing home. In many ways, individuals are more at risk in the privacy of their own home. They are often housebound and frequently receive a declining number of visitors. Inevitably, the care staff helping them are supervised to a much lesser degree than they would be in a residential establishment.

On 30 November last year I asked the Department of Employment for its estimate of the number of independent sector domiciliary care agencies. The Parliamentary Under-Secretary of State for Employment replied that at that time there were 1,388 licensed employment agencies that had said that their field of activity might include domiciliary care. In addition to those agencies, an increasing number of private care and nursing homes also offer domiciliary services without specific registration and inspection. A sizeable number of agencies is already involved in such care and there is every reason to believe that the number will continue to increase.

My Bill is supported by the United Kingdom Home Care Association, which represents more than 300 voluntary and private agencies, the Joint Advisory Group of Domiciliary Care Associations, the British Association of Domiciliary Care Officers, the National Association of Inspection and Registration Officers, the British Association of Social Workers, and the Social Care Association. It is also supported by the Association of Directors of Social Services, Age Concern and many other interested organisations.

I understand that the social services inspectorate has drawn Ministers' attention to the need for such a measure.

[Mr. David Hinchliffe]

I would not be at all offended if the Government took the Bill off my hands and implemented it themselves. I am happy to commend it to the House.

Question put:—

The House divided: Ayes 188, Noes 1.

Division No. 200] **[3.43 pm**

AYES

Abbott, Ms Diane
Adams, Mrs Irene
Ainger, Nick
Allason, Rupert *(Torbay)*
Allen, Graham
Anderson, Donald *(Swansea E)*
Anderson, Ms Janet *(Ros'dale)*
Armstrong, Hilary
Ashton, Joe
Banks, Tony *(Newham NW)*
Barnes, Harry
Barron, Kevin
Battle, John
Beckett, Rt Hon Margaret
Benn, Rt Hon Tony
Berry, Dr. Roger
Betts, Clive
Boyce, Jimmy
Boyes, Roland
Bruce, Malcolm *(Gordon)*
Burden, Richard
Byers, Stephen
Callaghan, Jim
Campbell-Savours, D. N.
Canavan, Dennis
Cann, Jamie
Carlile, Alexander *(Montgomry)*
Chisholm, Malcolm
Clapham, Michael
Clark, Dr David *(South Shields)*
Clarke, Eric *(Midlothian)*
Clarke, Tom *(Monklands W)*
Clelland, David
Clwyd, Mrs Ann
Cohen, Harry
Cook, Frank *(Stockton N)*
Corbett, Robin
Cousins, Jim
Cryer, Bob
Cummings, John
Cunliffe, Lawrence
Cunningham, Jim *(Covy SE)*
Dafis, Cynog
Darling, Alistair
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Ron *(Caerphilly)*
Davis, Terry *(B'ham, H'dge H'l)*
Denham, John
Dixon, Don
Dobson, Frank
Donohoe, Brian H.
Dowd, Jim
Dunwoody, Mrs Gwyneth
Eagle, Ms Angela
Eastham, Ken
Enright, Derek
Evans, John *(St Helens N)*
Ewing, Mrs Margaret
Fatchett, Derek
Fisher, Mark
Flynn, Paul
Foster, Rt Hon Derek
Foster, Don *(Bath)*
Foulkes, George
Fraser, John
Fyfe, Maria
Garrett, John
Gerrard, Neil
Godman, Dr Norman A.
Godsiff, Roger
Golding, Mrs Llin
Gordon, Mildred
Grant, Bernie *(Tottenham)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Gunnell, John
Hain, Peter
Hanson, David
Harris, David
Heppell, John
Hill, Keith *(Streatham)*
Hinchliffe, David
Home Robertson, John
Hood, Jimmy
Hoon, Geoffrey
Howarth, George *(Knowsley N)*
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport E)*
Illsley, Eric
Jackson, Glenda *(H'stead)*
Jackson, Helen *(Shef'ld, H)*
Janner, Greville
Johnston, Sir Russell
Jones, Barry *(Alyn and D'side)*
Jones, Jon Owen *(Cardiff C)*
Jones, Lynne *(B'ham S O)*
Jones, Martyn *(Clwyd, SW)*
Kaufman, Rt Hon Gerald
Kennedy, Jane *(Lpool Brdgn)*
Kilfoyle, Peter
Kinnock, Rt Hon Neil *(Islwyn)*
Leighton, Ron
Loyden, Eddie
Lynne, Ms Liz
McCartney, Ian
McCrea, Rev William
Macdonald, Calum
McKelvey, William
McMaster, Gordon
McNamara, Kevin
Mahon, Alice
Mandelson, Peter
Marek, Dr John
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester, S)*
Martin, Michael J. *(Springburn)*
Martlew, Eric
Meacher, Michael
Meale, Alan
Michael, Alun
Michie, Bill *(Sheffield Heeley)*
Milburn, Alan
Miller, Andrew
Morgan, Rhodri
Morley, Elliot
Morris, Rt Hon A. *(Wy'nshawe)*
Morris, Rt Hon J. *(Aberavon)*
Mudie, George
Mullin, Chris
Murphy, Paul
Oakes, Rt Hon Gordon
O'Brien, Michael *(N W'kshire)*
O'Brien, William *(Normanton)*
O'Hara, Edward
Olner, William
Orme, Rt Hon Stanley
Pickthall, Colin
Pike, Peter L.
Pope, Greg
Powell, Ray *(Ogmore)*
Prentice, Ms Bridget *(Lew'm E)*
Prentice, Gordon *(Pendle)*
Prescott, John
Purchase, Ken
Quin, Ms Joyce
Raynsford, Nick
Reid, Dr John
Robertson, George *(Hamilton)*
Robinson, Peter *(Belfast E)*
Roche, Mrs. Barbara
Rooney, Terry
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Salmond, Alex
Sheerman, Barry
Sheldon, Rt Hon Robert
Short, Clare
Simpson, Alan
Skinner, Dennis
Smith, Andrew *(Oxford E)*
Smith, C. *(Isl'ton S & F'sbury)*
Smith, Rt Hon John *(M'kl'ds E)*
Snape, Peter
Spearing, Nigel
Spink, Dr Robert
Steel, Rt Hon Sir David
Steinberg, Gerry
Stott, Roger
Strang, Dr. Gavin
Straw, Jack
Taylor, Mrs Ann *(Dewsbury)*
Trimble, David
Turner, Dennis
Vaz, Keith
Wardell, Gareth *(Gower)*
Wareing, Robert N
Wicks, Malcolm
Wigley, Dafydd
Williams, Alan W *(Carmarthen)*
Winnick, David
Wray, Jimmy
Wright, Dr Tony

Tellers for the Ayes:
Mr. Keith Bradley and
Mr. Kevin Hughes.

NOES

Dover, Den

Tellers for the Noes:
Mr. Andrew F. Bennett and
Mr. Bill Etherington.

Question accordingly agreed to.

Bill ordered to be brought in by Mr. David Hinchliffe, Ms Tessa Jowell, Mr. Malcolm Wicks, Mr. Andrew Rowe, Mr. Roger Sims, Ms Liz Lynne, Rev. Martin Smyth, Ms Dawn Primarolo, Ms Clare Short, and Mr. Ian McCartney.

Registration of Domiciliary Care Agencies

Mr. David Hinchliffe accordingly presented a Bill to make provisions for the registration of domiciliary care agencies; to make provisions consequential thereon; and for connected purposes; And the same was read the First time; and ordered to be read a Second time upon Friday 2 July, and to be printed. [Bill 172.]

Orders of the Day

European Communities (Amendment) Bill

Considered in Committee [Progress, 11 March]

[MR. MICHAEL MORRIS *in the Chair*]

Clause 1

TREATY ON EUROPEAN UNION

Amendment proposed [11 March]: No. 32, in page 1, line 9, after 'II', insert

'(except Article 171 on page 46 of Cm 1934 relating to the European Court of Justice.)'.—*[Mr. John Morris.]*

Question again proposed, That the amendment be made.

The Chairman of Ways and Means (Mr. Michael Morris): I remind the Committee that we are also considering the following amendments: No. 228, in page 1, line 9, after 'II', insert 'except Article 172'.

No. 329, in page 1, line 9, after 'II', insert '(except Article 168a on page 46 of Cm 1934)'.

No. 330, in page 1, line 9, after 'II', insert '(except Article 171 on page 46 of Cm 1934)'.

No. 331, in page 1, line 9, after 'II', insert '(except Article 172 on page 46 of Cm 1934)'.

No. 411, in page 1, line 9, after 'III', insert '(except Articles 32, 32(d) and 33 on pages 64 and 65 of Cm 1934).'.

No. 416, in page 1, line 9, after 'IV', insert '(except Articles 137, 140a, 143 and 146 on pages 73 and 74 of Cm 1934).'.

No. 152, in page 1, line 10, after '1992', insert 'but not Article 143 in Title IV thereof'.

3.55 pm

Mr. Nigel Spearing (Newham, South): On a point of order, Mr. Morris. I apologise for not giving you notice of this point of order. Will you enlighten the Committee and me about the content of amendment No. 456, which relates to the function of the European Court of Justice? We are now discussing the group of amendments in relation to article K.3(2)(c) and its application to articles L to S of the treaty.

I appreciate that article K and articles L to S are part of the alleged intergovernmental section of the treaty, which may not have direct and immediate legislative effect, but I think that you will agree that in article K.3(2)(c)—consequential on a convention which could be before the House at a future date—the jurisdiction of the European Court of Justice does apply. As the amendment has not been selected, will it be possible to refer to this aspect of the European Court of Justice in the debate, or would it be more appropriate to table the amendment again, in another form, at a later stage of the Bill?

The Chairman: If the hon. Gentleman catches my eye, I am sure that he is ingenious enough to incorporate the matter in this debate.

Mr. Geoffrey Hoon (Ashfield): There has been a good deal of discussion lately about the Government's timetable for the progress of the Bill. They are clearly speeding up because on a previous occasion it took me three weeks to move from the beginning of one speech to the conclusion of another. This speech has taken a mere 13 days from when I began it to when I hope to finish.

On that occasion, 13 days ago, I invited the Attorney-General to explain how he sees the jurisdiction of the European Court of Justice in the light of Britain's opt-out on the protocol on social policy. If other member states go ahead and legislate under the protocol—as legally they are entitled to do—what effect will that have on the case law and precedents of the European Court of Justice? Will it mean that there are two separate legal systems of case law in the European Community for the European Court of Justice: one for the 12 member states that will include the United Kingdom, and another—concerned particularly with social policy—for the other 11 member states that will have passed directives and established cases under that process?

Ultimately, that is a matter for the European Court of Justice, but there is a matter which affects courts in the United Kingdom because, under the European Communities Act 1972, they are bound by decisions of the European Court of Justice. Which series of precedents would the United Kingdom courts be bound by?

Mr. David Winnick (Walsall, North): My hon. Friend prefaced his remarks with a reference to the last time that he spoke. Although we may have different views about the Bill, does he agree that it is important that there should be careful deliberation in Committee of the amendment, any future amendments and new clauses? Is my hon. Friend aware that some people believe that the Government are determined to push the debate through the night—either through the entire night, thereby possibly destroying the next day's business, or very late—and that it all depends on support from the Liberals and the nationalists?

The Chairman: Order. That has absolutely nothing to do with the amendment.

4 pm

Mr. Hoon: I was referring to United Kingdom courts. If they are bound to follow the decisions of the European Court of Justice, how will they know which series of precedents to follow? Will they follow decisions taken under social protocol directives, where cases have been decided by the European Court of Justice or the other 11 member states, or will they follow the series of cases established by the Twelve? That is a point for the jurisdiction of the European Court of Justice and, as a consequence, for United Kingdom courts. If the Attorney-General intends to sum up, I should be grateful if he would give some thought to the matter so that we can consider it afresh.

The Minister of State, Foreign and Commonwealth Office (Mr. Tristan Garel-Jones): I may be able to help the hon. Gentleman at this stage of the Committee's deliberations. He will agree that the protocol is quite clear that Acts adopted by the Council under it shall not be applicable to the United Kingdom. It therefore follows that any judgment that the European Court of Justice may give on such an Act would not be applicable to the United Kingdom. Any measure under the social protocol will not be Community law as such because its basis will be not the Community treaties but the agreement of 11 which flows from the protocol itself.

Mr. Hoon: I am grateful to the Minister for that reply, but I am not sure that it entirely deals with the problem. I was referring to the situation that arises when cases go all

[Mr. Hoon]

the way to the European Court of Justice. They are not minor cases but, as the Minister will agree, are usually landmark decisions where the court is not merely considering the intention of a particular directive. The protocol allows European Community institutions to be used to interpret case law in that way and, presumably, therefore allows the European Court of Justice to be involved. In those circumstances, when the court gives a decision, it is not merely giving a decision on one directive made under the protocol but will be reviewing the relevant cases in that domain.

Many of those cases will have been decided by the court when the United Kingdom was participating fully in the process of European Community law. Under the protocol, with the United Kingdom on one side—as the Minister said, that is the strict wording of the protocol—when the court has made a decision, it will have to be decided whether the United Kingdom courts and the European Court of Justice itself will follow it. I accept the strict wording of the protocol—the Minister was absolutely right to that extent—but I am more concerned about what the effect will be in terms of precedent.

It would be useful if the Attorney-General would comment. It would be curious if there were one set of cases which bound only 11 member states, because they had to do with a directive passed under the protocol on social policy, and another set of cases which included the United Kingdom. That is a point of legal confusion with which the Government must deal.

Mr. Calum Macdonald (Western Isles): Although the Minister is correct about the wording of the protocol, surely the protocol itself is part of the treaty of Rome in that it is annexed to the treaty of Maastricht. Any proposal annexed to a treaty that becomes part of the treaty of Rome itself becomes an integral part of the treaty of Rome. The Minister cannot say that it is simply intergovernmental because it is part of the treaty of Rome.

Mr. Hoon: That is right, although the Minister clearly wishes to comment.

Mr. Garel-Jones: I think that the Committee will recognise that something else flows from the protocol—the agreement among the 11. That is an intergovernmental agreement. That is where any decisions that the 11 may choose to make would be taken, and it is outside the treaty.

Sir Teddy Taylor (Southend, East): Does the hon. Gentleman agree that, far from having resolved the problem, the Minister of State may have created a new problem? In the event of a decision to eliminate the protocol from British law, but not from the treaty, so that it is not a Community obligation for the agreement of the 11, would it not be wholly illegal for the Government to seek to make payments of one twelfth of the cost of the protocol? Then we would be in a terrible mess, which only our courts could resolve. That would take a long time.

Has the Minister of State not raised an issue about which we should all think carefully? If the protocol is removed from British law, there should be no obligation to make payments for a Community obligation, for the simple reason that, as the Minister of State said, there is no Community obligation but an obligation of the agreement of the 11.

Mr. Hoon: I am grateful for that observation. I suspect that the proper answer is that, when we have an opportunity, as we hope we shall, for a further debate on the implications of the social protocol, it may be possible to deal with that point.

Sir Teddy Taylor: It is over: it has already happened.

Mr. Hoon: Perhaps I may return——

Mr. John Morris (Aberavon): A most important point has been raised in all seriousness. Perhaps the Minister, or the Attorney-General, would clarify the matter. Would such payments be ultra vires?

Mr. Hoon *rose*——

Sir Teddy Taylor: Answer.

Mr. Hoon: Again, that is not a matter for me, but perhaps the Minister would like to try to answer.

Mr. Garel-Jones: I shall try to assist the Committee. I do not know whether the right hon. and learned Member for Aberavon (Mr. Morris) was in the Chamber at the time, but the important question raised by my hon. Friend the Member for Southend, East (Sir T. Taylor) was dealt with on a previous occasion by my right hon. and learned Friend the Attorney-General.

Mr. Hoon: Perhaps I may leave that point now, and make some progress on what I was saying about institutional arrangements for the European Court of Justice.

Mr. Tony Marlow (Northampton, North): The hon. Member for Ashfield (Mr. Hoon) brings a great deal of skill and experience to our debates, and I am always interested in what he has to say, but is not the debate somewhat academic? I have just come back from Brussels, having visited the Commission, the European Parliament and other institutions, and I detected a gung-ho feeling there. People are concerned about ratification, but if and when the treaty is ratified they intend to go at full speed ahead—on the social chapter, among other things. They will say, "We want everybody to do it; we do not want those burdens to fall only on us. We want everybody to share in the glories, or the burdens, of the social chapter." The social protocol excludes the United Kingdom, so they will look for other ways to include us, via other routes through the treaty. Do not articles 2 and 3 of the treaty suggest that the European Court will be sympathetic to that approach, and that the protocol itself is therefore not a matter of great relevance? People will get what they want through other means, and the court will help them.

Mr. Hoon: That is certainly a possibility, and I shall develop that argument briefly later. Yes, the other 11 member states would like the United Kingdom to be fully part of that process—and the institutional difficulties that I have touched upon concerning the European Court of Justice arise equally in relation to the European Parliament, where there are moves to exclude British Members from participating in debates on social protocol questions. Clearly, that will create the institutional confusion across the Community about which I am now complaining in the context of the European Court of Justice.

Mr. Nicholas Budgen (Wolverhampton, South-West): If there is a strong political element in the European Court

of Justice, does not the hon. Gentleman consider it likely that the Commission will make suggestions to the court so that legal rights may be created to force the social chapter upon the United Kingdom by the back door? May not pressure also be brought to bear on the United Kingdom to conform more readily to the convergence criteria and the various other mechanisms that may ultimately lead to a single currency?

Mr. Hoon: I am tempted to agree with the hon. Gentleman's conclusion, although I do not accept his premise, which was to suggest that the European Court of Justice is not independent of political pressures. I do not believe that the court would be likely to respond to an invitation from the Commission in the way that the hon. Gentleman suggests.

Mr. Garel-Jones: I hope that I can assist the Committee. I think that I agree with the point that the hon. Gentleman is making. It is a mistake to assume that the European Court of Justice is bent upon bringing forward political judgments that are favourable to the centralising process.

As was made clear in an earlier debate, it is my contention, and that of the Government, that the position is changing. Only yesterday, the European Court of Justice issued a significant opinion on external competence. The Commission had argued that it had exclusive competence to negotiate in International Labour Organisation conventions. The court was of the opinion that that was a matter of mixed competence, in which member states have an important part to play. That illustrates the changed mood that the Maastricht treaty has brought about, not just in the court but throughout the Community.

Mr. Hoon: I am grateful to the Minister.

I was about to say that there was an inevitable tendency, however one interprets the political approach of the European Court of Justice, for it to become involved in institutional questions. In effect, it sits as a sort of supreme court for the European Community, and therefore from time to time has to resolve such delicate institutional issues. I intended to mention the external relations case and cases concerned with the legal basis of directives. Those matters might previously have been resolved between Governments at the political level. The European Court of Justice inevitably finds itself caught up in political, institutional and constitutional debates.

The court set out how it views its own responsibility. It described the European Community as

"a community based on the rule of law"

with

"a complete system of legal remedies and procedures designed to commit the Court of Justice to review the legality of measures adopted by the institutions."

Clearly, the court sees itself as being at the centre of that institutional debate.

Mr. Winnick: I think that we agree that the role of the European Court of Justice is along the lines that my hon. Friend has suggested. That being so, if the Maastricht treaty is ratified, will not a time come—perhaps not too long afterwards—when the European Court of Justice may be asked to decide on cases brought by employees in the United Kingdom, who will argue that, if other countries have the social chapter, there is no reason why people in this country should not benefit from it? I shall not go into the rights and wrongs of the matter now; they will be decided later, and it will not be for us to decide them. We should not, therefore, reach the conclusion that the Government believe obvious, which is that, if the treaty goes ahead, the social chapter will not apply in Britain, because the European Court of Justice may decide otherwise.

Mr. Hoon: That is a possibility, and that will turn upon the way in which the court views the effectiveness of the opt-out on social policy.

An interesting case that is relevant to the whole question of the institutional responsibilities of the court was the ruling of the court on the EC-EFTA agreement. In looking at the structure proposed by the Commission and agreed by the Council of Ministers for the European economic area, the European Court of Justice took a quite different legal view from the political conclusions reached by the Commission and the Council. It said that the new treaty was clearly incompatible with the existing Community legal structure and was therefore unconstitutional.

The court was mainly concerned at that stage about the creation of a proposed EFTA court because it saw a potential rivalry between its competence and jurisdiction within the Community and the competence and jurisdiction of the proposed court to supervise the structure of the economic area.

What the court was concerned to do—this is significant—was to maintain a single and coherent jurisdiction. That was part of its reason for rejecting the approach agreed by the Commission and the Counci. If that is the case in terms of coherence, does it not follow from what I have been saying that the court might similarly be concerned about the lack of coherence created by the United Kingdom's opt-out on the social chapter? It seems to create some of the same difficulties from the point of view of a single structure for the European Community in the context of its legal system.

There are two potentially conflicting systems in operation, and while I accept the accuracy of the Minister's quotation from the social protocol, he could equally have quoted, in relation to the EC-EFTA agreement case, the decision that he and his colleagues in the Council of Ministers reached. The Court of Justice rejected that political conclusion and said that it was inconsistent with the structure that had been established.

An area in which the Maastricht treaty makes significant improvements is the ability of the European Parliament to bring proceedings before the court. That Parliament has faced difficulties in the past in asserting its institutional rights before the European Court of Justice. Although its vital institutional interests have been affected by certain court decisions, it has not always had the right to argue its case before the court.

4.15 pm

The Maastricht treaty significantly improves the position for the Parliament in that article 173 allows it to bring a legal challenge before the court

"for the purpose of protecting its prerogatives."

The importance of that lies in the fact that it permits a democratically elected institution to assert its institutional rights against other European Community institutions. Similarly, article 175, as revised by the treaty, improves the position of the Parliament by allowing it greater scope to bring actions before the court.

Those changes are to be welcomed and I hope that hon. Members, whatever their views about the general institutional arrangements, will support a situation which gives a democratically elected institution the right to participate in court cases on an equal basis with the European Commission and the Council.

Mr. Iain Duncan-Smith (Chingford): It is always a pleasure to speak following the hon. Member for Ashfield (Mr. Hoon). We have discussed at length many issues about the European Court of Justice, on many of which we hold similar opinions.

I am concerned with amendments 329, 411, 416, 32 and 330, which relate to probably the most misunderstood part of the Community. When we started to discuss this group of amendments, the right hon. and learned Member for Aberavon (Mr. Morris) invited the Minister to comment on the philosophy of the European Court, and asked whether it was an interpretative and innovative court leading to centralisation. Those questions must be answered, and the Minister has not fully answered them. I shall demonstrate that the European Court of Justice is an innovative court, has drawn to itself greater powers, has enhanced the powers of the other Community institutions and, in so doing, has hastened what I believe is a movement towards centralisation.

When the Community's originators first set up the Court of Justice, their model was clearly the Conseil d'Etat of France. The choice of the Conseil d'Etat was no accident. Indeed, it was a significant act because it set the type and style of legal process for the Community. The importance of that role model needs explaining because the Conseil d'Etat has two distinct roles. It is both legal adviser to the Government and the supreme administrative law court, with competence to rule on any legal matter linked to, or arising from, administrative acts.

The consultation process of the Conseil d'Etat is compulsory in respect of Government measures and ordinances, and its opinions influence legislation. Its statements are never made public unless the Government so desire—we already begin to see some features of the court weaving their way through what is happening—so that the Conseil d'Etat has the ability to shape the direction of new legislation. Further, its anual report focuses on legislative reforms which it deems necessary and in the public interest. So there is a clear relationship between the Executive and that organisation. That is not surprising, because I note that, every year, the vice-president of the Conseil d'Etat presents the President of the Republic with new year's greetings on behalf of the civil service.

The role model for the European Court is a primary part of France's administration. I make those points clearly in discussing the power of the court to clarify how the court views its relationship with Community institutions and Community law, which is now being amended by the treaty of European union.

The originators of the European Economic Community ensured that the central ethos of the court would be more political than is the case in our common law law courts. That is reflected in appointments to the court. The treaties require that judges and advocates general should be chosen from

"persons whose independence is beyond doubt and who possess the qualifications required for appointment to the highest judicial offices in their respective countries or who are jurisconsults of recognised competence".

It is significant that the independence of candidates is the paramount consideration, while professional qualifications and judicial experience are secondary. It is telling that, in the court of first instance, to which amendments Nos. 329, 411 and 416 apply, the criteria for judges' appointments is less rigorous even than that for the justices of the court.

There are great examples of judges not possessing any formal legal qualifications. Intriguingly, only a minority of appointees have had any judicial experience in their own countries. The majority come from different careers while holding merely formal legal qualifications. It is important to note that several judges have held ministerial posts in their own countries and that several others have been senior civil servants. Only three of the present judges have had judicial experience—*[Interruption.]* The present representative from the United Kingdom is not one of them.

Clearly, that range of previous experience goes well beyond purely legal qualifications and encourages the view that judges should rule on economic, social, administrative, fiscal and—of course, more and more—political issues within Community law. That the court has a clear conception of its role is evident when one looks at statements made by the courts advocates general.

The other evening, my right hon. Friend the Minister of State played down the role of the advocates general in the European Court. We are mistaken in doing that, because the advocates general are fully recognised as the court's external voice, and their opinions have proved an important element in the court's development. Seldom has the court disagreed with the advocates' opinion. As one authority put it:

"taken as a whole the opinions"

of the advocates general

"are as much a product of Community view, and of the *esprit de corps* which characterises the Court as a whole, as are the judgments themselves."

That was given by J. Neville Brown, who wrote "The Court of Justice at the European Community".

By way of explanation, I shall cite a few examples of the esprit de corps of Community sentiment and where it leads. Advocate General Lagrange's opinion in the de Geus *v.* Bosch case was:

"the Court must not be defeated by obscurities or contradictions in the wording of the text for the real meaning can be deduced from the context or the spirit of the text".

Thus, the court is competent, by reference to the "spirit" of the treaty, to fill those gaps. Such teleological interpretation has become an accepted practice in the European Court. In filling the gaps, the court de facto takes a legislative role. It makes law. I refer hon. Members to my earlier comments on the Conseil d'Etat. That is another linkage.

The European Court of Justice has a powerful role in establishing the direction in which Community law evolves. Furthermore, the court has no doubt as to which direction this legislation should take. Advocate General Roemer said:

"The European treaties are nothing but a partial implementation of a grand general programme dominated by the idea of complete integration of the European States."

When we look at the court's judgments, it is plain to see that, in filling the legislative role, the court advances the cause of European nationhood. As Lasok and Bridge said:

"reference to the spirit or aims of the Treaties enables the Court to fill the gaps in the system and so to 'up-date' the text.

In doing so, the Court has consciously acted not only as the Constitutional Court of the Community but also as an architect of European integration."

The court has not been a protector of nation states' powers, as has been suggested previously. Nor has there been any change in the court's perception of its role. Progression of the European Court is slow at times, and is one of incremental revision.

Mr. Garel-Jones: Would my hon. Friend care to comment on the opinion on international labour organisations which was issued by the European Court only yesterday? If nothing else, I think that it gainsays the point, and shows that, at least recently—certainly since the agreement in Maastricht—the European Court of Justice is increasingly sensitive to and taking account of the position of member states.

Mr. Duncan-Smith: Yes. That is an important point to make. I shall come to it further on in my speech. I talk continually about the fact that the European Court of Justice never moves back on its judgments but always moves forwards, sometimes at a slower pace, sometimes at a faster pace. It takes into consideration what is going on in a general sense politically, but the process is always the same.

Mr. Budgen: The irony of the Minister of State's interruption is that it completely demolishes his point that the European Court of Justice is an independent, apolitical court. All he said was that observations of a political nature had been made throughout the Maastricht process, and that the court now took account of those political views. It is a political court, even though he happens to approve of the political pressures which are now being applied to the court.

Mr. Duncan-Smith: My hon. Friend summarises that point well. It stands on its own.

Mr. Garel-Jones: I shall not respond to the point made by my hon. Friend the Member for Wolverhampton, South-West (Mr. Budgen).

Mr. Budgen: Why not?

Mr. Garel-Jones: Because I am answering the speech of the person who has caught your eye, Mr. Morris, not interventions. My hon. Friend the Member for Chingford (Mr. Duncan-Smith) says that the European Court of Justice always moves forwards. What about the case that I quoted to him the last time that he made a rather distinguished speech to the Committee? The national insurance case moved exactly in the direction that he and I would wish to see.

Mr. Duncan-Smith: My right hon. Friend raises a case which was referred to on the last occasion, and on the occasion before that on which we debated the matter. I shall deal with that case in due course, if he will bear with me.

The danger is that, if one views the court at only a single point, it may appear no longer to be driven by the dictates of unification. However, if the Committee considers the progression of the court's judgments over time, all becomes clear. At times, the court appears to stop and consolidate its gains before the next advance, but advance it will. By so doing, it gives great power to the Community institutions.

The titanium dioxide case in 1991, in which the European Parliament supported the Commission versus the Council, was a clear example of how the court increases the powers of the Commission and the European Parliament at the expense of the nation states. In effect, when contention as to the basis of voting procedures arises, the qualified majority process is preferred to unanimous voting. That calls into question Ministers' assurances that qualified majority voting will be extended only to those areas to which we agree that it should.

I wish to show the Court's incremental revision. If we examine four cases taken from a period of more than 25 years, it becomes clear that the Court has progressively expanded the domain of Community law. It moves forward, then consolidates, only to move forward again.

Mr. Garel-Jones: We are resuming a debate that we have had before. I have conceded that, in the early stages of the Community's development, the European Court of Justice took what I have referred to as several centripetal decisions. I think that I quoted to my hon. Friend in the Committee's last debate on these matters several cases in the past 12 months.

I do not claim that they represent a complete turnaround. Indeed, it is not for me to anticipate the decisions that the European Court of Justice might take any more than the decisions of the British courts. However, those cases began to move in the opposite direction to the one which my hon. Friend contends that the court always moves in. I should be grateful if the cases which my hon. Friend quoted to the House were moderately recent ones. We are all well aware of cases which took place 10 and 15 years ago.

Mr. Duncan-Smith: My right hon. Friend makes an interesting point. I have said, and I repeat, that I shall come to those cases. I am referring to a period of 25 years which brings us up to the present. I seek to show that the present is still involved as much as the past. I do not seek to avoid what my right hon. Friend asks me to do.

Mr. Garel-Jones: The point that I am seeking to make to my hon. Friend is not that I dispute that decisions 10, 15 and 20 years ago have tended to be centripetal in their thrust, but that, in recent years, and particularly in the light of skilful negotiation by the Prime Minister at Maastricht on article 3b and so forth, a climate is now being created as a result of which a significant number of recent court judgments show sensitivity to the rights of member states which are both important and encouraging.

Mr. Duncan-Smith: If the Minister bears with me, I shall try to point out the reasons why I take a different view.

Sir Teddy Taylor: Before the Minister of State gets carried away by his optimism, will my hon. Friend invite him to speak to the British fishermen who were absolutely appalled at the fairly recent case in which our merchant shipping legislation was torn apart by the court and Spanish fishermen had to be treated as British for national quota purposes? Does my hon. Friend notice that, whenever such a point is raised, the Minister of State always finds an excuse to talk to someone else? Is this not real stuff, affecting real people? Will the Minister stop being carried away by false optimism?

4.30 pm

Mr. Duncan-Smith: As usual, my hon. Friend makes a powerful point which stands on its own: I cannot elaborate on it. He is absolutely right: these things affect real people and the judgments of the European Court have a major effect on individuals.

Mr. Marlow: So that my hon. Friend can make a decent spread, there are a few points that——

The Chairman: Order. The hon. Gentleman may make one short intervention.

Mr. Marlow: That was my intention, Mr. Morris, but other hon. Gentlemen have already raised points, and if those points are aggregated to the one that I am about to make, they become a few points.

Is it possible that my right hon. Friend the Minister of State is being a little naive? To a certain extent, do not Europe and the court work as a ratchet? My right hon. Friend said that the European courts have made favourable decisions in terms of nation states in the past 12 months, but during the past 12 months we have been considering the ratification of the treaty. Once the treaty is ratified, bingo—off they go again.

Mr. Duncan-Smith: My hon. Friend makes his point in his characteristic way. I am not sure about bingo, but I am pretty sure about the European Court of Justice. If my right hon. Friend the Minister will bear with me, I hope to cover these points.

I mentioned the historic Van Gend en Loos case previously. It was a landmark of Community law, because it was where the Court first enunciated that the treaties created a new legal order.

Mr. Garel-Jones: What was the date of the case?

Mr. Duncan-Smith: I shall provide the date in a moment. The case established that the treaties created a new legal order based on the principle that Community law produces

"direct effects and creates individual rights".

The date of the case was 1963.

From this beginning, the court has taken progressively more expansive views of the principle of direct effect. In the van Duyn ruling of 1974, the court stated that individuals may invoke Community directives before national courts.

In its 1976 ruling, in the Defrenne case, the court applied the principle of direct effect to article 119 on sex equality. It found that the principle of equal pay for men and women laid down in the article was one of the Community's foundations and so had direct effect. It went on to say that national courts

"have a duty to ensure the protection of the rights which that provision vests in individuals".

After the 1976 Defrenne ruling, the court paused, consolidating the gains made. Interestingly, in 1978, after Gabrielle Defrenne initiated yet another case, the court indicated that the interpretation of article 119 could not be expanded to the point that it would seem as prescribing equality in respect of all working conditions. Specifically, the court ruled that article 119 did not require identical retirement ages for men and women, even though this would result in differences in pension entitlement.

If an observer of the court had looked at the Defrenne ruling in 1978, he or she might have been tempted to say, as my right hon. Friend said recently,

"that we are now in a new climate and that that"

centralising

"tendency is being arrested."—[*Official Report*, 27 January 1993; Vol. 217, c. 1061.]

In doing so, the observer would be focusing too closely on the immediate circumstances and not on the court's long-term progression.

If we come forward 12 years to the Barber case of 1990, here the court has reversed the 1978 ruling. The court found in the Barber case that

"it is contrary to"

article 119

"to impose an age condition which differs according to sex for the purpose of entitlement to a pension under a private occupational scheme, even if the difference between the pensionable age for men and that for women is based on the one provided for by the national statutory scheme."

That was in 1990.

Mr. Garel-Jones *rose*——

Mr. Duncan-Smith: Perhaps I can just finish this point.

In the 1978 decision, the court was simply holding its ground. It was in no way reversing itself. The court may pause for periods, but it does not retrace its steps, so there is a progression—slow, slow, quick, quick, slow.

Mr. Garel-Jones: It will not have escaped the notice of the Committee—I hasten to say that I do not use this to dismiss my hon. Friend's point—that, of the cases that my hon. Friend has quoted, one predates Britain's entry into the Community, two predate the Single European Act and one follows on from it. I am not using this to dismiss my hon. Friend's arguments, because I accept that the thrust of the court has been centripetal for a substantial period. But then my hon. Friend goes on, as the "killer" argument, as it were, to quote the Barber judgment, and again it will not have escaped the notice of the Committee that a protocol in the Maastricht treaty reverses that judgment.

That does two things. It emphasises that it is member states which sign the treaties and, in reversing the Barber judgment in the protocol, it gives us reason to believe—although I cannot anticipate decisions of the European Court—that it will have a significant influence on other judgments that we expect shortly in this area.

Mr. Duncan-Smith: My right hon. Friend raises a point to which I am just about to come, so if he will bear with me I will deal with it now.

The court can afford to take a long view, and will gradually expand the scope of Community law in just the way that it has in the Barber decision. It is impossible for anyone to deny that the Barber case is a significant advance in the reach of Community law. Consternation about its effects for the pension industry has been so acute that, as my right hon. Friend has pointed out, a specific protocol concerning article 119 had to be added to the Maastricht treaty to limit the industry's exposure to retroactive claims. This protocol is nothing more than a rearguard action, designed to contain the damage inflicted by the court's Barber ruling.

Mr. Garel-Jones *rose*——

Mr. Duncan-Smith: I would like to make just a little progress before I give way again.

The example of incremental revision that I have just given is not an isolated instance of how the court will expand especially the Commission's powers at the expense of the nation states. Such progression in the court's rulings is an on-going phenomenon, since, in pursuit of its own agenda, the Commission regularly invites the court to revisit and reinterpret the treaty base and the large body of existing Community directives and regulations.

We are in the midst of one such example. As a result of a number of court interpretations of the directive on the transfer of undertakings, United Kingdom law was found by the Commission to be no longer compliant with the original directive. In 1981, when Parliament passed the Transfer of Undertakings (Protection of Employment) Regulations into law, in compliance with the original directive, Ministers did not anticipate how much more widely the scope of this directive would be interpreted.

The Commission's recent action taken against the United Kingdom shows how the Community institutions, working in tandem, can force us to adopt statutes against our will—like clause 62 of the Trade Union Reform and Employment Rights Bill.

Mr. Hoon: I do not want to tempt the hon. Member into misleading the Committee, but the transfer of undertakings directive was passed by a Labour Government, and was not properly translated into United Kingdom law in 1981 by a Conservative Government. That is really the difference. The British Government participated in the process of agreeing the directive, and it is that which the hon. Gentleman ought to concentrate on, rather than trying to wriggle out of the obligation created by the directive. In the way that he has presented it, he has given a very jaundiced view of the process.

Mr. Duncan-Smith: The hon. Gentleman, as usual, makes an important point. I was going to come on to that, because I was about to point out that it was initiated in 1977.

The Chairman: Might I suggest to the hon. Gentleman that he should not give way so often but should get on with his arguments, as he would clearly anticipate most interventions?

Mr. Duncan-Smith: I shall endeavour to follow your guidance, Mr. Morris.

That case is intriguing, because it demonstrates clearly how a policy initiated in 1977 is binding on subsequent Conservative Administrations, causing severe problems for Conservative Governments.

I was disappointed that my right hon. Friend the Minister of State mentioned the same three cases—which I said that I would deal with—that he produced on 27 January as an example of the European Court of Justice's new-found appreciation for the rights of nation states. Those cases do not support the thesis. At best, they demostrate the court marking time, and at worst incremental revision.

The case of the Commission *v.* Belgium—Wallonian sludge—was particularly obscure. At most, the ruling was ambiguous. The court was highly critical of the Wallonian decree and refrained from ruling against Belgium only because it found conflicting treaty objectives of environmental protection to support the decree. Belgium was no clear victor; it is important to note that each party had to bear its costs at the end of the case, which says more loudly than words what the court felt about it.

The Sunday trading case that the Minister mentioned is a perfect example of incremental revision expanding the court's powers. In the Stoke-on-Trent judgment, the court revised its previous Torfaen verdict that questions of proportionality should be left to the national courts, and ruled that the European Court had the power and the duty to rule on issues of proportionality—a form of incremental revision.

Mr. Bernard Jenkin (Colchester, North): The most important aspect of the Torfaen case is that it was strongly qualified by the words

"in the present state of Community law."

That would seem to emphasise that the court sees the development of Community law as an on-going process from which competences are never returned to the member states.

Mr. Duncan-Smith: My hon. Friend has elaborated on my argument, and I am grateful.

In the Equal Opportunities Commission *v.* Secretary of State for Social Security——

Sir Teddy Taylor: Before he leaves the subject of duty, will my hon. Friend ask the Minister of State, who is so optimistic of the court, to answer the question why, when the Government were presented with five infraction proceedings relating to the transfer of undertakings regulations, they caved in on four without taking them to the court? The only issue left is whether there is a registered trade union or merely workers' representatives.

If the Minister is so sure that things are going nicely on national interests, why did the Government cave in to four of the five Commission demands without putting up a fight? Perhaps he should get advice from the civil service, from the Government or from anyone else. If he is so confident, why did the Government cave in, as the demands were way ahead of the view of the acquired rights directive held by the Conservative Government in 1981, and the previous Labour Government in 1971?

Mr. Duncan-Smith: As usual, my hon. Friend makes a powerful intervention.

Sir Teddy Taylor: Why does the Minister not intervene?

The Chairman: Order. The hon. Gentleman is interrupting the speech of the hon. Member for Chingford (Mr. Duncan-Smith), and the Committee wishes to listen.

Mr. Duncan-Smith: Guided by you, Mr. Morris, I know that my right hon. Friend the Minister has heard that intervention clearly, and I leave it to his judgment to decide at which point he prefers to answer.

I feel that the case that I was discussing before the intervention was an example of the court marking time. It does not like derogations and never has. At best, it sees them as temporary and transitional means. However, that case followed closely on the Barber case, and just as the court was not willing to make that additional leap in the 1978 Defrenne ruling so soon after the significant advance made in the 1976 case, in the EOC-NICs case I believe that the court is biding its time before its next move in that area. Obviously, that is a personal view of the court's exact political involvement in and view of the Community. It is the same pattern—slow, slow, quick, quick, slow.

4.45 pm

There needs to be a positive effort to reform the court. Before we allow it to expand its competence in the way envisaged by the articles under consideration, we must have some controls on the European court and, as the court has clearly stated in Costa *v.* ENEL:

"The transfer by the States from their domestic legal system to the Community legal system of the rights and obligations arising under the Treaty carries with it a permanent limitation of their sovereign rights, against which a subsequent unilateral act incompatible with the concept of the Community cannot prevail."

Obviously, my right hon. and learned Friend the Attorney-General appreciates that. I refer back to his comments on 22 February, when he pointed out the supremacy of Community law.

National rights will be jeopardised if the court continues to expand its competence unchecked, and if it is permitted to legislate by filling in the gaps left by the treaties and secondary Community legislation.

Maastricht only creates more gaps. A few weeks ago in the Committee, I tried to point out one such gap arising from Maastricht's new social provisions. Other hon. Members have indicated other ways, especially my hon. Friend the Member for Colchester, North (Mr. Jenkin) in his recent comments on subsidiarity.

In his comments on 27 January, my right hon. Friend the Minister of State said that the European Court of Justice was

"like the Supreme Court in the United States."—[*Official Report*, 27 January 1993; Vol. 217, c. 1057.]

That is very interesting. Apart from wondering whether that is accepted by the Government——

Mr. Garel-Jones: I think that I can anticipate my hon. Friend's argument. I made it clear that the Supreme Court in the United States is the supreme court of a single national federal state, which is not what the European Community is or will become. I was seeking to argue that the judgments of courts of that type are cyclical and are influenced by the society that surrounds them. My hon. Friend says that it is a case of quick, quick, slow but it will not have escaped his notice that those are the steps of the waltz, and that one can move forwards and backwards when dancing a waltz.

Mr. Duncan-Smith: I am grateful to my right hon. Friend for clarifying his earlier statesment but I shall not get involved in that dance as I was never very good in the ballroom.

We therefore require an institutional mechanism to alow us to review Community laws and regulations created by the European court in the manner that I have described.

A comparison has been made with the United States Supreme Court, but the European Court does not have similar constitutional checks and balances to temper its power. Article 55 of the French constitution is an example of such a mechanism. Unlike Britain—where, under the terms of article 3(2) of the European Communities Act 1972, Community law may be directly referred to in our courts—in France a judge may not directly invoke the primacy of Community law but must reason indirectly, via article 55, to dismiss statute law which conflicts with treaty obligations.

Article 55 is the sole channel for Community law in France, giving the French constitutional court the competence

"to carry out a direct review of Community law in cases where Community legislation can be fitted into the category of France's 'international commitments'".

Such reviews analyse not the legitimacy of Community law, but its compatibility with domestic law.

Such a system for review is what Britain lacks and most definitely needs. In the short term, to ensure that we retain immediate control of our constitution, I propose that we should adopt the solutions set out by Martin Howe in a recent pamphlet called "Europe and the Constitution after Maastricht".

First, we ought to lay down procedures to be followed when conflicts between Community law and Acts of Parliament arise. Secondly, we must have an express list of protected matters, which no Community law should, under the law of the United Kingdom, be allowed to affect. Thirdly, we should be armed with reserve powers, exercisable by Order in Council, to render specific decisions or acts of the Community institutions of no effect in the United Kingdom in areas which are essential to our national interest and independence.

Those changes would help, but I seek a total reform of the European Court of Justice. In my maiden speech, I suggested that we needed a long-term solution, such as a constitutional court, which would be placed above the Community to take an impartial position on questions which affect the competence of nation states.

The opportunity to reform the court arose at Maastricht, but was not seized. Maastricht advances the power of the court, giving it room for interpretation in so many areas, not least in the social field and convergence criteria, with all the attendant costs.

Ministers' assurances carry little weight when the powers of the European Court are examined closely. How can we believe Ministers when they seek to reassure the House about the interpretation of articles 2 and 3 on social policy, and that we shall not be forced into the restrictive social practices undertaken by the other 11? It will be for the court, not for Ministers, to decide.

How can we accept the assurances of Ministers about our commitment to the second and third stages of the convergence criteria? Again, it will be the court, not they, that ultimately decides. How can we accept from Ministers reassurances about subsidiarity? As my hon. Friend the Member for Colchester, North pointed out, the court will define and make decisions on subsidiarity.

The European Court is now an immensely powerful institution, which I believe to be beyond the control of this or any other nation state. Far from concentrating on this fact at Maastricht and in subsequent debates, we have allowed ourselves to be sidetracked and have even enhanced the court's powers. As we have seen in case after case, ultimate judgment lies with the European Court of Justice, which will seek to hasten the march towards a central unitary European state. The court holds the greatest threat to those who wish to see Europe move in the opposite direction. Maastricht is simply an invitation to continue down the road to a unitary state.

Several hon. Members *rose*——

The Chairman: Mr. Budgen.

Mr. Budgen: I did not anticipate being called at this stage.

The Chairman: If the hon. Gentleman does not wish to speak, he does not have to do so.

Mr. Budgen: I do, Mr. Morris.

The Chairman: In that case, the hon. Gentleman should get on with his speech.

Mr. Budgen: I was merely explaining my unusual reluctance to participate in a debate.

The question that has been raised is whether we can trust the European Court. Whether one can trust a court depends upon whether one believes that it is free of political influences. We have just heard an extremely helpful, very learned, extremely well-researched and longish speech from my hon. Friend the Member for Chingford (Mr. Duncan-Smith). My hon. Friend reviewed the court's activities over a considerable period and confirmed our fear that what we have here is an example of what my noble Friend Lady Thatcher used to describe as the ratchet effect. The former Prime Minister did not for a moment pretend that the ratchet moved forward at the same pace all the time. This ratchet is very well maintained by an extremely large bureaucracy staffed by a very large number of extremely intelligent—and, incidentally, extremely well paid—people. That being the case, it was to be expected that it would be operated very intelligently. No doubt the same was said of the inquisition when it was doing its work.

Mr. Michael Spicer (Worcestershire, South): Does my hon. Friend agree that the Maastricht treaty contains the French words "acquis communautaire", which describe the ratchet precisely?

Mr. Budgen: Of course that is true.

My hon. Friend the Member for Chingford is very helpful in the way in which he investigates the background of Community thought regarding the setting up of something that is half a supreme court and half an administrative court. However, he does not emphasise the essential difference between, on the one hand, the French idea of justice and the French idea of the supremacy of the power of the state and, on the other hand, our adversarial system, which is based on disputes between private individuals and, most of all, upon the extremely limited role given to the courts of this country.

For all their grandeur and for all their necessary importance, our courts and judges are but narrow technicians. They are not legislators. It is not their job to talk, for instance, about the moral or political climate. Their job is to look carefully and in detail at provisions and determine their effect on a particular dispute between individuals. Only in the French system are wider political considerations allowed to be brought into play.

I suggest that on this occasion the Government are best condemned from their own mouths. At the last sitting of this Committee my right hon. Friend the Minister of State made for the first time a point that he has made several times today. He said:

"Although it would be wrong and inappropriate for me to try to anticipate specific judgments, I believe that there is some evidence that the climate created by the Maastricht negotiations has brought about change."—[*Official Report*, 11 March 1993; Vol. 220, c. 1182.]

That reference is to changes in the judgments of the European Court. This afternoon, my right hon. Friend said—I may be wrong about this, but I did make a note—that the judgments of the court had been influenced by the skilful negotiation of the Prime Minister at Maastricht.

Let us pause for a moment and decide what is the present status, in Community law, of the Maastricht negotiations. The treaty has not been ratified by all the countries of the Community. It is merely in a preliminary state. It is just as much in a preliminary state as, for instance, Conservative party conference discussions about the criminal law might be. One might even give the treaty a more elevated role by giving as an example the fact that the provisions of a Bill are not binding on the Law Lords before it has been passed by Parliament.

The Minister says that this is not a political court and that it is free of political interference, but he then has the impertinence to say that we have influenced it by our political activity. He says that this is a splendid, independent body, totally impervious to political activity, but that it is watching the political activities of the Prime Minister and doing what my right hon. Friend wants. By way of commendation of these proposals, my right hon. Friend says that this is a court influenced by mood. Our courts are not influenced by mood; they are bound by precedent and statute. They are bound by an extremely narrow interpretation of their duties; they are not bound by mood.

Let me present an argument about mood. There is no doubt that at the time of the Birmingham bombings there was in the country a mood that it would be right for certain persons to be convicted and even hanged—although there was no hanging—as quickly as possible. Would it have been right for the Court of Appeal to take the view that it should operate on the basis of the mood of the country, which was that the rules of evidence which protect suspected persons should be disregarded? At that time people would have been entirely in favour of allowing police officers to fabricate evidence, on the ground that the police knew perfectly well that these people had committed the offences, although, unfortunately, the necessary evidence was not available. But, of course, that is not what was done, because our courts are not bound by mood. Nor, indeed, are they influenced in any way by what politicians say.

Let me give another example. If it is right to say that this court should be influenced by what happened at Maastricht, what would be said were the Lord Chief Justice, dealing with the sentence for a rapist, to say that he had noted with interest and approval the exciting views of my hon. Friend the Member for Billericay (Mrs. Gorman), who has elegantly suggested that such people's goolies should be cut off?

The Lord Chief Justice says, "There is no legislation on the issue, but I am influenced by the political mood of the moment, so I shall order that their goolies be cut off." That is exactly the disgraceful argument that my right hon. Friend the Minister of State advances when he says that the court is not a political body, but it is being influenced by political views of which he approves.

There can be no trust in the institution. If, today, it is being influenced by the political views of the Prime Minister—views that are in no way encompassed by European legislation and in no way bound by European precedent—it is just as likely to be influenced by other forms of political pressure next week when those pressures will seem stronger. It is a political court to which we are giving extra power. We are allowing it to fine people. As my right hon. Friend the Minister of State said, we are

[Mr. Budgen]

allowing it to decide the fines in the light of the advice offered to it by a political body—the Commission. That is very dangerous.

5 pm

We must understand that our British tradition is to give a court extremely limited powers and leave the process of legislation to our sovereign Parliament. The answers given by my right hon. Friend the Minister of State when he so naively commended the way in which the court was now being influenced by political views of which he approved clearly showed that my right hon. Friend has condemned the court to be known by all the world as a political court, and a court that we cannot trust.

Mr. Spearing: The previous two speeches, which have been constitutional, not party political, in tone, have illustrated the extent to which the European Court of Justice is already superior in many ranges of legislation and statute to the high court of Parliament and even the House of Lords in its judicial function along the Corridor. Today we are being invited to discuss the further extension of those powers. I endorse some aspects of the speeches of the hon. Members for Wolverhampton, South-West (Mr. Budgen) and for Chingford (Mr. Duncan-Smith). The powers belong to a court that is different from the institution of which people in this country automatically think when confronted with the word "court".

The court will be a quasi—if not a full—constitutional court in terms of interpreting titles II, III and IV of the treaty of Rome. Therefore, in some respects, the court to which we are now voluntarily—and possibly irrevocably—sending our powers will be comparable to the Federal Court of the United States. As has been said, the European Court has political angles that do not apply to any of the courts in the United Kingdom.

The preambles of treaties should be taken into account when interpreting the wording of those treaties. Whereas, in this country, if case law is made through a judgment and we then find that it is unworkable—it may have been the right judgment for a specific case, but present complications in relation to another case—the Government can introduce a Bill. Hopefully, that Bill will not be politically contentious and the legislation can be set right, either in that parliamentary Session or the next one. That process will not be possible in future in relation to any matter over which the European Court of Justice has power.

The court's range of opinion is much greater than may at first appear. The hon. Member for Chingford cited some recent cases that are well known, including the Barber case and the Cassis de Dijon case. However, people may not be aware of the following aspects—although I think that some statistics appeared in *Hansard* not long ago. Where a matter of interpretation in the British domestic court—I use the phrase advisedly—falls within the sphere of Community law, magistrates, justices or their Lordships have to obtain an opinion from the European Court of Justice in Luxembourg. That fact is not always immediately visible. I do not know whether, when he replies, the Attorney-General will tell us whether it is made known at the time that a further opinion has to be taken, but I doubt whether it is, as I understand that the number of references is already sizeable and will grow. I understand that to be the position today.

The treaty contains further powers, some of which seem mild at present. Articles 126 and 127 on training and education come within the formal upgraded treaty of Rome, as does the issue of health in article 129. I know that article 129 involves co-operation in health matters to ensure that the resources for public health are dealt with effectively and efficiently. But no doubt at some stage an issue will arise where the interpretation of the articles on health and education will come before the European Court of Justice. We know about the famous subsidiarity. Such matters will not fall entirely within the powers of the treaty, which requires subsidiarity to be illuminated, but they will come within the powers of the court—or at least have the potential to do so.

I wish to refer to the powers of the court other than those that fall under titles II, III and IV. The Foreign Secretary and the Prime Minister have made great play of the fact that the power of the European Community will not be as centripetal as it has been. Time and time again they have said that we have stopped the expansion of centralist forces. They claim that we have rolled back those forces in that, whereas the treaty that the Dutch placed before the Community in 1991 had a complete institutional hold, we inserted into that—by our skilful talks at Maastricht—intergovernmental provisions outside the power of the treaty. I think that the Foreign Secretary and the Prime Minister may have been over-optimistic, as there are more than 50 references to Community institutions inside the the so-called union pillars.

I shall concentrate on those references to the power of the court of justice in relation to home and judicial affairs. Those issues are mentioned in article K. The treaty also includes articles relating to institutions other than the European Court of Justice which deal with foreign and security matters. The title covering foreign and security issues contains no fewer than 22 references to Community institutions.

I wish to talk about further powers that the House of Commons may allow the European Court of Justice. Title VI, article K3.2.(c) sounds as though it is a small matter and indeed it is in small print. However, I am sure that the Attorney-General knows—he has made it clear in correspondence—that article K3.2.(c) gives power of adjudication to the European Court of Justice where a convention has been agreed between the member states. The convention can relate to any of the issues contained in article K.1 which deal with co-operation in the spheres of justice and home affairs.

I am well aware that the convention need not occur. The treaty contains the power to create the conventions, although they are not yet created.

Article K3.2(c) states:

"without prejudice to Article 220 of the Treaty establishing the European Community, draw up conventions which it shall recommend to Member States for adoption in accordance with their respective constitutional requirements.

Unless otherwise provided by such conventions, measures implementing them shall be adopted within the Council by a majority of two-thirds of the High Contracting Parties."

The "Council" means the Council of the Community, acting no doubt in its extended intergovernmental role. The article continues:

"Such conventions may stipulate that the Court of Justice shall have jurisdiction to interpret their provisions and to rule on any disputes regarding their application, in accordance with such arrangements as they may lay down."

I understand, as I think the whole Committee understands, that before such a convention can be adopted it has to come back to this Parliament for approval under, as the treaty says, "respective constitutional requirements."

So far we have not had a full definition of what shall be the United Kingdom's constitutional requirements. Perhaps the Attorney-General will refer to that. That phrase appears three or four times in the treaty and it is fundamental. It will also apply to further amendments and there is no guarantee that the treaty will not be further amended before 1996. Who knows, there may be need for a further adjustment and the treaty may come back for further constitutional debate and agreement.

I hope that such a constitutional provision would be defined by an Act of Parliament. Would it be appropriate for a convention concerning home and judicial affairs related to the domestic arrangements of the United Kingdom to be dealt with other than by an Act of Parliament or a change to existing legislation, which would require a small Act of Parliament? What is the scope and probability of what the conventions would contain? They are listed in article K1.

One of the features of the reportage of these debates has been the feeling that we are going through the treaty line by line. To some extent we are doing that in so far as procedures allow, and there is a feeling that it is all terribly boring. It is said that people outside cannot understand the debate and that the Committee is following arcane procedures. I have a horrible feeling that in future when the European Court of Justice makes a ruling, as it did in relation to VAT on construction, people will say, "When did Parliament agree to that?"

The so-called Trevi arrangements clearly intend that there shall be conventions and those conventions will affect the matters set out in article K1, which talks about:

"1. asylum policy;

2. rules governing the crossing by persons of the external borders of the Member States and the exercise of controls thereon;".

One cannot get much more basic than that about border control.

"3. immigration policy and policy regarding nationals of third countries;

I shall not quote the subsections, but they relate to conditions of entry, conditions of residence and the combating of unauthorised immigration.

"4. combating drug addiction in so far as this is not covered by 7 to 9;

5. combating fraud on an international scale in so far as it is not covered by 7 to 9;

6. judicial co-operation in civil matters;

8. customs co-operation;

9. police co-operation for the purposes of preventing and combating terrorism, unlawful drug trafficking and other serious forms of international crime, including if necessary certain aspects of customs co-operation, in connection with the organisation of a Union-wide system for exchanging information within a European Police Office (Europol)."

I have read those into the record because it is unlikely that United Kingdom citizens are fully aware of some of the treaty's contents. I am worried that this title is presently excluded from the Bill. However, the powers of the European Court of Justice are not. As we know, that court is one of the foundation and fundamental institutions of the European Community and, according to the Foreign Secretary and the Prime Minister, it is the inner trunk that is supported by the outer pillars. One of the outer pillars, title VI, has the European Court of Justice.

5.15 pm

I have written to the Foreign Secretary about the matter and he kindly wrote to me on 17 March. His letter clarifies the matter, but is rather surprising. I asked him about article K3.2(c) being outside the institutions of the Community and suggested that his claims and that of the Prime Minister about the supports of the edifice were a little exaggerated.

Mr. Andrew Rowe (Mid-Kent): I am listening with great attention to the hon. Gentleman. He gives the impression that, if the general public understood that some international issues were included in one form or another in the treaty, they would instantly repudiate it. Surely the reverse is the truth. Just as the international law of the sea is justiciable in an international court, a whole range of international problems that are growing in intensity require international treatment. Many of my constituents would be exceedingly relieved if problems such as international terrorism could be dealt with in that way.

Mr. Spearing: I am grateful to the hon. Gentleman for intervening on that issue. His intervention illustrates the theme of the arguments of many hon. Members, that the real content of the treaty of European union—which is the correct title of the treaty—is not as well known as it should be. It is not, and the Government, despite issuing a few publications, do not want it to be better known.

The Minister of State, Foreign and Commonwealth Office enters the Committee at just the right moment. He knows that I and my hon. Friends, including my right hon. Friend the Member for Bethnal Green and Stepney (Mr. Shore), and some Conservative Members support a private Member's Bill called the European Union (Public Information) Bill. It sets out a statutory procedure, which may get more publicity later, by which hon. Members will know what is in the Bill that is before the Committee.

I shall not stray too far from the subject of the debate, but one of the matters contained in our Bill, if the Government allow it to go through—they have objected to it on 15 or 16 Fridays——

The Chairman: Order. Perhaps the hon. Gentleman was not clear about what I said earlier. The matter that he is discussing is out of order. Perhaps he will return to discussing the European Court of Justice about which he was making an interesting contribution.

Mr. Spearing: I was questioned by the hon. Member for Mid-Kent (Mr. Rowe) and——

The Chairman: Order. The hon. Gentleman is an experienced member of the Committee and should not be tempted to go down that route.

Mr. Spearing: I shall return to the correspondence from the Home Secretary.

Sir Teddy Taylor: Before the constituents of my hon. Friend the Member for Mid-Kent (Mr. Rowe) get too excited and optimistic about this great new opportunity, would the hon. Member for Newham (Mr. Spearing) remind him and the Committee that under article L, which

[Sir Teddy Taylor]

we are discussing, a common foreign and security policy and justice and home affairs are excluded from the jurisdiction of the court?

Mr. Spearing: Some of those matters might have been cleared up if the Government had not taken the action that they did.

Mr. Rowe: On a point of order, Mr. Morris. I would not want it recorded that I was tempting the hon. Member for Newham, South (Mr. Spearing) down the route that he chose when he answered my question, because my question was rather different.

The Chairman: That is firmly on the record and clearly the hon. Member for Newham, South (Mr. Spearing) did not hear the hon. Gentleman's intervention with sufficient clarity. Either way, perhaps we may return to the subject of the European Court of Justice.

Mr. Spearing: In his letter to me dated 17 March, the Minister of State wrote:

"As for the potential role of the European Court of Justice under Article K.3(2)(c), you misunderstood the jurisdiction the Court might be given. It would not be the jurisdiction it now has under EEC treaties, nor would its rulings be binding in Community law. It would be ad hoc jurisdiction, conferred and regulated by a member state convention outside the EC framework to interpret that convention and to settle disputes on it. This is exactly the present position on the convention on mutual recognition and enforcements of judgments among the member states agreed in 1968 pursuant to article 220 of the Treaty of Rome. The European Court of Justice rulings on the 1968 convention are given force in UK law not by the European Communities Act but by the 1982 Civil Jurisdiction Act."

That may be news to some of us. I have no doubt that the lawyers among us, including my right hon. Friend the Member for Llanelli (Mr. Davies), may be familiar with that matter.

It is interesting to learn that the European Court of Justice has vires and power in the United Kingdom by Acts of Parliament other than the European Communities Act 1972 and other matters relating directly to it.

That information may be important. No doubt the Attorney-General will confirm when he replies that that which is written into the home affairs article that I just quoted and the power of the European Court of Justice is given dual authenticity by the treaty itself—which is not particularly the concern of the House—by direct legislation and another Act of Parliament.

I put down a marker now because if such a convention comes before the House in due course—which I hope will require another Act—we should have a full explanation, because we would then be putting ourselves under direct European Court jurisdiction on important matters that are claimed to be intergovernmental. Those matters, and others to which the hon. Member for Mid-Kent (Mr. Rowe) referred, are best dealt with in that way, rather than within the rigidities of the European Community as originally established, its central institutions, or the Act of European union that is now being debated.

Mr. Timothy Kirkhope (Lords Commissioner to the Treasury) *rose in his place and claimed to move,* That the Question be now put.

Question put, That the Question be now put:—

The Committee divided: Ayes 278, Noes 221.

Division No. 201] **[5.23 pm**

AYES

Adley, Robert
Ainsworth, Peter *(East Surrey)*
Aitken, Jonathan
Alexander, Richard
Allason, Rupert *(Torbay)*
Amess, David
Ancram, Michael
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Arnold, Sir Thomas *(Hazel Grv)*
Ashby, David
Ashdown, Rt Hon Paddy
Atkinson, Peter *(Hexham)*
Baker, Nicholas *(Dorset North)*
Baldry, Tony
Banks, Matthew *(Southport)*
Banks, Robert *(Harrogate)*
Bates, Michael
Batiste, Spencer
Bellingham, Henry
Beresford, Sir Paul
Blackburn, Dr John G.
Booth, Hartley
Boswell, Tim
Bottomley, Peter *(Eltham)*
Bottomley, Rt Hon Virginia
Bowden, Andrew
Bowis, John
Brandreth, Gyles
Brazier, Julian
Bright, Graham
Brooke, Rt Hon Peter
Brown, M. *(Brigg & Cl'thorpes)*
Browning, Mrs. Angela
Bruce, Ian *(S Dorset)*
Bruce, Malcolm *(Gordon)*
Burns, Simon
Burt, Alistair
Butterfill, John
Carlile, Alexander *(Montgomry)*
Carlisle, Kenneth *(Lincoln)*
Carrington, Matthew
Channon, Rt Hon Paul
Chapman, Sydney
Churchill, Mr
Clark, Dr Michael *(Rochford)*
Clarke, Rt Hon Kenneth *(Rushcl)*
Clifton-Brown, Geoffrey
Coe, Sebastian
Colvin, Michael
Congdon, David
Conway, Derek
Coombs, Anthony *(Wyre For'st)*
Coombs, Simon *(Swindon)*
Cope, Rt Hon Sir John
Cormack, Patrick
Couchman, James
Currie, Mrs Edwina *(S D'by'shr)*
Curry, David *(Skipton & Ripon)*
Dafis, Cynog
Davis, David *(Boothferry)*
Day, Stephen
Deva, Nirj Joseph
Dickens, Geoffrey
Dorrell, Stephen
Douglas-Hamilton, Lord James
Dover, Den
Duncan, Alan
Dunn, Bob
Durant, Sir Anthony
Dykes, Hugh
Eggar, Tim
Elletson, Harold
Emery, Rt Hon Sir Peter
Evans, David *(Welwyn Hatfield)*
Evans, Jonathan *(Brecon)*
Evans, Roger *(Monmouth)*
Evennett, David
Faber, David
Fabricant, Michael
Fairbairn, Sir Nicholas
Fenner, Dame Peggy
Field, Barry *(Isle of Wight)*
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Foster, Don *(Bath)*
Fowler, Rt Hon Sir Norman
Fox, Dr Liam *(Woodspring)*
Freeman, Roger
Gale, Roger
Gallie, Phil
Garel-Jones, Rt Hon Tristan
Garnier, Edward
Gillan, Cheryl
Goodlad, Rt Hon Alastair
Goodson-Wickes, Dr Charles
Grant, Sir Anthony *(Cambs SW)*
Greenway, Harry *(Ealing N)*
Greenway, John *(Ryedale)*
Griffiths, Peter *(Portsmouth, N)*
Grylls, Sir Michael
Gummer, Rt Hon John Selwyn
Hague, William
Hamilton, Rt Hon Archie *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, Sir John
Hargreaves, Andrew
Harris, David
Haselhurst, Alan
Hawkins, Nick
Hayes, Jerry
Heald, Oliver
Heath, Rt Hon Sir Edward
Heathcoat-Amory, David
Hendry, Charles
Heseltine, Rt Hon Michael
Hicks, Robert
Higgins, Rt Hon Sir Terence L.
Hill, James *(Southampton Test)*
Hogg, Rt Hon Douglas *(G'tham)*
Horam, John
Hordern, Rt Hon Sir Peter
Howard, Rt Hon Michael
Howarth, Alan *(Strat'rd-on-A)*
Howell, Rt Hon David *(G'dford)*
Hughes Robert G. *(Harrow W)*
Hunt, Rt Hon David *(Wirral W)*
Hunt, Sir John *(Ravensbourne)*
Hunter, Andrew
Jack, Michael
Jackson, Robert *(Wantage)*
Johnson Smith, Sir Geoffrey
Johnston, Sir Russell
Jones, Gwilym *(Cardiff N)*
Jones, Ieuan Wyn *(Ynys Môn)*
Jopling, Rt Hon Michael
Kellett-Bowman, Dame Elaine
Kennedy, Charles *(Ross,C&S)*
Key, Robert
Kilfedder, Sir James
King, Rt Hon Tom
Kirkhope, Timothy
Kirkwood, Archy
Knight, Mrs Angela *(Erewash)*
Knight, Greg *(Derby N)*
Knight, Dame Jill *(Bir'm E'st'n)*
Knox, David
Kynoch, George *(Kincardine)*
Lait, Mrs Jacqui
Lamont, Rt Hon Norman
Lang, Rt Hon Ian

Leigh, Edward
Lennox-Boyd, Mark
Lester, Jim *(Broxtowe)*
Lidington, David
Lilley, Rt Hon Peter
Lloyd, Peter *(Fareham)*
Llwyd, Elfyn
Luff, Peter
Lyell, Rt Hon Sir Nicholas
Lynne, Ms Liz
MacGregor, Rt Hon John
MacKay, Andrew
Maclean, David
Maclennan, Robert
McLoughlin, Patrick
Madel, David
Maitland, Lady Olga
Major, Rt Hon John
Malone, Gerald
Mans, Keith
Marland, Paul
Marshall, John *(Hendon S)*
Marshall, Sir Michael *(Arundel)*
Martin, David *(Portsmouth S)*
Mawhinney, Dr Brian
Mayhew, Rt Hon Sir Patrick
Mellor, Rt Hon David
Merchant, Piers
Michie, Mrs Ray *(Argyll Bute)*
Milligan, Stephen
Mills, Iain
Mitchell, Andrew *(Gedling)*
Mitchell, Sir David *(Hants NW)*
Monro, Sir Hector
Montgomery, Sir Fergus
Moss, Malcolm
Needham, Richard
Nelson, Anthony
Neubert, Sir Michael
Newton, Rt Hon Tony
Nicholls, Patrick
Nicholson, David *(Taunton)*
Nicholson, Emma *(Devon West)*
Norris, Steve
Onslow, Rt Hon Sir Cranley
Oppenheim, Phillip
Ottaway, Richard
Page, Richard
Paice, James
Patten, Rt Hon John
Peacock, Mrs Elizabeth
Pickles, Eric
Porter, Barry *(Wirral S)*
Portillo, Rt Hon Michael
Powell, William *(Corby)*
Rathbone, Tim
Redwood, John
Renton, Rt Hon Tim
Richards, Rod
Riddick, Graham
Robathan, Andrew
Roberts, Rt Hon Sir Wyn
Robertson, Raymond *(Ab'd'n S)*
Robinson, Mark *(Somerton)*
Rowe, Andrew *(Mid Kent)*
Rumbold, Rt Hon Dame Angela
Ryder, Rt Hon Richard
Sackville, Tom
Sainsbury, Rt Hon Tim
Scott, Rt Hon Nicholas
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shephard, Rt Hon Gillian
Shepherd, Colin *(Hereford)*
Shersby, Michael
Soames, Nicholas
Spencer, Sir Derek
Spicer, Sir James *(W Dorset)*
Spink, Dr Robert
Spring, Richard
Sproat, Iain
Squire, Robin *(Hornchurch)*
Stanley, Rt Hon Sir John
Steel, Rt Hon Sir David
Steen, Anthony
Stephen, Michael
Stern, Michael
Stewart, Allan
Streeter, Gary
Sumberg, David
Sykes, John
Taylor, Ian *(Esher)*
Taylor, John M. *(Solihull)*
Temple-Morris, Peter
Thomason, Roy
Thompson, Sir Donald *(C'er V)*
Thompson, Patrick *(Norwich N)*
Thornton, Sir Malcolm
Thurnham, Peter
Townsend, Cyril D. *(Bexl'yh'th)*
Tracey, Richard
Tredinnick, David
Twinn, Dr Ian
Tyler, Paul
Vaughan, Sir Gerard
Viggers, Peter
Waldegrave, Rt Hon William
Walden, George
Wallace, James
Waller, Gary
Waterson, Nigel
Watts, John
Wells, Bowen
Wheeler, Rt Hon Sir John
Whitney, Ray
Whittingdale, John
Widdecombe, Ann
Wiggin, Sir Jerry
Wigley, Dafydd
Willetts, David
Wolfson, Mark
Wood, Timothy
Yeo, Tim
Young, Sir George *(Acton)*

Tellers for the Ayes:
Mr. David Lightbown and
Mr. Irvine Patnick.

NOES

Abbott, Ms Diane
Adams, Mrs Irene
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Allason, Rupert *(Torbay)*
Anderson, Donald *(Swansea E)*
Anderson, Ms Janet *(Ros'dale)*
Armstrong, Hilary
Banks, Tony *(Newham NW)*
Barnes, Harry
Barron, Kevin
Battle, John
Beckett, Rt Hon Margaret
Beggs, Roy
Bell, Stuart
Benn, Rt Hon Tony
Bennett, Andrew F.
Benton, Joe
Bermingham, Gerald
Berry, Dr. Roger
Betts, Clive
Blair, Tony
Blunkett, David
Boyce, Jimmy
Boyes, Roland
Bradley, Keith
Bray, Dr Jeremy
Brown, Gordon *(Dunfermline E)*
Brown, N. *(N'c'tle upon Tyne E)*
Burden, Richard
Byers, Stephen
Caborn, Richard
Callaghan, Jim
Campbell, Mrs Anne *(C'bridge)*
Campbell-Savours, D. N.
Canavan, Dennis
Cann, Jamie
Chisholm, Malcolm
Clapham, Michael
Clark, Dr David *(South Shields)*
Clarke, Eric *(Midlothian)*
Clarke, Tom *(Monklands W)*
Clelland, David
Clwyd, Mrs Ann
Cohen, Harry
Connarty, Michael
Cook, Frank *(Stockton N)*
Cook, Robin *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Corston, Ms Jean
Cousins, Jim
Cryer, Bob
Cummings, John
Cunliffe, Lawrence
Cunningham, Jim *(Covy SE)*
Cunningham, Rt Hon Dr John
Darling, Alistair
Davies, Bryan *(Oldham C'tral)*
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Ron *(Caerphilly)*
Davis, Terry *(B'ham, H'dge H'l)*
Denham, John
Dewar, Donald
Dixon, Don
Dobson, Frank
Donohoe, Brian H.
Dowd, Jim
Dunwoody, Mrs Gwyneth
Eagle, Ms Angela
Eastham, Ken
Evans, John *(St Helens N)*
Fatchett, Derek
Field, Frank *(Birkenhead)*
Fisher, Mark
Flynn, Paul
Foster, Rt Hon Derek
Foulkes, George
Fraser, John
Fyfe, Maria
Gapes, Mike
Garrett, John
Gerrard, Neil
Godman, Dr Norman A.
Godsiff, Roger
Golding, Mrs Llin
Gordon, Mildred
Grant, Bernie *(Tottenham)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Gunnell, John
Hain, Peter
Hanson, David
Harvey, Nick
Hattersley, Rt Hon Roy
Henderson, Doug
Heppell, John
Hill, Keith *(Streatham)*
Hinchliffe, David
Hoey, Kate
Hogg, Norman *(Cumbernauld)*
Hoon, Geoffrey
Howarth, George *(Knowsley N)*
Howells, Dr. Kim *(Pontypridd)*
Hughes, Kevin *(Doncaster N)*
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport E)*
Hutton, John
Illsley, Eric
Ingram, Adam
Jackson, Glenda *(H'stead)*
Jackson, Helen *(Shef'ld, H)*
Jamieson, David
Janner, Greville
Jones, Jon Owen *(Cardiff C)*
Jones, Lynne *(B'ham S O)*
Jones, Martyn *(Clwyd, SW)*
Kaufman, Rt Hon Gerald
Keen, Alan
Kennedy, Jane *(Lpool Brdgn)*
Khabra, Piara S.
Kilfoyle, Peter
Kinnock, Rt Hon Neil *(Islwyn)*
Leighton, Ron
Litherland, Robert
Livingstone, Ken
Lloyd, Tony *(Stretford)*
Loyden, Eddie
McAllion, John
McAvoy, Thomas
McCartney, Ian
McCrea, Rev William
Macdonald, Calum
McKelvey, William
Mackinlay, Andrew
McMaster, Gordon
McNamara, Kevin
McWilliam, John
Madden, Max
Maginnis, Ken
Mahon, Alice
Mandelson, Peter
Marek, Dr John
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester, S)*
Martlew, Eric
Maxton, John
Meacher, Michael
Michael, Alun
Michie, Bill *(Sheffield Heeley)*
Milburn, Alan
Miller, Andrew
Mitchell, Austin *(Gt Grimsby)*
Moonie, Dr Lewis
Morgan, Rhodri
Morley, Elliot
Morris, Rt Hon A. *(Wy'nshawe)*
Morris, Estelle *(B'ham Yardley)*
Morris, Rt Hon J. *(Aberavon)*
Mowlam, Marjorie
Mullin, Chris
Oakes, Rt Hon Gordon
O'Brien, Michael *(N W'kshire)*
O'Brien, William *(Normanton)*
O'Hara, Edward
Olner, William
Orme, Rt Hon Stanley
Parry, Robert
Pendry, Tom
Pickthall, Colin
Pike, Peter L.
Pope, Greg
Powell, Ray *(Ogmore)*
Prentice, Ms Bridget *(Lew'm E)*
Prentice, Gordon *(Pendle)*
Prescott, John
Primarolo, Dawn
Purchase, Ken
Quin, Ms Joyce
Raynsford, Nick
Reid, Dr John
Robertson, George *(Hamilton)*
Robinson, Peter *(Belfast E)*
Roche, Mrs. Barbara
Rogers, Allan
Rooney, Terry
Ross, Ernie *(Dundee W)*
Rowlands, Ted

Ruddock, Joan
Sheerman, Barry
Sheldon, Rt Hon Robert
Shore, Rt Hon Peter
Short, Clare
Simpson, Alan
Skinner, Dennis
Smith, Andrew *(Oxford E)*
Smith, C. *(Isl'ton S & F'sbury)*
Smith, Rt Hon John *(M'kl'ds E)*
Smith, Llew *(Blaenau Gwent)*
Snape, Peter
Soley, Clive
Spearing, Nigel
Steinberg, Gerry
Stevenson, George
Stott, Roger
Strang, Dr. Gavin
Straw, Jack
Taylor, Mrs Ann *(Dewsbury)*
Trimble, David
Walker, Rt Hon Sir Harold
Walley, Joan
Wardell, Gareth *(Gower)*
Wareing, Robert N
Watson, Mike
Wicks, Malcolm
Williams, Rt Hon Alan *(Sw'n W)*
Williams, Alan W *(Carmarthen)*
Wilson, Brian
Winnick, David
Worthington, Tony
Wright, Dr Tony

Tellers for the Noes:
Mr. Alan Meale and
Mr. Dennis Turner.

Question accordingly agreed to.

Question put accordingly, That the amendment be made:—

The Committee divided: Ayes 56, Noes 279.

Division No. 202] **[5.35 pm**

AYES

Adams, Mrs Irene
Allason, Rupert *(Torbay)*
Barnes, Harry
Benn, Rt Hon Tony
Bennett, Andrew F.
Callaghan, Jim
Canavan, Dennis
Cann, Jamie
Chisholm, Malcolm
Connarty, Michael
Corbyn, Jeremy
Cummings, John
Davies, Rt Hon Denzil *(Llanelli)*
Davis, Terry *(B'ham, H'dge H'l)*
Dunwoody, Mrs Gwyneth
Etherington, Bill
Field, Frank *(Birkenhead)*
Gerrard, Neil
Godman, Dr Norman A.
Gordon, Mildred
Hanson, David
Harvey, Nick
Hinchliffe, David
Howarth, George *(Knowsley N)*
Hughes, Roy *(Newport E)*
Jones, Martyn *(Clwyd, SW)*
Kinnock, Rt Hon Neil *(Islwyn)*
Leighton, Ron
Litherland, Robert
Livingstone, Ken
Loyden, Eddie
McAllion, John
McAvoy, Thomas
McCrea, Rev William
Madden, Max
Mahon, Alice
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester, S)*
Michie, Bill *(Sheffield Heeley)*
Mitchell, Austin *(Gt Grimsby)*
Oiner, William
Parry, Robert
Pickthall, Colin
Purchase, Ken
Robinson, Peter *(Belfast E)*
Rowlands, Ted
Shore, Rt Hon Peter
Simpson, Alan
Smith, Llew *(Blaenau Gwent)*
Snape, Peter
Spearing, Nigel
Steinberg, Gerry
Taylor, Sir Teddy *(Southend, E)*
Trimble, David
Vaz, Keith
Winnick, David

Tellers for the Ayes:
Mr. Bob Cryer and
Mr. Dennis Skinner.

NOES

Adley, Robert
Ainsworth, Peter *(East Surrey)*
Aitken, Jonathan
Alexander, Richard
Allason, Rupert *(Torbay)*
Amess, David
Ancram, Michael
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Arnold, Sir Thomas *(Hazel Grv)*
Ashby, David
Ashdown, Rt Hon Paddy
Atkinson, Peter *(Hexham)*
Baldry, Tony
Banks, Matthew *(Southport)*
Banks, Robert *(Harrogate)*
Bates, Michael
Batiste, Spencer
Bellingham, Henry
Beresford, Sir Paul
Blackburn, Dr John G.
Booth, Hartley
Boswell, Tim
Bottomley, Peter *(Eltham)*
Bottomley, Rt Hon Virginia
Bowden, Andrew
Bowis, John
Brandreth, Gyles
Brazier, Julian
Bright, Graham
Brooke, Rt Hon Peter
Brown, M. *(Brigg & Cl'thorpes)*
Browning, Mrs. Angela
Bruce, Ian *(S Dorset)*
Bruce, Malcolm *(Gordon)*
Burns, Simon
Burt, Alistair
Butterfill, John
Carlile, Alexander *(Montgomry)*
Carlisle, Kenneth *(Lincoln)*
Carrington, Matthew
Channon, Rt Hon Paul
Chapman, Sydney
Churchill, Mr
Clarke, Rt Hon Kenneth *(Rushcliff)*
Clifton-Brown, Geoffrey
Coe, Sebastian
Colvin, Michael
Congdon, David
Conway, Derek
Coombs, Anthony *(Wyre For'st)*
Coombs, Simon *(Swindon)*
Cope, Rt Hon Sir John
Cormack, Patrick
Couchman, James
Currie, Mrs Edwina *(S D'by'shire)*
Curry, David *(Skipton & Ripon)*
Dafis, Cynog
Davis, David *(Boothferry)*
Day, Stephen
Devlin, Tim
Dickens, Geoffrey
Dorrell, Stephen
Douglas-Hamilton, Lord James
Dover, Den
Duncan, Alan
Dunn, Bob
Durant, Sir Anthony
Dykes, Hugh
Eggar, Tim
Elletson, Harold
Emery, Rt Hon Sir Peter
Evans, David *(Welwyn Hatfield)*
Evans, Jonathan *(Brecon)*
Evans, Roger *(Monmouth)*
Evennett, David
Faber, David
Fabricant, Michael
Fairbairn, Sir Nicholas
Fenner, Dame Peggy
Field, Barry *(Isle of Wight)*
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Foster, Don *(Bath)*
Fowler, Rt Hon Sir Norman
Fox, Dr Liam *(Woodspring)*
Freeman, Roger
Gale, Roger
Gallie, Phil
Garel-Jones, Rt Hon Tristan
Garnier, Edward
Gillan, Cheryl
Goodlad, Rt Hon Alastair
Goodson-Wickes, Dr Charles
Gorst, John
Grant, Sir Anthony *(Cambs SW)*
Greenway, Harry *(Ealing N)*
Greenway, John *(Ryedale)*
Grylls, Sir Michael
Gummer, Rt Hon John Selwyn
Hague, William
Hamilton, Rt Hon Archie *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, Sir John
Hargreaves, Andrew
Harris, David
Haselhurst, Alan
Hawkins, Nick
Hayes, Jerry
Heald, Oliver
Heath, Rt Hon Sir Edward
Heathcoat-Amory, David
Hendry, Charles
Heseltine, Rt Hon Michael
Hicks, Robert
Higgins, Rt Hon Sir Terence L.
Hill, James *(Southampton Test)*
Hogg, Rt Hon Douglas *(G'tham)*
Horam, John
Hordern, Rt Hon Sir Peter
Howard, Rt Hon Michael
Howarth, Alan *(Strat'rd-on-A)*
Howell, Rt Hon David *(G'dford)*
Hughes Robert G. *(Harrow W)*
Hunt, Rt Hon David *(Wirral W)*
Hunt, Sir John *(Ravensbourne)*
Hunter, Andrew
Jack, Michael
Jackson, Robert *(Wantage)*
Johnson Smith, Sir Geoffrey
Johnston, Sir Russell
Jones, Gwilym *(Cardiff N)*
Jones, Ieuan Wyn *(Ynys Môn)*
Jopling, Rt Hon Michael
Kellett-Bowman, Dame Elaine
Kennedy, Charles *(Ross,C&S)*
Key, Robert
Kilfedder, Sir James
King, Rt Hon Tom
Kirkhope, Timothy
Kirkwood, Archy
Knight, Mrs Angela *(Erewash)*
Knight, Greg *(Derby N)*
Knight, Dame Jill *(Bir'm E'st'n)*
Knox, David
Kynoch, George *(Kincardine)*
Lait, Mrs Jacqui
Lamont, Rt Hon Norman
Lang, Rt Hon Ian
Leigh, Edward
Lennox-Boyd, Mark
Lester, Jim *(Broxtowe)*
Lidington, David
Lightbown, David
Lilley, Rt Hon Peter
Lloyd, Peter *(Fareham)*
Llwyd, Elfyn
Luff, Peter
Lyell, Rt Hon Sir Nicholas
Lynne, Ms Liz
MacGregor, Rt Hon John
Maclean, David
Maclennan, Robert
McLoughlin, Patrick
Madel, David
Maitland, Lady Olga
Major, Rt Hon John
Malone, Gerald
Mans, Keith
Marland, Paul
Marshall, John *(Hendon S)*
Marshall, Sir Michael *(Arundel)*
Martin, David *(Portsmouth S)*
Mawhinney, Dr Brian
Mayhew, Rt Hon Sir Patrick
Mellor, Rt Hon David
Merchant, Piers
Michie, Mrs Ray *(Argyll Bute)*
Milligan, Stephen
Mills, Iain
Mitchell, Andrew *(Gedling)*
Mitchell, Sir David *(Hants NW)*
Monro, Sir Hector
Montgomery, Sir Fergus
Moss, Malcolm
Needham, Richard
Nelson, Anthony
Neubert, Sir Michael
Newton, Rt Hon Tony
Nicholls, Patrick
Nicholson, David *(Taunton)*
Nicholson, Emma *(Devon West)*
Norris, Steve
Onslow, Rt Hon Sir Cranley
Oppenheim, Phillip
Ottaway, Richard
Page, Richard
Paice, James
Patnick, Irvine

Patten, Rt Hon John
Pawsey, James
Peacock, Mrs Elizabeth
Pickles, Eric
Porter, Barry *(Wirral S)*
Portillo, Rt Hon Michael
Powell, William *(Corby)*
Rathbone, Tim
Redwood, John
Renton, Rt Hon Tim
Richards, Rod
Riddick, Graham
Robathan, Andrew
Roberts, Rt Hon Sir Wyn
Robertson, Raymond *(Ab'd'n S)*
Robinson, Mark *(Somerton)*
Rowe, Andrew *(Mid Kent)*
Rumbold, Rt Hon Dame Angela
Ryder, Rt Hon Richard
Sackville, Tom
Sainsbury, Rt Hon Tim
Scott, Rt Hon Nicholas
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shephard, Rt Hon Gillian
Shepherd, Colin *(Hereford)*
Shersby, Michael
Soames, Nicholas
Spencer, Sir Derek
Spicer, Sir James *(W Dorset)*
Spink, Dr Robert
Spring, Richard
Sproat, Iain
Squire, Robin *(Hornchurch)*
Stanley, Rt Hon Sir John
Steel, Rt Hon Sir David
Steen, Anthony
Stephen, Michael
Stern, Michael
Stewart, Allan
Streeter, Gary
Sumberg, David
Sykes, John
Taylor, Ian *(Esher)*
Taylor, John M. *(Solihull)*
Taylor, Matthew *(Truro)*
Temple-Morris, Peter
Thomason, Roy
Thompson, Sir Donald *(C'er V)*
Thompson, Patrick *(Norwich N)*
Thornton, Sir Malcolm
Thurnham, Peter
Townsend, Cyril D. *(Bexl'yh'th)*
Tracey, Richard
Tredinnick, David
Twinn, Dr Ian
Tyler, Paul
Vaughan, Sir Gerard
Viggers, Peter
Waldegrave, Rt Hon William
Walden, George
Wallace, James
Waller, Gary
Wardle, Charles *(Bexhill)*
Waterson, Nigel
Watts, John
Wells, Bowen
Wheeler, Rt Hon Sir John
Whitney, Ray
Widdecombe, Ann
Wiggin, Sir Jerry
Wigley, Dafydd
Willetts, David
Wolfson, Mark
Wood, Timothy
Yeo, Tim
Young, Sir George *(Acton)*

Tellers for the Noes:
Mr. Nicholas Baker and
Mr. Andrew MacKay.

Question accordingly negatived.

Mr. Ted Rowlands (Merthyr Tydfil and Rhymney): On a point of order, Mr. Morris. I seek your guidance. We are about to embark on a debate of a group of nearly 50 amendments. You and the hon. Members who have been present during the Committee stage will remember that there was considerable confusion about the character and nature of amendment No. 27. In a statement, the Foreign Secretary said:

"In summary, the Law Officers consider that, while incorporation of the protocol in domestic law is desirable, it is not necessary for ratification or implementation of the Maastricht treaty."—[*Official Report*, 15 February 1993; Vol. 219, c. 27.]

We desperately need your advice, Mr. Morris, or possibly that of a Minister through you, as to which of the 50 amendments, which cover a number of protocols and articles, fall into the "desirable" category and which fall into the "necessary" category for ratification. Otherwise, we shall not know the level of seriousness that we are to give to each amendment. The Committee was caught completely by surprise when it found that amendment No. 27 was desirable but not necessary for ratification. May we have some advice and information as to which amendment falls into which category?

The Chairman: First, that is not a matter for the Chair. Secondly, we have not started yet, so no one can rule on anything until the procedure is under way.

Without further ado, we shall consider the European system of central banks and national banking arrangements. We lead with amendment No. 36, with which we shall consider the others listed on the selection paper. I call Mr. Andrew Smith.

Mr. Andrew Smith (Oxford, East) *rose*——

Mr. Peter Hain (Neath): On a point of order, Mr. Morris.

The Chairman: I hope that this is a new point of order and not the same one that we have just had.

Mr. Hain: It is, Mr. Morris. I wonder whether—*[Interruption.]* It certainly is a new point of order. I wonder whether, with your indulgence, Mr. Morris, the Attorney-General could give a ruling on whether amendment No. 36, if carried, would actually——

The Chairman: Order. The hon. Gentleman is anticipating. The amendment has not even been moved yet.

Mr. Andrew Smith: I beg to move amendment No. 36, in page 1, line 9, after 'II', insert
'(except Article 107 on page 22 of Cm 1934)'.

The Chairman: With this, it will be convenient also to discuss the following: Amendment No. 84, in page 1, line 9, after 'II', insert
'(with the exception of those Articles and Protocols set out in Schedule [*Monetary Policy and the establishment of the European System of Central Banks*]).'.

Amendment No. 86, in page 1, line 9, after 'II', insert '(other than Article 108a)'.

Amendment No. 87, in page 1, line 9, after 'II', insert '(other than Article 108)'.

Amendment No. 101, in page 1, line 9, after 'II', insert '(except Article 106 on page 22 of Cm 1934 which relates to the European Central Bank)'.

Amendment No. 197, in page 1, line 9, after 'II', insert 'except Article 4a on page 11 of Cm 1934'.

Amendment No. 325, in page 1, line 9, after 'II', insert '(except Article 105 on page 21 of Cm 1934)'.

Amendment No. 326, in page 1, line 9, after 'II', insert '(except Article 105a on page 21 of Cm 1934)'.

Amendment No. 327, in page 1, line 9, after 'II', insert '(except Article 108 on page 22 of Cm 1934)'.

Amendment No. 328, in page 1, line 9, after 'II', insert '(except Article 109 on page 23 of Cm 1934)'.

Amendment No. 372, in page 1, line 9, after 'II', insert 'except Article 104 as referred to in Article in G on page 19 of Command Paper number 1934'.

Amendment No. 373, in page 1, line 9, after 'II', insert 'except Article 104a as referred to in Article G on page 19 of Command Paper number 1934'.

Amendment No. 374, in page 1, line 9, after 'II', insert 'except Article 104b as referred to in Article G on page 19 of Command Paper number 1934'.

Amendment No. 375, in page 1, line 9, after 'II', insert 'except Article 105a as referred to in Article G on page 21 of Command Paper number 1934'.

Amendment No. 376, in page 1, line 9, after 'II', insert 'except Article 109 as referred to in Article G on page 23 of Command Paper number 1934'.

Amendment No. 377, in page 1, line 9, after 'II', insert 'except Article 109a as referred to in Article G on page 23 of Command Paper number 1934'.

Amendment No. 378, in page 1, line 9, after 'II', insert 'except Article 109b as referred to in Article G on page 24 of Command Paper number 1934'.

Amendment No. 379, in page 1, line 9, after 'II', insert

[The Chairman]

'except Article 109d as referred to in Article G on page 25 of Command Paper number 1934'.

Amendment No. 408, in page 1, line 9, after 'II', insert '(except Article 30 of Protocol 3 on the Statute of the European System of Central Banks and the European Central Bank on pages 97 and 98 of Cm 1934).'.

Amendment No. 49, in page 1, line 10, after '1992', insert 'but not Article 105 in Title II thereof'.

Amendment No. 50, in page 1, line 10, after '1992', insert 'but not Article 107 in Title II thereof'.

Amendment No. 59, in page 1, line 10, after '1992', insert 'but not the Protocol on the statute of the European System of central banks and of the European Central Bank.'.

Amendment No. 253, in page 1, line 10, after '1992', insert 'but not Article 37 of the Protocol on the Statute of the European System of Central Banks and of the European Central Bank'.

Amendment No. 254, in page 1, line 10, after '1992', insert 'but not Article 42 of the Protocol on the Statute of the European System of Central Banks and of the European Central Bank'.

Amendment No. 255, in page 1, line 10, after '1992', insert 'but not Article 31.1 of the Protocol on the Statute of the European System of Central Banks and of the European Central Bank'.

Amendment No. 256, in page 1, line 10, after '1992', insert 'but not Article 34.1 of the Protocol on the Statute of the European System of Central Banks and of the European Central Bank'.

Amendment No. 257, in page 1, line 10, after '1992', insert 'but not Article 29 of the Protocol on the Statute of the European System of Central Banks and of the European Central Bank'.

Amendment No. 258, in page 1, line 10, after '1992', insert 'but not Article 30 of the Protocol on the Statute of the European System of Central Banks and of the European Central Bank".

Amendment No. 259, in page 1, line 10, after '1992', insert 'but not Article 21.1 of the Protocol on the Statute of the European System of Central Banks and of the European Central Bank'.

Amendment No. 260, in page 1, line 10, after '1992', insert 'but not Article 28.3 of the Protocol on the Statute of the European System of Central Banks and of the European Central Bank'.

Amendment No. 261, in page 1, line 10, after '1992', insert 'but not Article 18.2 of the Protocol on the Statute of the European System of Central Banks and of the European Central Bank'.

Amendment No. 262, in page 1, line 10, after '1992', insert 'but not Article 19.1 of the Protocol on the Statute of the European System of Central Banks and of the European Central Bank'.

Amendment No. 263, in page 1, line 10, after '1992', insert 'but not Article 14.4 of the Protocol on the Statute of the European System of Central Banks and of the European Central Bank'.

Amendment No. 264, in page 1, line 10, after '1992', insert 'but not Article 16 of the Protocol on the Statute of the European System of Central Banks and of the European Central Bank'.

Amendment No. 265, in page 1, line 10, after '1992', insert 'but not Article 14.2 of the Protocol on the Statute of the European System of Central Banks and of the European Central Bank'.

Amendment No. 266, in page 1, line 10, after '1992', insert 'but not Article 14.3 of the Protocol on the Statute of the European System of Central Banks and of the European Central Bank'.

Amendment No. 267, in page 1, line 10, after '1992', insert 'but not Article 10.2 of the Protocol on the Statute of the European System of Central Banks and of the European Central Bank'.

Amendment No. 268, in page 1, line 10, after '1992', insert 'but not Article 12.1 of the Protocol on the Statute of the European System of Central Banks and of the European Central Bank'.

Amendment No. 269, in page 1, line 10, after '1992', insert 'but not Article 7.6 of the Protocol on the Statute of the European System of Central Banks and of the European Central Bank'.

Amendment No. 270, in page 1, line 10, after '1992', insert 'but not Article 6.2 of the Protocol on the Statute of the European System of Central Banks and of the European Central Bank'.

Amendment No. 271, in page 1, line 10, after '1992', insert 'but not Article 2 of the Protocol on the Statute of the European System of Central Banks and of the European Central Bank'.

Amendment No. 272, in page 1, line 10, after '1992', insert 'but not Article 5.3 of the Protocol on the Statute of the European System of Central Banks and of the European Central Bank'.

Amendment No. 441, in page 1, line 10, after '1992', insert 'but not the Protocol on France on page 117 of Cm. 1934'.

Amendment No. 442, in page 1, line 10, after '1992', insert 'but not the Protocol on Portugal on page 114 of Cm. 1934'.

New clause 1—*Annual Report by Bank of England*—

.—'In implementing Article 108 of Title II of the Treaty on European Union, and ensuring compatibility of the statutes of the national central bank, Her Majesty's Government shall, by order, make provision for the Governor of the Bank of England to make an annual report to Parliament, which shall be subject to approval by a Resolution of the Commons House of Parliament.'.

New clause 58—*Accountability of European Central Bank*—

' .In implementing the provisions of Article 108 of Title II of the Treaty on European Union, the Commons House of Parliament shall consider annually the European Central Bank report provided for in Article 109b(3) on the activities of the European System of Central Banks and on the monetary policy of both the previous and current year.'.

Amendment No. 85, new schedule:—

'MONETARY POLICY AND THE ESTABLISHMENT OF THE EUROPEAN SYSTEM OF CENTRAL BANKS

(1) Article 105.
(2) Article 105a.
(3) Article 106.
(4) Article 107.
(5) Article 109a.
(6) Article 109b.
(7) Protocol on the Statute of European System of Central Banks and of the European Central Bank.'.

Mr. Smith: Let me make it clear that amendment No. 36, as with similar amendments tabled in other groups, is a probing amendment, and it is not our intention to press it to a vote. However, new clause 1 and new clause 58, which we have also tabled, are also in the group, and

they relate to the important questions of the accountability of the Bank of England and of the European central bank. We intend to press those to a vote.

I make it clear at the outset that the Labour party's views on the issues before us are set in the context of the vital importance of two requirements: first, that the provisions of article 2 of the treaty set the goals of the Community, and that the economic institutions of the Community are obliged to put those goals into effect; and, secondly, that ECOFIN—the Council of European Finance Ministers—must be strengthened not only as the proper political counterweight to the system of central banks but as an effective co-ordinator of Community policies for jobs and sustainable growth. An important complaint about the Government's record is that during their presidency of the Community they took no initiative to give ECOFIN that enhanced role.

Sir Teddy Taylor: Will the hon. Gentleman make it clear that new clause 1 is a joke, because it simply says that there should be an annual report? That will have no impact, and there will be no power, because we shall simply talk about the annual report. The issue behind amendment No. 36 is whether a central bank should be democratically accountable. As a member of the Labour party and a friend of democracy, surely the hon. Gentleman should support an amendment saying that a central bank that will run our economy should be democratically accountable in some way. Was that not Labour party policy?

Mr. Smith: I well understand the hon. Gentleman's lack of confidence in the Conservatives' custodianship of accountability and democracy. I shall take no lectures from him or from any other Conservative Member on those issues. New clause 1 would not merely require an annual report to be submitted to the House, but would provide the opportunity for a vote on it. That would give the House a form of accountability that is not available to it now. Therefore, it would strengthen rather than weaken accountability.

Mr. Tony Benn (Chesterfield): It is correct that there is no annual report, but my hon. Friend will know that under the Bank of England Act 1946, passed by a very right-wing Labour Chancellor, Hugh Dalton, the Bank of England became publicly owned, the Treasury could give instructions to the Bank of England on any matter that it wished for which accountability existed, and the bank could give instructions to any other bank that it wished —and the Treasury defined what a bank was. There could be no clearer example of governmental and parliamentary accountability for the Bank of England. Am I right in supposing that that is what the Front-Bench spokesmen wish to abandon?

5.45 pm

Mr. Smith: Later in my speech I shall deal with the 1946 Act. Indeed, I intended to quote what Hugh Dalton said on Second Reading of that Act. In the light of my right hon. Friend's characterisation of Hugh Dalton, I might reconsider that intention—but the point that I was making still stands good: the House would receive a report that it does not now receive, and would have the opportunity to vote, which it does not now have.

Mr. William Cash (Stafford): The hon. Gentleman's new clause refers to

"ensuring compatibility of the statutes of the national central bank."

In the light of the protocol on the European Monetary Institute stage 2, let alone stage 3, is the hon. Gentleman saying that he expects section 4 of the Bank of England Act 1946 to be repealed? In other words, does he want an independent central bank in this country? If so, how does he relate that to the concession that he has already made, in that there will be no arrangements for the central bank in Europe to be accountable?

Mr. Smith: I shall deal with those issues in a moment, but it is clear to me that if the House of Commons, and Britain, want to honour the terms of the Maastricht treaty, those matters must be examined. There can be no doubt about that, but it would be premature to prejudge now precisely what form of amendment would be necessary to ensure compatibility between our statutes and the treaty.

Mr. Marlow *rose*——

Mr. Smith: I should like to make a little more progress, if I may.

In debating the group of amendments and, to some extent, the two groups that will follow, the Committee is engaged in that most precarious of activities against which politicians are wisely cautioned—answering hypothetical questions. That is so, because——

Mr. Austin Mitchell (Great Grimsby): Will my hon. Friend give way?

Mr. Smith: I shall give way in a moment.

We have to answer hypothetical questions because none of us can be sure whether the European central bank and its associated system will be established under the Bill —or rather, under the treaty—whether economic and monetary union will proceed and, if it does, whether that will happen precisely according to the timetable and provisions of the Maastricht treaty. The terms of such a move to stage 3 would in any case have to be placed before Parliament in future. Indeed, our amendment No. 35, which will be dealt with in the later group of amendments concerning European monetary union, is an attempt to set the circumstances in which that could happen.

It is interesting that the German Parliament incorporated a similar provision during its deliberations approving the Maastricht treaty.

Mr. Austin Mitchell *rose*——

Mr. Smith: I give way to my hon. Friend.

Mr. Mitchell: I am grateful to my hon. Friend; he has been most generous in giving way.

Surely the question is not hypothetical. It is no use saying that we shall have to consider such matters later. The treaty is specific:

"When exercising the powers and carrying out the tasks and duties conferred upon them by this Treaty and the statute of the ESCB, neither the ECB, nor a national central bank, nor any member of their decision-making bodies shall seek or take instructions from Community institutions or bodies, from any government of a Member State or from any other body."

We shall not be able to give instructions to the Bank of England on the lines of the 1946 Act. It will therefore have to be changed.

Mr. Smith: I take my hon. Friend's point, but let me repeat that what is in the Bill is conditional on certain things happening before progress towards economic and monetary union can proceed. Indeed, our amendments set further conditions to be satisfied before progress to the third stage of economic and monetary union can take place. Those amendments were designed precisely to meet the concerns expressed within the Labour party and beyond.

Mr. Rowlands: I apologise for interrupting my hon. Friend again, but he cannot make that case. There is a specific and clear commitment in article 14.2 of the protocol on the statutes of the bank:

"The statutes of the national central banks shall, in particular, provide that the term of office of a Governor of a national central bank shall be no less than 5 years";

and article 14.1 says that the statutes of the national bank must be

"compatible with this Treaty and this Statute."

In other words, if we pass the treaty we shall bind for the future the terms and character of any national bank that we may have.

Mr. Smith: We should be binding the future of the central bank only if we proceeded to economic and monetary union, and that depends on conditions yet to be assessed by the Committee and upon which the Committee will have a further opportunity for debate.

6 pm

Mr. Cash: On a point of order, Mr. Lofthouse. I am sure that the hon. Gentleman in no way seeks to mislead the Committee, but, under article 8 of the protocol relating to the European Monetary Institute, no instructions may be given or sought by the Governor of the Bank of England. If the hon. Gentleman confuses matters by continually referring to stage 3 when stage 2 contains those provisions, the Committee could be seriously misled.

The First Deputy Chairman of Ways and Means (Mr. Geoffrey Lofthouse): I hope that the hon. Gentleman will not confuse the occupant of the Chair by raising points of order that are not points of order.

Mr. Smith: The hon. Member for Stafford (Mr. Cash) has not been slow to contribute to the Committee's proceedings in the past, and I am sure that he will have an opportunity later to make those points—quite possibly at some length.

As regards the United Kingdom, that conditionality arises from the treaty; from the challenges to and weaknesses within the exchange rate mechanism; and also from the Government's deliberate decision to seek to buy peace in their own ranks—unsuccessfully, as we have seen—by trying to face both ways at once, on the issue of economic and monetary union as on so much else.

Although at one level that strategy might seem quite clever, enabling us, the Government have argued, to retain a right to a voice in the shaping of the system while leaving until later any decision whether to take part in that system, at other levels it is deeply flawed. First, it leaves the Government with apparently nothing to say on the important question of the principle of participation in economic and monetary union for Europe—surely one of the most important political decisions of our times.

Secondly, the Government's very agnosticism encourages those who would see some viability in Europe developing on a multi-speed basis—a Europe of several divisions in which Britain was not in the top division. I believe that such speculation is dangerous not only for Europe but for Britain. As a consequence of the Government's economic failures, people are coming to believe that Britain is not capable of first-division status. Let me make it clear that the Labour party does not find acceptable any prospect for closer European co-operation and integration that does not have Britain firmly in the first division.

There is a real danger that some of our Community partners will finally lose patience with the Tories' two-faced foot dragging and decide that some of the Twelve should push on alone with economic and monetary union. That would be a serious blow. It would make Britain a less attractive place in which to invest, thereby jeopardising still more jobs. It would threaten Britain's position as a leading international financial centre. Most serious of all, it would once again leave the United Kingdom in the position of having at some future date to apply to join a union that others had taken the lead in establishing and has therefore had the decisive influence in shaping.

Already, with the United Kingdom opt-outs in the Maastricht treaty, Britain's inability to stay within the ERM and the underlying weakness of the British economy, the United Kingdom is being marginalised and is losing opportunities to shape important events. The Government's position on the European system of central banks and the position of the Bank of England could well reinforce those already very damaging signals, locking Britain out and depriving us of the influence that we need over the evolution of Community monetary policy. As with other aspects of the Bill, the choice facing us is not between influence through the pooling of sovereignty on the one hand and influence outside that pooling on the other; it is a choice between influence through the Community and precious little influence at all.

On the question of the status of the central banks, it is clear that the European central bank would need to be independent in its day-to-day organisations.

Sir Teddy Taylor: Why?

Mr. Smith: For reasons that I am about to explain. Without the establishment of a European Government and a European Finance Ministry—the apparatus of the European super-state to which we are not committed and to which Conservative Members who intervene from a sedentary position are wholeheartedly opposed—there is no political institution under whose day-to-day control it would be practical to place the bank, even if such a prospect were acceptable to our European partners, which plainly it is not.

Mr. Ken Livingstone (Brent, East): So you are going to leave it to the bankers?

Mr. Smith: Does my hon. Friend wish to intervene?

Mr. Livingstone: What my hon. Friend is saying is absolutely true. There is no political structure to oversee the bank, so the powers will go to an unelected committee of bankers—not even a committee of bankers in which each nation has a vote of equal weight. The votes are weighted to reflect GDP, so our vote will be one of the smallest per head of population in the Community. Who will take vital political decisions affecting the parity of the

new European currency against the dollar and the yen and determine our interest rates? I agree with everything that my hon. Friend says, but will he now tell us whether he is happy to leave it to the bankers?

Mr. Smith: My hon. Friend is wrong on the last point, because article 109 of the treaty specifically provides that the Council of Finance Ministers shall set exchange rates of the European currencies against currencies outside the Community and, what is more, that the decision of the Council in that respect shall be binding on the banking system. Far from the bankers having control over the politicians, as my hon. Friend suggests, it will be the other way round.

I said that there was not a political institution to exercise day-to-day control over a European central bank. The question of having and building up the role of an institution that can set the economic policy framework within which the bank has to operate—and to which, in my view, it ought to be accountable—as well as setting the external exchange rate of the Community currencies is quite another matter.

In that respect, it is important to ensure that, as a counterpart to the position of the European central bank, European economic policy co-ordination under article 103 is more effectively exercised jointly by the member states, through an enhanced role for ECOFIN. We address those matters in amendment No. 420, which falls in a subsequent group. In relation to an evaluation of the provisions of the treaty dealing with the central bank, it is important that ECOFIN should be strengthened.

Mr. Ron Leighton (Newham, North-East): My hon. Friend is right in saying that it is the Council that will have control over the exchange rate of the ECU. The same arrangements will apply as with the Bundesbank. The Bundesbank does not control the exchange rate of the mark. That is why it allows the strange arrangement with east Germany. The Bundesbank is responsible for the internal value of the mark. The central bank would be a bank based on the model of the Bundesbank, which has an extremely large measure of independence and autonomy.

Mr. Smith: My hon. Friend confirms that the Bundesbank—which I agree has, to a large extent, been taken as a model for the banking arrangements in the treaty—operates within a politically determined context of economic policy. On important issues such as the exchange rate and the parity between the deutschmark and the ostmark, it was the Government and the accountable politicians whose view prevailed and not that of the bank. My point was that ECOFIN needed to be strengthened.

Mr. Benn: My hon. Friend and I and every hon. Member may well be candidates in a general election. Suppose that the arrangements go through. What can my hon. Friend say about the economic policy of his party —or any party—that could conceivably be implemented if that party were elected, given that the decisions will be taken not by elected people but by the bank and ECOFIN, which may reflect quite different opinions which could not in any way be influenced by a change of Government in any one country?

Mr. Smith: What I would say, and what I am sure the Labour party would say, is that, in government, we would be using our influence in Europe to press for co-ordinated policies for economic expansion and jobs so that the Community became an engine of recovery and not an instrument of deflation.

In returning to the question of the status of the central bank, I should make clear Labour's first key demand. It is that the European central bank must be established through public ownership and that the Bank of England must remain in public ownership. There can be no question, as some have suggested there might be, of the bank being privatised.

Several hon. Members *rose*——

Mr. Smith: I must make progress.

When Hugh Dalton, the then Labour Chancellor of the Exchequer, moved the Second Reading of the measure which nationalised the Bank of England, he said that there were two key arguments to support it. He said:

> "The first is that this Bill in effect brings the law into relation with the facts as they have gradually evolved over the years . . . The second line of argument is even more important. It is that by this Bill we ensure a smooth and efficient growth of our financial banking system in order to meet the new needs for the future"—[*Official Report*, 29 October 1945; Vol. 415, c. 46.]

We now best promote the needs of the Community and of the United Kingdom for an effective central banking system by holding faith with the principles that Hugh Dalton set out 48 years ago. The bank must remain in public ownership and it must be made clear, contrary to what some have supposed, that privatisation is not an option. It would be neither in the public interest nor in the interests of the effective discharge of the responsibilities of a modern central bank.

Sir Peter Tapsell (East Lindsey): The hon. Gentleman speaks of the need for the Bank of England to be in public ownership after the arrangements come into effect. What would be the point of the British people owning a Bank of England which would be just a provincial branch of the European central bank?

Mr. Smith: Precisely so that the body follows objectives which are in the public interest, determined within a democratically accountable political context, rather than pursuing the interests of private shareholders; and I shall say more about the legal status of the bank.

Our second key concern is with accountability, which, while it is not the same as the day-to-day control of the bank, remains important. Indeed, this examination of the issues provides us with an opportunity to take a radical look at the functions and organisation of the central banking system to ensure that they serve the people and the needs of the future.

We on the Opposition Benches have made it clear that we believe there is a strong case for examining the separation of the responsibilities that the bank has for monetary matters from its role in supervising financial institutions. Now is the time to consider going further in making the bank more accountable and representative, for example, of regional, industrial and employment needs.

Our new clause 59 called for precisely such reform of the membership of the governing council of the bank in the context of the Bill. Sadly, it has not been selected for debate. But our proposal in new clause 1, which has been selected, would be a big step forward in making the bank more accountable. There would be a report to Parliament, a debate and a vote. There would be more accountability directly to hon. Members. Further, there would be

[Mr. Smith]

transparency in relations between the bank and the Government of the day, which would open up decision-taking in economic policy, with benefits in terms of public scrutiny and confidence.

Mr. Marlow: The hon. Gentleman explained the purposes of new clause 1 and said that we would debate it and vote on it. Has he considered the position if the vote goes in favour of the new clause? What would be the result here and in Europe? What would it do for European legislation? The hon. Gentleman said that we want to be in the first division if there is a two-speed Europe. That must mean our currency being something like the franc fort, as it has been under socialist France. That has resulted in the socialists getting less than 18 per cent. of the vote in the general election there. Is that what the hon. Gentleman wants for his party in this country?

6.15 pm

Mr. Smith: I should have thought, following President Clinton's remarks last night, that the hon. Gentleman would have hesitated before suggesting interfering in the elections of other countries. I should also have thought that a vote in this House which rejected the report of the Governor of the Bank of England or the report on the European system of central banks would be taken very seriously indeed. The hon. Gentleman should not minimise the influence that we could have via that route.

Our next area of concern is the relationship between the European central bank and the system of central banks and the politically determined framework for economic policy in the Community. In particular, we are concerned that ECOFIN should operate as a politically accountable counterpart of any European central bank. It is important to appreciate that the treaty as drafted gives ECOFIN a role in monetary policy.

For example, as I pointed out to my hon. Friend the Member for Brent, East (Mr. Livingstone), under article 109, the responsibility for exchange rate policy rests with the Council. That applies to exchange rate system agreements in relation to non-Community currencies and in the negotiation of such agreements which, as that article makes clear, are binding on the European central bank.

In the medium term, ECOFIN sets the economic framework for monetary policy, for example, through its responsibilities for the broad guidelines of economic policy and for multilateral surveillance under article 103. We want ECOFIN to be strengthened in its role and resources, and to have a permanent secretariat, a subject to which we shall return on a later group of amendments dealing with the transitional second and third stages of EMU. But in terms of monetary policy, it is clearly desirable that any European central bank should report to ECOFIN. That is the sort of issue that should be considered further when the intergovernmental conference takes place in 1996.

Mr. Peter Shore (Bethnal Green and Stepney): My hon. Friend is placing enormous importance on ECOFIN and the powers that a revised ECOFIN might have. Why, if that is on the agenda of the European Community, have no powers been vested in ECOFIN, other than the one which the treaty mentions and my hon. Friend quoted, which is the power to decide the external exchange rate value of the ecu? Why has no other power been given to ECOFIN? Is it because all the other member states do not agree that it should be in the treaty in that way, or is it simply that my hon. Friend is indulging in wishful thinking?

Mr. Smith: I am not indulging in wishful thinking. I have argued that the powers should be strengthened, but my right hon. Friend should not underestimate the importance of the responsibilities that ECOFIN has under the treaty. As I said, those responsibilities apply not merely to the determination of the external exchange rate, important though that is for the conduct of monetary policy, but also to multilateral surveillance and the co-ordination of the economic policies of the member states. That, too, is of central importance, and we want it enhanced so as to provide effective co-ordinated European action for sustainable growth and jobs and for the realisation of the other tasks and targets for the Community as set out in article 2.

Mr. Nigel Forman (Carshalton and Wallington): This is my first intervention in the Maastricht debate. There is advantage in at least half the argument that the hon. Gentleman is adducing—namely, his argument in favour of a degree of statutory accountability to the House of Commons for a future central bank in this country. That would at least ensure a degree of open accountability to this Parliament, as is the case in Washington and the Federal Reserve to Congress, unlike the present position, which has lasted since the Bank of England Act 1946, with closed accountability to the Chancellor of the Exchequer of the day. The hon. Gentleman is right in that part of his argument.

Mr. Smith: I have said that there would be increased transparency in relations between the bank and the Government and, for that matter, between the bank and the House of Commons.

As for enhancing the powers of ECOFIN, we note that the Foreign Secretary was recently reported to be scouting around for ideas for Britain to submit to the intergovernmental conference to be held before the end of 1996. We generously donate the proposal that the powers of ECOFIN be substantially enhanced. I hope that the Foreign Secretary will carry the proposal forward and acknowledge its genesis.

In debating this matter, it is important that we do not react as a House of Commons or, more widely, as a country with the rancid conservatism of old institutions resisting change, rather than engaging constructively in the possibilities of change. As Will Hutton, the economics editor of *The Guardian*, said at a meeting on this subject, one of the specific difficulties which many in Britain, and especially in England, have with the concept of an independent central bank is grappling with the concept of pluralism in political and economic institutions.

We need to recognise that there can be democratically determined public institutions working within a framework of law which have an obligation to pursue defined objectives of public interest in ways which are accountable but which are free from day-to-day control of the Government, if never dissociated from their influence and the wider policy framework. If we are to progress to economic and monetary union in Europe, this is the light in which we must judge the status of the central bank and the Bank of England.

Mr. Denzil Davies (Llanelli): My hon. Friend talked about the day-to-day activities of a central bank. By "day-to-day", he means the fixing of interest rates. Is he saying that it is preferable that that should be done solely by bankers or, ultimately, by the Chancellor of the Exchequer and the Prime Minister, as it is in Britain at present?

Mr. Smith: First, day-to-day control, even of short-term interest rates, will inevitably be influenced by the policy on the external value of the exchange rate, which, as the treaty makes clear, is a matter for the politically accountable ECOFIN. The second point is how much long-term freedom Britain will have to set interest rates within the context of an increasingly powerful European economic union.

If we are to progress to economic and monetary union in Europe, the light in which we must judge the status of the central bank and the Bank of England is that which recognises the possibilities of genuine pluralism within accountable institutions that serve the public interest.

The challenges before us with regard to this part of the Bill present an opportunity for reform—to make it not so much a Bank of England, but rather more a bank for Britain, just as we would expect the European central bank to serve the interests of the Community as a whole with regard to the goals of article 2 of the treaty and within a framework of democratically co-ordinated economic policy. Those are our aims. I commend new clause 1 and new clause 58 to the Committee.

Sir Peter Tapsell: I have always thought that one of the redeeming features of the Rome treaty is that it did not seek to regulate financial matters. That has permitted the enormous increase in the volume of international financial business which has taken place in the City of London during the 35 years that I have worked in those markets, and has enabled that increase to take place without being hindered in any way by Brussels.

It is difficult to believe that during the 1970s—broadly speaking, a period of great weakness for the British economy and British manufacturing industry—the Eurodollar and Euroyen markets were established in the City of London. To this day, the City of London has remained the capital of those vast markets, which earn an enormous amount of foreign exchange for the United Kingdom and give us influence in the world which perhaps we do not achieve in many other respects. It is difficult to believe that, if we had been subject to interventions from Brussels and the Commission in the 1970s and subsequently, and if a European central bank had been in place which was anxious to develop financial centres in different parts of Europe, that degree of success could have been achieved by the City of London.

The continental financial centres have always been intensely jealous of London's primacy and will certainly use the provisions of the Maastricht treaty to reduce it. Perhaps it is worth noting that, before 1973, when we entered the Common Market, we had a surplus in our trade with the then six countries of the European Economic Community which has since turned into a massive deficit. During that same period, the European financial primacy of the City of London steadily increased. The contrast is striking between the industrial position where we have been increasingly the subject of European provisions and the financial position where we have been free to pursue our traditional policies of trading with the world.

In contrast with the Rome treaty and the Single European Act, financial provisions lie at the heart of the Maastricht treaty. Its core is economic and monetary union. The engine of such union is to be the European central bank. As fiscal and monetary policies should march together in any properly conducted economic policy, economic and monetary union which is operated by a European central bank will take away from those nation states which make up the European union the freedom to issue their own currency, to choose their own interest rates, exchange rates, the level of their money supply and the level of their public expenditure and to decide the level of their own taxation.

In other words, European and monetary union will remove all the characteristics, of sovereignty which characterise a proud and independent nation, and which still to this day give to the British one of the few binding characteristics of discipline that entitle us to call ourselves a great nation. All that will be put at risk. The European central bank, together with the Commission, will have the exclusive right to exercise all the powers throughout Europe to which I have referred and the sole power to print money and control the currency which the British will use.

Effectively, the European central bank will become the most powerful economic, and therefore political, institution in the Community—indeed, in the whole free world. With 12 or more Ministers of Finance to play off against one another, any skilful president of the European central bank will be in a more powerful position that Mr. Delors has ever been. As the directors of the bank will be explicitly, deliberately and absolutely unelected, unaccountable and unassailable, I do not know what the hon. Member for Oxford, East (Mr. Smith) meant when he said that we will have to be careful in those circumstances to ensure that the Bank of England remains in public ownership. It will not matter two hoots who owns the Bank of England or, indeed, whether there is a Bank of England in the circumstances laid down by the Maastricht treaty.

The hon. Member for Great Grimsby (Mr. Mitchell) read out article 107 on a point of order before the debate. At the risk of boring the Committee I should like again to put on the record in my speech just what article 107 says. The words of article 107 are perfectly clear. A child of 16 could understand them. I am rather bored with people telling me not to bother to take the words of the treaty seriously.

I am rather bored with Ministers, retired ambassadors and grandees in the City taking me on one side and saying in a patronising way, "Can't you be a little more sophisticated in your approach to the Maastricht treaty? We all understand that the treaty is a nonsense. It is absolutely unworkable. It will never take effect. But, my boy"—I am getting somewhat elderly to be addressed in that way, but that is the tone of voice—" if we vote against the Maastricht treaty, we shall lose all our influence in Europe. Therefore, you must vote for this ludicrous, unworkable treaty. Don't let's worry about the wording of it."

[Sir Peter Tapsell]

Ministers who sign contracts and treaties without worrying about the wording will be in some danger of being thought to have wined and dined a little too frequently with their Italian counterparts.

6.30 pm

Mr. Giles Radice (Durham, North): When did the hon. Gentleman last dine with an Italian Minister?

Sir Peter Tapsell: I have not dined with an Italian Minister for some months. The last time was with the then Foreign Minister of Italy, who is now being prosecuted for corruption.

Sir Ivan Lawrence (Burton): I hesitate to interrupt my hon. Friend's flow, but does he agree that the warning that we shall lose influence if we do not sign up to the Maastricht treaty is exactly the same as the warning that will be given in 1997 when we refuse to sign up to the single currency, the central bank and central economic control? The same argument will hold. If we do not do it, we shall lose influence in Europe. That is not what the Government have in mind to do. There is an illogicality about their actions.

Sir Peter Tapsell: I agree with my hon. and learned Friend. If I might make a party political point on behalf of the Conservative party, I have never been able to understand the political thinking that, although we have theoretically opted out of the single European currency and economic and monetary union until 1996, we shall seize the nettle in 1996 on the eve of the next general election. When we do that, Lord Cardigan at Balaclava will look like a cunning strategic manoeuvrer by comparison with the Conservative party. The Whips alone will be asked to charge the guns.

Article 107 is the governing paragraph. There are an immense number of selected articles, paragraphs and protocols. I am not an expert on the treaty like many of my hon. Friends. I have been referred to several other subsections but it seems to me that article 107 is clear. It says:

"When exercising the powers and carrying out the tasks and duties conferred upon them by this Treaty and the Statute of the ESCB, neither the ECB, nor a national central bank, nor any member of their decision-making bodies shall seek or take instructions from Community institutions or bodies"——

Sir Ivan Lawrence: Shall.

Sir Peter Tapsell: Indeed, shall—

"from any government of a Member State, or from any other body. The Community institutions and bodies and the governments of the Member states undertake to respect this principle and not to seek to influence the members of the decision-making bodies of the ECB or of the national central banks in the performance of their tasks."

Mr. Winnick: Will the hon. Gentleman give way?

Mr. Leighton: Will the hon. Gentleman give way?

Sir Peter Tapsell: I shall draw two conclusions from article 107, and then I shall give way.

First, the words seem perfectly clear. Secondly, new clause 1 and new clause 58 drive a coach and horses through article 107. With respect, I slightly differ on the new clauses we are debating from my hon. Friends the Members for Southend, East (Sir T. Taylor) and for Stafford (Mr. Cash), who made the point a few moments ago about these Labour amendments.

I shall deal with the provisions of the Federal and Reserve Board and the Bundesbank later. I am rather more familiar with them than with the treaty. However, the fact remains that we shall not be allowed to influence the European central bank in any way. Any body or individual which sought to do so could presumably be summoned before the European Court and punished by a fine.

Mr. Winnick: A few moments ago, the hon. Gentleman said that it did not make any difference whether the Bank of England existed under the proposed arrangements. Would not the same apply to the House of Commons? If such power is to be transferred, as undoubtedly it will be, what will be left to the House of Commons?

The hon. Gentleman read out article 107. Monetary policy will be decided in the way in which article 107 makes clear. The House could debate various matters in a county council way, but on major financial and monetary policies, power will have been transferred. Therefore, not merely the Bank of England but our parliamentary and democratic institutions are at stake.

Sir Peter Tapsell: I agree with the hon. Gentleman, who represents a part of England which I contested in my first by-election almost 40 years ago. He speaks with admirable black country good sense. May I add that one of the reasons why these debates take so long is that we all seem to prompt each other with helpful remarks. While I entirely agree with both the interventions that I have taken so far, they only delayed my speech. They echoed things that I intended to say rather less gracefully in my own speech. So if I am not to speak at inordinate length, I should be grateful to be allowed to put the anti-Maastricht case unassisted by my friends.

Mr. Leighton: I hope that I shall not take the hon. Gentleman away from his speech. He read out article 107, which says that the institutions must not seek to influence the central bank. Does he understand that to include the famous ECOFIN?

Sir Peter Tapsell: The hon. Member for Oxford, East quoted article 109. It says that the Council would have to be unanimous in acting on anything to do with the external exchange rate. I see the Financial Secretary shaking his head. I am not a lawyer. In any case, lawyers never seem to agree about anything in the treaty. If we have a single currency, it is difficult to envisage 12, 15 or 18 Finance Ministers agreeing on the correct external exchange rate for us all. In the past 18 months, we in Britain wanted a different external exchange rate from that which Germany wanted. I simply cannot envisage all the Ministers agreeing.

I shall press on with my speech now. I have quoted article 107. We are expressly forbidden by the treaty from ever seeking to influence the decisions taken by a group of unelected foreigners. Those decisions will have the most profound impact on the welfare, prosperity, employment and wealth of our constituents.

It is incomprehensible to me how the Labour party can have become sympathetic to the treaty. I have always been accused of being a left-wing Tory. I am proud of that. One of my characteristics throughout my political life has been

my passionate concern to maintain the highest possible level of employment. I thought that the White Paper of 1944 which laid down a full employment policy and a target for unemployment of 3 per cent., and which was agreed by all the parties at the time, set the correct aim. It may be difficult to achieve, but it is the correct aim.

It is absolutely certain that, if we enter into the arrangements for a single central bank and a single currency, the system will be banker-dominated, and levels of unemployment throughout Europe will for ever be much higher than most of us in Britain would want to see. Those on the Labour Front Bench must understand that, in supporting the financial provisions of the Maastricht treaty, they are voting for permanent high unemployment in Britain. I am not making a party political point; it is my profound conviction that that is the certain consequence of the policy. I do not deny that it may have other advantages in terms of future inflation and so on, but I am absolutely certain that it will lead to permanent high unemployment in Britain.

Mr. Clive Betts (Sheffield, Attercliffe): Is the hon. Gentleman saying that there is any realistic possibility for Britain as an independent nation outside the European Community achieving the full employment that he seeks as an objective? Is he saying that the alternative is to be outside the European Community in order to have any realistic chance of achieving those objectives?

Sir Peter Tapsell: I am not suggesting that we should leave the European Community. In 1961, I voted in favour of the original application to join the Common Market. I also voted in favour of the Single European Act and the acceptance of the treaty of Rome. Our membership of the European Community is not at risk.

I am convinced that, if we remain within the Community and the single European market, we can pursue an extremely successful industrial and financial policy trading with the whole world, and that we would have a much more successful role in that position than if we were part of a European monetary and political union.

Mr. Jenkin: Will my hon. Friend give way?

Sir Peter Tapsell: I really must get on; otherwise, I shall never finish. I have not even begun to approach the core of my speech.

Mr. Jenkin: Is my hon. Friend aware of a country which in 1966 took a negative approach towards the European Community in defence of its national interests and left an empty chair? However, since then, France has established itself very much at the heart of the European Community. I saw an article written at the time by my noble Friend Lord Lawson pointing out that we could now join the European Community, as France had left an empty chair. Although France took an anti-communautaire attitude, it subsequently established itself at the heart of the European Community.

Sir Peter Tapsell: My hon. Friend is absolutely right. Of course, France will always be a leading state in the European Community, as will Britain. However, France has already suffered terribly from its franc fort policies and its continued membership of the exchange rate mechanism. Last Sunday, the people of France gave a clear indication of their feelings, which they will reaffirm next Sunday. My expectation is that there will be fundamental changes in French economic policy in the months ahead.

I am glad to see my hon. Friend the Financial Secretary in his place, because I want to refer to our friendly exchanges on 14 January, which underline my anxieties and the differences between the declared policies of Ministers, whatever their private views may be, and the views that I express in public.

As has been echoed by the hon. Member for Oxford, East and others, hon. Members, friends and business associates around the world have often asked me why I am so concerned about an independent central bank, when the United States and Germany have independent central banks. To my astonishment, Lord Lawson was apparently a secret believer in an independent central bank. Like the Prime Minister, he was part of a silent minority. Apparently there were a lot of silent minorities in Lady Thatcher's Cabinet.

As there are independent central banks in Germany and the United States, which are clearly democratic countries, people ask me why I am concerned that we cannot do the same in Britain and Europe. I want to address that argument.

6.45 pm

On 14 January 1993, I asked my hon. Friend the Financial Secretary:

"since, throughout our history we have never thought it right to establish an autonomous central bank, run by our own fellow countrymen, why should we now in any circumstances wish to set up an autonomous central bank run by foreigners"

My hon. Friend replied:

"If my hon. Friend . . . takes the view that in no circumstances can he contemplate a monetary authority that is not, first, combined with economic policy . . . and second, that is responsible 100 per cent. to the House, he clearly cannot in any circumstances support a single currency that circulates in 12 member states of the European Community. That is the consequences of taking such a position."

As I said at the time, my hon. Friend the Financial Secretary puts matters with absolute clarity, and those words of his exactly express my position and the reasons for it.

He went on:

"It seems to me rather odd to argue that the United States or Germany . . . are any less democratic as the result of the institutions that they have chosen to establish."

I said:

"May I define what I mean by autonomous? I mean a central bank that is not democratically accountable to democratically elected Ministers answerable to a democratic assembly. So even if we had a single European currency, I would argue strongly that we need to have a single European bank that is democratically accountable and answerable—and that is what we do not have in the Maastricht treaty."

My hon. Friend the Financial Secretary replied:

"I understand the point that my hon. Friend makes, but I invite him to design a workable system for a European central bank that is politically accountable to a European political process. I do not believe that it will be easy to do".—[*Official Report*, 14 January 1993; Vol. 216, c. 1141-42.]

That is absolutely true. It is not a question of it not being easy to establish a European central bank that is democratically accountable; it is impossible. The Financial Secretary in effect admitted that. He may wish to qualify that answer when he replies to the debate, but I congratulated him at the time on his clarity.

I should like to consider the word "independence". The present Governor of the Bank of England, for whom I have great personal regard and for whose recent personal

bereavement we all feel extremely sad, said that he favoured an independent central bank, as did his nominated successor. I wonder whether they really mean what they say.

The word "independence" is often misused. The matter rests not on independence but on accountability. Real independence—that is, non-accountability to a democratically elected body or democratically chosen Ministers—is not possible in a democratic society, as my hon. Friend the Financial Secretary accepted in his reply to me on 14 January.

Let me turn first to the Fed in the United States, and examine to what extent it is really independent and unaccountable. I have had a lot to do with the Fed in the past 30 years. I have known the last four chairmen, and I think I know how the Fed works. I have been there perhaps 30 or 40 times in my life, and I have sat in on all sorts of functions there and attended congressional inquiries, and I feel that I understand how the Fed works. It bears not the smallest resemblance to the European central bank that is described in article 107, which I read out, and in all the supporting provisions of the Maastricht treaty.

In the United States of America, the Federal Reserve Board is wholly accountable to Congress. I invite Ministers to ask any governor of the Fed or any senior congressman or senator whether the Fed is accountable to Congress. The answer will be yes. The Fed was established by Congress, the law governing every activity of the Fed can be changed at any time by Congress, and the Fed remains wholly accountable to Congress. The governors of the Fed have a legal obligation to report to Congress twice a year.

That is why I do not dismiss out of hand new clause 1 and new clause 58—because, much though I dislike the entire concept, if we were to have something like these Treaty provisions, new clause 1 and new clause 58—if it could be Europeanised, as it were, and not just a British provision—would be some help towards moving the European central bank in the direction of what happens with the Fed in the United States.

Mr. John Butterfill (Bournemouth, West): I am following what my hon. Friend says with great interest. Can he just enlighten me as to whether the Fed takes direction from Congress on the conduct of monetary policy or whether it retains an independence in its day-to-day actions in that regard?

Sir Peter Tapsell: It is extremely difficult to give a one-sentence answer to that. It certainly does not take direct instructions.

Mr. Hugh Dykes (Harrow, East): Ah.

Sir Peter Tapsell: It is no good my hon. Friend saying, "Ah." Of course it does not take direct instructions like the Bank of England does. The Secretary to the Treasury in America does not stand up, as Lord Lawson, I think mistakenly, did, and announce that he has moved interest rates up or down. It always used to be announced by the Bank of England, and I think that it was a mistake when the Chancellor openly said that he was making the decisions. In any event, that does not happen with the Fed. On the other hand, in the way that I am going to explain, it is subject to tremendous and effective political pressures.

The obvious example of that was at the beginning of President Reagan's first Administration, when there was considerable divergence of opinion on monetary policy between the Fed, most of whose members had been appointed by President Carter, and President Reagan. In the end, President Reagan got his way, but there was a very open debate in the United States, and the chairman of the Fed had to appear repeatedly before Congress and be cross-examined in front of the television cameras, with the whole nation watching and with all the commentators writing. In the end, the Fed came round to accommodate the Reagan economic policies. That is roughly how it works.

I am not suggesting that the Fed takes instructions from the Secretary to the Treasury—the system in America is different—but it does not destroy my argument that the Fed——

Mr. Dykes: It does destroy the argument.

Sir Peter Tapsell: My hon. Friend says that it destroys my argument, but it does not, for reasons that I will explain. The Fed has a legal obligation to report to Congress twice a year. The report is published. The chairman of the Fed is summoned before a congressional committee and is cross-examined at length and in detail on television. These are the basic legal requirements in the United States.

In practice, the chairman of the Fed is frequently questioned by Congress, and usually in front of the television cameras—more than once a month. A former chairman of the Fed complained to me a few years ago that an excessive amount of his time throughout the year was taken up in preparing for congressional interviews and cross-examination, because he was concerned that he might inadvertently, under questioning, mislead markets as to his real intentions. He said that it was very difficult to appear for two hours before a congressional committee and say nothing, which was his intention.

So, far from the chairman of the Fed not being accountable, he is extremely accountable in all these ways, and none of this bears the smallest resemblance to the arrangements in article 107, where nobody is supposed to be allowed to bring any pressure to bear at all on the operation of the European central bank.

Mr. Forman: I am following my hon. Friend's magisterial speech as closely as I can. Is it not a fact that there is much in the arrangements that have evolved in the United States which is not only attractive in regard to what it does for genuine parliamentary accountability in this area but could provide a model for the future development of the European Community? What I have in mind is a matching of the degree of ex post accountability to the European Parliament for the European system of central banks in future with a similar, transparent accountability, again ex-post, to this Parliament for our own, more independent, central bank in this country. Will my hon. Friend accept that it could be a viable model for future development towards European monetary union?

Sir Peter Tapsell: I agree with my hon. Friend in the points that he has made. If we were to have a European central bank and European union—I am against both concepts—the Fed would be a much better model for us to take than the unworkable, totally undemocratic and unaccountable arrangements set out in the Maastricht

treaty. But it is the Maastricht treaty that we are debating, after all, and we have no amendment before the Committee, suggesting that the European central bank be modelled on the Fed. I would be making a rather different speech if that were the case.

The Fed's inability to manoeuvre in exchange rate policy, even short term, is also a major constraint on its independence. The hon. Member for Oxford, East mentioned the fact that this European central bank would not have such complete powers in exchange rate policy as it would have with the internal currency. That matches the arrangements of the Bundesbank. People often point out that the Bundesbank is not as independent as it seems, because, when the two Germanies came together, Chancellor Kohl was able to override President Pöhl's well known wishes about the exchange rates between the two Marks. The same thing happened with the Anschluss in 1938 under the Reichsbank, when Hitler insisted on a much closer relationship between the Austrian schilling and the German deutschmark than the Reichsbank, under Dr. Schacht, wanted, but that is a different point.

Having no responsibility for exchange rate policy at all greatly limits the Fed's powers in the monetary sphere. As I understand the Maastricht treaty, the European central bank would have much more control over exchange rate policy than has the Fed in the United States, where it is specifically excluded from exchange rate policy.

If Congress were to decide that it did not like the way the Fed behaved, at any time it could change the law governing the Fed's activities. But the House of Commons would not be able to do that once the provisions of this treaty came into force. No doubt, if the 12 or 15, or more, nation states that made up the European union ever agreed on a change, it could be brought about, but it is quite unrealistic to suppose that this House alone would be able to make any significant changes to the working of the European central bank. So there is another great difference between the relationship of the Fed to the democratic assembly to which it is answerable and the relationship that the European central bank would later have to this House or this country, or even to the European Community.

Article 107 of the treaty would be anathema to Congress. It would be inconceivable, intolerable and unacceptable if it were to be applied to their own union of states. So why, I ask, do we think that it is acceptable for us? When the Financial Secretary asked me on 14 January why, when the United States had an independent central bank in the Federation, I was worrying about a central bank for Europe, that is the American part of my answer.

Sir Peter Hordern (Horsham): Perhaps that is one reason why the protocol states that article 107

"shall not apply to the United Kingdom."

My hon. Friend may care to reflect on that.

I totally accept that the Federal Reserve Board is accountable to Congress, which treats it in just the way that he describes. However, I think he gave the Committee the impression that there was a glorious period for most of our history when we were totally independent—we had our own way of fixing our currency and were independent of any other country. May I remind him that we were members of the Bretton Woods agreement and were wholly dependent on the United States dollar and the Federal Reserve, and had no independence of any kind?

7 pm

Sir Peter Tapsell: On the first of my hon. Friend's two points, I accept that, because of the opt-out aspect of the protocol that he referred to, we are not governed by that article. As he will know, however, we have to seize that nettle in 1996. Earlier, I pointed out the great political disadvantages if the Conservative party has to go through all these appallingly divisive arguments again on the eve of the next general election. To contemplate doing so would seem to be madness in party political terms, but that is what we are doing by putting off the decision until 1996. That is one reason why I have thrown in my lot completely with the anti-Maastricht group. It is better to get the argument out of the way now, in the first year of this Parliament, than to go through it all again in its last year.

On the question of how independent Britain has ever been, obviously its independence has varied enormously. Prior to Napoleon's Berlin decree codifying the continental system, people were telling Pitt that he had lost independent control of the British currency. It is true that, under Bretton Woods, because of the acute dollar shortage after we had sold our assets all over the world to pay for the war, we were to a large extent in tutelage to the United States, but we escaped it. My hon. Friend the Member for Horsham (Sir P. Horden) suggests that we should now put ourselves in tutelage to the Bundesbank and the German mark, in replacement of the United States currency. I have the highest regard for the United States, but I do not wish us to be one of its colonies; nor do I wish us to live in a German colony.

Everyone talks as though the Bundesbank were such a marvellous organisation that we all ought to model our banks on it. Indeed, I understand that other European countries, such as France, Portugal and Spain, are busy rewriting the provisions for their central banks, with the help of Bundesbank officials, to model them on Bundesbank lines.

One of the things to remember about the Bundesbank, as it is presently constituted, is that it is far more accountable—in the best sense of the word—than the proposed European central bank. Earlier I described what I meant by independence. The Bundesbank is much more accountable than most people realise. For instance, the German Minister of Finance always attends its board meetings, and although he does not have a vote at its council meetings, he is permitted to speak.

I understand from German friends who have held the position that the Minister of the day often speaks at length and with great force at such meetings. He also has the constitutional right to propose motions, although he cannot vote on them, and he can request that the delay of a decision by two weeks. All those are important aspects of accountability, which are built into the Bundesbank's provisions and there are other more technical arrangements, but I shall not weary the House with those.

None of that accountability is written into the Maastricht treaty for a European central bank and there is not even a suggestion that the President of the Council of Finance Ministers can attend its meetings, address it, ask it to do this or that, or to delay a decision for a fortnight. If one is to believe article 107, the bank will not be accountable to anyone.

Mr. Barry Legg (Milton Keynes, South-West): Another important difference between the Bundesbank and the

[Mr. Barry Legg]

European central bank is that the former works with the grain of German public opinion, but a European central bank will not be answerable to any public opinion, because there is no European public opinion as such.

Sir Peter Tapsell: Yes, the latter part of my hon. Friend's comments is true, but I would not presume to comment on the extent to which the Bundesbank operates with the grain of German public opinion. A number of leading German industrialists have been critical of its monetary policies during the past 18 months. The chairman of Deutsche Bank has publicly criticised it, so there is no unanimity, in Germany even, about the wisdom of the Bundesbank's monetary policies. There is no doubt that, for historic reasons, the Bundesbank enjoys enormous prestige in Germany, but that does not mean that it commands universal support for all that it does.

Directors from the German regional central banks outnumber the Bundesbank's directors. The appointment of regional directors has a strong political element, and they feel politically beholden to the people who have appointed them, who are the Mayor Daleys of the German provinces. I do not know any German, but I think that they are called the länder—as most of them are borrowers, I find that confusing. The regional directors are expected to champion the economic interests of their region, and they do so.

As the Chancellor of the Exchequer discovered to his dismay before 16 September, on their way to Frankfurt to attend meetings, the regional directors give little press conferences designed to show their local Bavarian newspaper or wherever what good chaps they are. This may not help the Finance Minister of another country who is desperately trying to protect the parity of his currency. Nevertheless, that is an example of the fact that the Bundesbank is a good deal more accountable than it appears on the surface.

The central bank that I know best is the Bank of Japan, although it is not often mentioned. The Japanese economy has been rather a success story—although it is going through a difficult patch—during the past 25 years, but we hardly ever hear the Bank of Japan quoted as an example for us to model ourselves on. That bank is wholly subordinate to the Japanese Government. The present governor of the Bank of Japan is a distinguished former Treasury official, and he does exactly what the Japanese Cabinet tells him to do. So there is no proof that independence and non-accountability alone or necessarily produce great economic success.

King William III, who was a Dutchman—perhaps the Dutch have a flair for that sort of thing—established our central bank to be independent but accountable, and to be run by our fellow countrymen. Ten of the 11 other member states have always followed suit and have had accountable central banks.

We are told that the Chancellor sings in his bath, but I have less operatic tendencies when I am in my bath. Sometimes I lie there and wonder how we can be prepared to hand over the control of our central bank to a group of foreigners under German domination. I wonder what King William III would have thought about that when he drew up the original charter for the Bank of England

"to promote the public good and well-being of our people"—

of our people. We may be sure that the Bundesbank will never allow a European central bank to manage and issue a single currency which, whatever its name, is anything but the deutschmark in disguise. That is a political and economic fact of life. Nor do I blame it for that. If I were German I should certainly hold that view.

Would any German banker in his senses, or, for that matter, any German citizen or saver, want to have the value of his money—his savings and his wages—determined by a secret compromise with the Greek, Italian and Portuguese directors of the European central bank, whose main interest in the Community is to receive handouts from the richer countries and to protect themselves from their own politicians, for whom they have the utmost contempt? To anybody who has ever moved in the real banking world, the idea is absolutely preposterous. With the great influence of the Whips Office, it is certain that, if the Maastricht provisions for a central bank ever come into force, they will rapidly prove to be totally unworkable.

The history of ideas is always significant and worthy of study. As a boy, I trained as an historian, and reading history has always been my main hobby. When one is told that there is nothing so irresistible as an idea whose time has come—which is what people say, or used to say, about European monetary union—I like to think about the history of the idea. We have all read Marx and Engels —at least, Conservative Members have—and we have all wondered how different the Communist utopia would have been if the first Communist revolution had occurred in some country other than Russia. Chinese leaders have made this point to me. Marx clearly hoped that it would occur in Germany. Thankfully for all of us, it did not.

We ought to reflect where the idea of European monetary union originated. The more idealistic souls among us seem to suppose that European monetary union was the brainchild of that nice M. Jean Monnet. In fact, it was the brainchild of the rather less nice Herr Walther Funk.

The First Deputy Chairman: Order. The hon. Gentleman is making an excellent speech, but he is straying from the subject of the debate. [SEVERAL HON. MEMBERS: "No."] Order. The Chair says that the hon. Gentleman is straying.

Sir Peter Tapsell: I shall come straight back to order, Mr. Lofthouse.

The First Deputy Chairman: I shall be very grateful.

Sir Peter Tapsell: Herr Walther Funk was the president of the Reichsbank, the predecessor of the Bundesbank, from 1939 to 1945. My point is that Funk originated the whole concept of European monetary union, which is what we are debating. Surely, therefore, I am very much in order.

European monetary union was not dreamed up by M. Jean Monnet, an idealistic European; the idea was floated in July 1940 by Walther Funk, who was a drunken, homosexual Nazi toady and was subsequently sentenced to life imprisonment by the Nuremberg tribunal. In July 1940, just after the German panzer divisions had overrun western Europe, Funk circulated a number of documents on European monetary union. These are all set out in the recently published excellent book "The History of the Bundesbank" by the distinguished financial journalist

David Marsh. I shall not quote at length, but I have to say that the wording of the Maastricht treaty in certain sections follows almost word for word the documents circulated inside the Reichsbank in 1940. The view, which Hitler strongly shared, was that Europe could not be held permanently subordinate to Germany by force of arms alone, that it was necessary to resort to economic and monetary forces to make the domination permanent.

7.15 pm

Mr. David Marsh, at pages 132-3 of his book, says:

"As the Wehrmacht rampaged across Europe, the success of the blitzkreig convinced the Reichsbank, like many others, that the fighting would soon be over. The central bank and the Reich economics Ministry, under Goering, actively laid plans for post-war monetary union across a large part of Europe with the Reich mark as the dominant currency. In June 1940 the Reichsbank economics and statistics department prepared a detailed analysis for Funk and the rest of the directorate, looking ahead to problems for external monetary policy after the end of the war . . .

In fact, by July 1940, the Reich economics Ministry had already drawn up detailed plans for a bank of European settlements, to be called the Bank of Europe, as the pivot of the planned post-war monetary system. Countries eligible for participation in the proposed central European economic union included the Netherlands, Denmark, Slovakia, Romania, Bulgaria and Hungary. The Reich economics Ministry suggested that Belgium, Norway and Sweden could also become associated. Special arrangements would have to be made in a future peace treaty with Britain and France in order to secure the economic recovery of central Europe."

Sir Ivan Lawrence: The opt-out.

Sir Peter Tapsell: Exactly.

David Marsh's book continues:

"Initial plans were thus based on individual countries' maintaining their own currencies but agreeing to permanently fixed exchange rates against the Reichsmark."

That is the ERM. It has all happened before.

I should like now to turn to the question of who first established an independent and unaccountable central bank. It was not, as many people think, Bismarck in 1870. On the contrary, Bismarck took the view that bankers should not be entrusted with political power, that they would always produce mass unemployment. He made sure, when he set up the Reichsbank in 1870, that it was totally subject to political control—not very democratic political control, but his control.

In 1923—just after Germany, for the first time ever, became a democracy in the shape of the Weimar republic—a gentleman called Dr. Schacht decided that it would not be a good thing for the Reichsbank to be subject to democratically elected politicians. He managed to persuade the Weimar republic in 1923 to set up an independent and unaccountable Reichsbank—the predecessor of the Bundesbank.

Of course, some of our fellow countrymen share Dr. Schacht's distrust of elected politicians. I am afraid that there are many such people in the City of London and in the boardrooms of British industry, as the Chancellor of the Exchequer will discover when he looks for a commercial job. Many people do not admire politicians. It is worth recalling that, when Hitler was elected to power in 1933, the already independent and unaccountable Reichsbank, far from proving a bulwark against irresponsible political adventurism—one of the arguments is that unaccountability and independence provide a barrier against political adventurism—immediately became, under Dr. Schacht's presidency, a slavish and most helpful tool of Nazi tyranny.

Mr. Stephen Milligan (Eastleigh): My hon. Friend's account of the origins of European monetary union is most entertaining, but it is, surely, completely inaccurate. The first European monetary union, which was not a theory, but happened and went beyond Europe, was the creation of the gold standard.

Sir Peter Tapsell: That was not confined to Europe. The gold standard had one great merit: sterling was the anchor currency. If one's currency happens to be the anchor currency, marvellous ideas for monetary union based upon it become quite attractive. The sterling area was attractive when we were the anchor currency; the Bretton Wood agreement was attractive to the United States while the dollar was the anchor currency—although President Nixon left the agreement pretty smartly in 1971 when he found that the dollar was no longer the anchor currency. We would not be the anchor currency in a European monetary union: the Bundesbank and the German mark would provide the anchor currency. Our interests would be subordinated to German interests, as they were while we were members of the exchange rate mechanism.

Mr. Butterfill: My hon. Friend said that the German mark would be the anchor currency if there were monetary union. But under the proposals in the treaty, the German mark would fall. If it no longer existed as a currency, how could it become the anchor currency?

Sir Peter Tapsell: As I said earlier, if we had a single currency, whether we called it the ecu or anything else, it would be the deutschmark under a different name, because Germany is the dominant economy. It is precisely because people admire the way in which the Bundesbank has run its monetary affairs in recent years that they want a European central bank. They think that that bank will be modelled on, and undoubtedly dominated by, the Bundesbank.

The Reichsbank was unaccountable and showed no independence. It did not seek to emulate the Fed in the United States of America, which caused so much trouble to Franklin D. Roosevelt in his first years. By contrast, the Reichsbank overnight became Hitler's creature and provided him with the sinews of war.

People should not be under the illusion that an unaccountable central bank will show a degree of political independence, integrity and liberalism when faced with ruthless and corrupt politicians. History does not suggest that. Far from being a source of weakness to great institutions, their accountability to democratically elected bodies elsewhere is ultimately an essential source of strength to those institutions and those who lead them. Under the Maastricht treaty, no effective accountability will exist—or could exist—as the Financial Secretary recognised in his reply to me on 14 January, which I have already quoted.

Until now, I have made largely economic and banking comments, but I shall now draw some political conclusions. With the loss of ultimate parliamentary control over the central bank, the House will lose the rock on which it was founded and built: control over the money supply. Our constituents will effectively be disfranchised. Those hon. Members who vote for article 107, and its

[Sir Peter Tapsell]

related articles and protocols, will effectively be echoing Cromwell's words when he pointed at the Mace and said, "Take that bauble away."

When I first entered the House, 34 years ago, there were still a considerable number of hon. Members, particularly Conservative Members, who had sat in the Chamber throughout all the debates on Neville Chamberlain's appeasement policies. I never spoke to one such Member who could recall in his heart ever having been a supporter of those policies. I sometimes used to wonder whether the Munich agreement had been carried single-handed by Neville Chamberlain and the Conservative Whips Office.

Before I entered the House, when I was personal assistant to Anthony Eden, the then Prime Minister, Walter Elliot—a distinguished Member of the House who had been here in the 1930s and who voted for the Munich agreement—told me in a private conversation, which I feel able to repeat as he has been dead for many years, that he voted in favour of Munich out of a sense of personal loyalty to Neville Chamberlain. He said that he admired Chamberlain as a man, and felt that he had done a good job domestically. Walter Elliot said that voting for Munich had not only eventually wrecked his own political career but, more importantly, had damaged his self-esteem. He said that he had never ceased to reproach himself for that vote as events unfolded.

I ask my younger hon. Friends, who have not been long in the House, have long careers ahead of them and know in their hearts that the Maastricht treaty is not right for Britain, to remember Walter Elliot. I predict that, 10 years from now, there will be very few Tory Members of Parliament who will easily recall that they were ever supporters of the Maastricht treaty.

Mr. Benn: We have listened to a speech of exceptional interest from an hon. Gentleman who knows the banking world very well. The account of the hon. Member for East Lindsey (Sir P. Tapsell) of the history of banking, and the relationship of the Bundesbank and the Fed to their Governments, and of the Bank of England to the British Government, merits an enormous amount of study.

I wish that the press were not honouring our debates by their absence. But the newspapers are part of the Greek chorus to which the hon. Gentleman referred at the end of his speech. It is generally assumed by everyone that the Maastricht treaty will be passed, so our debates are a complete waste of time. I find myself in a weird position, as my Front-Bench colleagues are passionately pro-Maastricht. All that has ever been attempted by the Opposition are little procedural tricks to embarrass the Government on a closure motion or something of that sort. We hear no criticism of substance from the Labour Front-Bench team of the Maastricht treaty.

People outside the House are not foolish and they know what is going on. They know of the great cheering when we succeed in voting to go home at 10 pm—but our activities have no substantive effect. The Conservative and Liberal Front Benches are together on the treaty and those of us who hold a different view are publicly presented as a little group of old-fashioned fuddy-duddies who would like to live in the past.

The reality is that the central bank is at the core of the political question that we are discussing. We are not really discussing economics, although I appreciate that that issue has considerable implications. We are discussing where political power will rest, because the bank will have the ultimate right to determine the shape of the budget, which determines the amount of public expenditure allowed.

Nobody has mentioned the fact that the central bank will wipe out the social chapter. If a Labour Government who favoured the social chapter were elected and wanted to spend more money—they might even wish to adopt the social chapter—the central bank would say no. It would say that, if to do so meant borrowing more than 3 per cent. of the gross national product, the Government would not be allowed to do it—there is a self-cancelling element.

The role of 3 per cent. is an interesting one. I recall the publication of the Beveridge report when I was a student about 50 years ago. It set 3 per cent. as the maximum tolerable level of unemployment. We are now moving towards monetarist days when 3 per cent. is to be the maximum public borrowing, which will condemn us to high unemployment levels for ever.

The importance of the debate is that all the Front Bench teams agree. All the parties represented in the House are abandoning their separate traditions. I cannot speak with authority on the basis of Conservative thinking over the years, nor would I wish to do so. My understanding was that it was about a Britain strong and free. That was the title of a Conservative election manifesto which I have a home in my archives. It shows a picture of a great lion in Trafalgar square and it has the slogan "Britain strong and free". It is a Britain weak and governed by a central bank which is on the agenda now.

7.30 pm

Hon. Members may persuade the electorate or the BBC or John Birt by some special financial arrangement that it is about something else, but they should not try to kid people who have been here long enough to know otherwise. If the Chancellor of the Exchequer were committing an offence if he tried to influence the central bank, which is what the treaty says, how can that possibly be the maintenance of an independent nation?

I am not a nationalist. My history does not lead me to the view that a strong pound and, as somebody said about nuclear weapons, the best-defended dole queues in the world, are the main national duties. However, I have interpreted the Conservative party to take that view and it has been completely undermined by Maastricht.

The Liberal party used to believe in free trade: that is what it was all about. My father was elected as a Liberal Member of Parliament in 1906, but sensibly joined the Labour party in the 1920s just after I was born. It took me a year or two to persuade him to make the transfer and he joined the Labour party in 1927. Now the Liberal party is voting for the most highly protected arrangement one could imagine. It has abandoned its faith.

I now come to my own party. However difficult it is for me to do so, I share the view of the hon. Member for East Lindsey about the importance of history, because, if we do not know where we have come from, we do not know where we are and are therefore not quite sure where to go. My reading of what I would call the progressive political tradition in Britain is that it was the ordinary common people who had no vote but wanted one so that they could use it to influence the conditions of life under which they lived. Through the ballot box they could elect a Government who would at least act as a countervailing power to the power of the landowners and capital.

That has been wholly and completely abandoned by the Front Bench spokesman of my party. It is not that socialism has been abandoned, because that went years ago. My hon. Friend the Member for Blackburn (Mr. Straw) says that we should abandon clause 4. I am waiting for him to say that the archbishop should abandon the 10 commandments on the ground that adultery is so widespread that one could not hope to build a Church on the basis of excluding it.

However, that is not the issue. The issue is that, 100 years ago, when Keir Hardie was elected to Parliament, the principle upon which he built his support was that it was possible for people who did not own banks or have personal wealth to band together into trade unions and promote a party that would use the ballot box to contain, control and redirect the power of capital.

Mr. Forman: Will the right hon. Gentleman give way?

Mr. Benn: Perhaps the hon. Gentleman would allow me to finish. I am trying to develop a theoretical argument that needs to be considered and I hope that I am not being provocative. Labour's Front-Bench Members are abandoning their belief in democracy.

Mr. Peter Mandelson (Hartlepool): Will my right hon. Friend give way?

Mr. Benn: No, I intend to develop this point. My hon. Friend will have plenty of opportunities for sound bites. I am putting an argument.

Mr. Mandelson: My right hon. Friend has referred to me. Will he give way?

Mr. Benn: No, I shall not give way.

I am putting a serious argument which I feel deeply. It is that the ballot box is important because it does what I have described in many ways. When a Liberal Government repealed the Taff Vale judgment and allowed trade unions to play a role that the previous Conservative Government had prohibited, they were legislating for a countervailing power against capital. That was greatly to their credit. In many respects the Liberal Government of 1906 were far more progressive than my party today because they carried through much more radical taxation changes and legislated for public ownership of the London docks.

People may agree or disagree with what has been done during this century, but its history shows that trade unionism with a political voice gave people power over their economy which they did not have when they did not have the vote. That was why people wanted the vote. The chartists and the suffragettes were not trying to obtain an A-level in English history or English government. Women wanted power so that Parliament would have to listen and pay attention to women's interests, and those interests were reflected in a minimum wage, in Sunday shopping regulations and in other ways. I fear that that is what my party has abandoned.

Mr. Betts: Will my right hon. Friend give way?

Mr. Benn: My hon. Friend who is trying to intervene asked what hope Britain had of dealing with unemployment. He said it with deep pessimism. My complaint is not that there is a viciousness in Labour Front-Bench Members, but that there is a deep and absolutely unnecessary pessimism. I am on the national executive of the party and I am not trying to be controversial but simply putting a point of view. The party of which I am a member now believes that nothing at all can be done about unemployment because of the power of international capital. I dispute that, because, if it is difficult now, it was difficult for Keir Hardie.

Mr. Andrew Smith: My right hon. Friend has described the history of democratic socialism as the attempt by people to gain control of the economic forces that shape their lives. Now that capital and the economic system are clearly organised on a European basis, does not that mean that if we are to exercise democratic power in the interests of working people we must do it in conjunction with our European neighbours? As our conference resolutions and policies make clear, the European Community and the Maastricht treaty are the best available means to do that.

Mr. Benn: That is the core of the argument. In its manifesto last March the Labour party endorsed the Maastricht treaty even though it had not been negotiated at the time of the previous conference. There was no conference legitimacy for the manifesto. I said in Chesterfield that I was opposed to it. We are not arguing about nationalism versus internationalism: we are on a wholly different issue. International capital is not controlled by handing it over to the archbishop and bishops of international capital—the independent central bankers.

Listening to my hon. Friends on the Front Bench and my other passionate, modernising colleagues is like listening to the maharajahs at the time of the Raj in India who said, "Look, Queen Victoria is here. You must live with her and you will have more influence if you pick up a knighthood from Buckingham palace and go to the coronation than if you follow this silly Nehru-Gandhi stunt of trying to run our own land."

Mr. Betts: I am still trying to discover my right hon. Friend's realistic alternative in the current situation. He seems to be arguing that we should not be pursuing economic and monetary union as described in the treaty and that we should opt out of our arrangements with the Community. He seems to say that the alternative is simply to retain parliamentary sovereignty and ignore our arrangements with our colleague countries in the Community and that by doing so we can deliver for our people full employment and all the other benefits that he and I want to see. Are those realistic alternatives?

Mr. Benn: My hon. Friend with his clarity of mind has confirmed his pessimism. He had distinguished service on Sheffield city council and honestly believes that Sheffield can do nothing within the context of Britain and that Britain can do nothing outside the context of the Maastricht arrangement. No one should think that Maastricht will liberate us from world market forces because the ecu could go up and down according to the gambling that might occur with the yen and the dollar. I challenge my hon. Friend's pessimism.

If I accepted it I would never stand for Parliament again because I would have to go to the people of Chesterfield, as I shall have to do if this goes through, and say, "You can vote for whoever you like, but I must tell you honestly and frankly that if you vote for me I cannot do a thing

[Mr. Benn]

about improving the prospects here because my party has agreed to hand over all the powers not to Parliament but to an independent European bank."

Mr. Forman: The right hon. Gentleman's essential thesis seems to be that power in the modern world emerges, as at the time of Keir Hardie, from the vaults of a bank. In this case, he talks about the power of a possible European central bank. The right hon. Gentleman argues that countervailing political power is needed to lean against that. Does he not realise the impeccable logic of the French case, which is that a political counterbalance is needed against the emerging system of a European central bank and that that should be achieved within the framework of the arrangements proposed by the French to bind the Germans and everyone else?

Mr. Benn: The French socialist party has destroyed itself by following the policy advocated by members of my Front Bench. It has absolutely obliterated itself—although temporarily, not in the longer term.

I was at first against the European Community and wrote an article in *Encounter* to that effect in 1964. Then, some of the pessimism that I described today overcame me in the 1964 Labour Government. I thought, "This is the way to deal with multinational capital," and favoured our application. Later, I served in the Community, as a member of the Council of Ministers. I came to realise that the European Community is the instrument of multinational capital, to ensure that there is no democratic challenge to the power of international capital. Those who live under the illusion that Brussels and the bankers are our friends against multinational and international financiers are living in a complete dream world.

This may be controversial, but I am bound to say that, for the moment, many of my hon. Friends think that capital should be free to move wherever it likes. They agree that labour should be constrained. Consider the control over labour that exists in Britain compared with the freedom of capital.

This might not appeal to Conservative Members—or they may like it. Paul Johnson has an article in *The Daily Mail* today saying that the police and the Government have enough firepower to gun down Scargill, Bickerstaffe, and so on, if there is trouble on 2 April. Compare the £10 billion made by speculators on the day that we left the ERM with the fines and sequestration imposed on trade unions if they interfere with production for one day without balloting. That is something that my hon. Friends endorse, too, because it is part of the system that labour should be constrained and capital liberated. Then we tell the populace, "Don't worry—Brussels is the means by which we can control international capital." That is not at all true.

I am trying to chronicle as best I can the nature of the decision that I fear that the House will take. I favoured a referendum in 1968 and still do. The Labour party was not very keen. I was in a minority of one on its national executive and shadow Cabinet, but Wilson came round in the end and we had a referendum. I dare say that, in one way or another, the Conservative party will come around to a referendum, too. But members of my Front Bench are also opposed to a referendum. They do not want the people to have a say. They are absolutely solid in joining the Government in denying the people the right to have the sort of fascinating, important, historic and fundamental debate that we are allowed tonight.

If the House voted by secret ballot on the Maastricht treaty, it would be defeated, because it would not be known to whom to deny a peerage, put on the Front Bench, allow to attend royal garden parties at Buckingham palace, or reward by the corrupt patronage system—even as revamped by the Prime Minister.

The Second Deputy Chairman of Ways and Means (Dame Janet Fookes): Order. How does that relate to the amendment under consideration?

Mr. Benn: I will say, as a right hon. or hon. Member always does when called to order, that that was a very helpful point to make, Dame Janet.

This huge issue wipes out centuries of Conservative and Labour tradition—the Conservatives defending the national interests of the nation—I am not a nationalist—and Labour defining the power of the ballot box to change our destiny.

7.45 pm

The consequence will be riot. As I suppose that we will lose the vote on Third Reading, I will prepare myself for the next stage. All that will happen is that I shall be catapulted back 100 years, to a Parliament that is not democratic and a time in which women do not have the vote. How does one live in a 19th-century Parliament, in an era when riot is used to change the law? French farmers and French fishermen are rioting already and some British fishermen are beginning to get the message that, if they want to catch the really big fish in the form of the Cabinet, they had better riot. That will happen because people will not accept unjust laws.

If I cannot influence the outcome of the vote on Third Reading—and I am realistic enough to accept that I cannot—I am determined to leave in *Hansard* an explanation of what happened and why. Pessimism, defeatism, and the failure to represent the people whom we were elected to serve is what happened. If I were not such a moderate man, I would call it a massive betrayal by Parliament of the people who put us here, but I do not know that I want to use the word "betrayal", because it is more a collapse of our self-confidence.

How is history to be made other than by people who have confidence in their own society and institutions and in their capacity to advance them? The so-called modernisers in the Labour party are taking us back to Victorian England. They are not modernisers but Victorian liberals. They believe in market forces and the Manchester school of economics. They do not like the unions very much. They do not believe in socialism. They want the ins and outs of the Tory-Liberal game of the 19th century—well before the Labour party was founded. That cannot be done, because the circumstances of our time will not allow it.

We have chronic mass unemployment and chronic mass youth unemployment, and people will not accept that. I do not know when the expression of anger will come. It may come on 2 April, with unexpected events. Something quite surprising could trigger it off—but if, when that anger comes, it cannot effectively be represented through the Labour party in Parliament, people will find other ways of expressing it. I fear that because I believe in this place. I may be an idealist even to believe in Parliament, but when

I was elected I was told that the great thing about Parliament was that it controlled the purse and the sword. That was the great 17th-century gain, but today we do not control the purse.

Sir Terence Higgins (Worthing): The right hon. Gentleman spoke of lack of confidence in ourselves. Is not there some inconsistency in his argument in respect of a referendum? Would not a referendum be the ultimate proof of lack of confidence in this place?

The Second Deputy Chairman: Before the right hon. Gentleman continues, I remind him that the amendments under consideration concern banking. The right hon. Gentleman is, in effect, making a Second Reading speech, if not one that goes wider.

Mr. Benn: If banking lies at the heart of the treaty—as it does—you, Dame Janet, will forgive me for drawing attention to its importance.

The Prime Minister supports Boris Yeltsin's referendum, but not a referendum for us. There must be some logic. These big questions are not being considered under parliamentary democracy but are being dealt with under the discipline of the Whips on both sides of the Committee, using all sorts of weapons at their disposal. These questions are not being decided on a free vote of Parliament. At my age that does not affect me, because I do not want anything. They cannot do much to me if I want to speak my mind—but it is disrespectful to the people who put us here to take away the power they lent us and to give it to bankers whom they cannot remove. That is the argument in a nutshell.

I hope that the public have the chance of reading something of the speech of the hon. Member for East Lindsey and of this debate, to understand the enormity of what is being done here and the unanimous betrayal of all the traditions of the three parties by following this route.

Mr. Butterfill: I have the somewhat unenviable task of following two extraordinarily eloquent speakers—the right hon. Member for Chesterfield (Mr. Benn), who is probably the most eloquent and entertaining speaker left in the House, and my hon. Friend the Member for East Lindsey (Sir P. Tapsell), whose expertise in banking matters is probably unrivalled in the House of Commons. The position in which I find myself is especially unenviable, for I disagree with much of what both of them have said.

I am grateful to my hon. Friend the Member for East Lindsey for explaining in such detail the constraints, and the checks and balances that exist in regard to the Bundesbank and the Federal Reserve Board. My hon. Friend carefully explained that the Federal Reserve Board is accountable to Congress. He also pointed out that it did not control the bank's day-to-day monetary decisions. That was an important clarification, but—perhaps even more importantly—he made it clear that even the Federal Reserve Board, with its renowned independence of view, was subject to pressure from the executive: not from Congress, but from the presidency. That, surely, is rather extraordinary. No one suggests that the President has any authority over the bank, and, indeed, it is not accountable to the executive; it is accountable to Congress.

Sir Peter Tapsell: First, I said that the Federal Reserve Board was subject to pressure from both Congress and the President. Secondly, given that the President appoints the board's governors when vacancies occur, he cannot be said to have no influence.

Mr. Butterfill: I am grateful for my hon. Friend's helpful intervention. I was not suggesting that the President had no influence; I was suggesting that the board was not accountable to him. Of course, influence is exerted in all these matters—and whoever appoints a central banker, under whatever system, will naturally have influence as a result of his power to appoint. However, it was the accountability point that my hon. Friend was addressing.

Similarly, my hon. Friend explained the independence of the Bundesbank and the element of accountability in that system, but went on to concede that, in the face of the political realities dictated by the unification of Germany, the political will of the people eventually prevailed over the wishes of the Bundesbank, which was forced reluctantly to allow a one-for-one parity between the deutschmark and the ostmark—for which the German people and, indeed, the rest of Europe have subsequently had to pay a considerable price.

Sir Peter Tapsell: I was trying to make the point that the Bundesbank is specifically excluded from interfering with the exchange rate. Chancellor Kohl was entirely within his constitutional rights in making his decision about the parity between the ostmark and the deutschmark. President Pöhl could only give his advice in private: the Bundesbank has no constitutional control over the exchange rate.

Mr. Butterfill: Again, I am grateful to my hon. Friend. He will know that the subsequent conduct of monetary policy has been the subject of considerable tension between the Government and the Bundesbank, and that great pressure has been put on the bank, to some of which it has yielded. My hon. Friend's suggestion that independent central banks cannot be politically accountable is not borne out by the facts. Clearly, whatever system is set up to try to give such banks independence, they will all ultimately be susceptible to political pressures from whichever political institution happens to be in place. I believe that the same would apply to a European central bank, although the pressures would come from a different quarter.

Even today, with our new-found freedom conferred by a floating currency, we see in the newspapers questions such as, "Will the Germans reduce their discount rate, and will that enable our Chancellor to reduce our interest rates still further?" It is not true to say that we retain true independence of action; even with that new-found freedom, we are still bound by our relationships with other currencies. Given that Germany is our largest single trading partner, it is clear that we are very much bound up with what happens in Germany, and very much influenced by the power of the deutschmark.

Mr. Christopher Gill (Ludlow): Surely my hon. Friend recalls the events of last summer, when our Government consistently told us that, if we left the exchange rate mechanism, our interest rate must inevitably rise. What happened? The day after black Wednesday, interest rates went down. How can my hon. Friend possibly maintain his theory in the light of those real and practical events?

Mr. Ian Taylor (Esher): The exchange rate went down as well.

Mr. Butterfill: I was intending to turn shortly to the events referred to by my hon. Friend the Member for Ludlow (Mr. Gill), but I agree with the sedentary observation made by my hon. Friend the Member for Esher (Mr. Taylor).

Sir Teddy Taylor: What was wrong with that?

Mr. Butterfill: I am not suggesting that anything was wrong with it.

Mr. Winnick: Will the hon. Gentleman give way?

Mr. Butterfill: May I answer my hon. Friend the Member for Ludlow first? If I give way too often, I may become rather confused about which question I am answering, and where I have got to in my speech. I shall try not to be waylaid too frequently.

We made a political decision to reduce the exchange rate, and we took a gamble on the effect that that might have on inflation. Given that we were in a considerable recession, that appears to have been a wise decision. My point is that, although our currency is notionally free and floating, we are still influenced by what happens in Germany, and must inevitably continue to be influenced by our trading relations.

Mr. Winnick: No one is suggesting for a moment that we can act in total isolation from other currencies; that has never been part of the argument. Does the hon. Gentleman accept, however, that part of the argument that he and others are advancing about the ratification of the treaty and the European central bank is very similar to the argument of those who were so keen for Britain to join the ERM—which, indeed, was the conventional wisdom of the time? It was said then that we could not act in isolation, that joining was inevitable and that those who opposed it —as I certainly did—were living in the past. Yet our ERM membership was a disaster, which cost a great deal in British manufacturing jobs. It is now recognised that at least part of the reason for our high unemployment rate was our ERM membership. Thank heaven we are now out of it.

Mr. Butterfill: I had hoped to deal with the hon. Gentleman's argument later. He is right to say that the ERM was profoundly damaging to us, as it was constituted when we were part of it. What was damaging about it was that the Germany Government were reluctant to fund the unification costs through taxation—although they briefly tried to introduce a 7·5 per cent. special levy, which proved politically unacceptable. They lost a good many seats in the länder elections as a result. Under the German system, which imposes on the Bundesbank a statutory duty to prevent inflation, the only alternative to funding that enormous level of expenditure was to increase interest rates. That is what went wrong.

Mr. Austin Mitchell: Will the hon. Gentleman give way?

Mr. Butterfill: I should like to get on, if I may.

I do not think that any of us anticipated the events that would arise out of the unification of Germany. Indeed, I do not think that many hon. Members anticipated the unification itself, still less the strains that it would impose on the economy.

Mr. Mitchell *rose*——

Mr. Butterfill: I must develop my argument. I have given way several times. The hon. Gentleman will have the opportunity to make his own speech if he can catch your eye later, Dame Janet.

The statutory duty of the Bundesbank to increase interest rates and to have regard only to what is happening in the German domestic economy caused the strains within the exchange rate mechanism and was the fatal flaw within that mechanism. It produced fundamental instability in a system designed to promote stability. We shall achieve stability only if, within a future exchange rate mechanism, the participating central banks have a duty to support the operation of that mechanism rather than a narrow duty to look after their own national interests. That has not yet been fully recognised, but I believe that it is an essential prerequisite to the successful operation of a mechanism.

8 pm

Indeed, the very weakness of the mechanism reveals the need either to have a system of freely floating currencies, which we have now, and which will be influenced by a dominant currency—as my hon. Friend the Member for East Lindsey said, it would be dominated by the deutschmark—or to merge all the currencies into a single currency, which would overcome my hon. Friend's fear.

Under the proposed system, the Bundesbank would represent but one equal vote in the operation of a central bank and would to a large extent be giving up its control of what happens in the European economy. That is recognised in Germany where there is now considerable resistance in many quarters to the very idea of giving up the power that it has through the present operations of the market. It therefore seems that we have a great deal to gain, and certainly nothing to fear from German domination, under the system proposed in the treaty.

Indeed, if we were to move quickly to currency union, we should all gain a great deal more influence over our own affairs than we have at the moment. However, I do not think that that utopia will come about for a considerable time, because the convergence criteria are not likely to be achieved in anything like the forseeable future. I do not agree with the proposal that the price that we should all have to pay should be to have cohesion funds to transfer huge sums of money from the wealthier northern countries of Europe to the supplicants in the south. The suggestion that that would be politically acceptable to the countries of the north is pie in the sky. It does not happen even in federal states such as the United States of America, where there is only a limited transfer from the wealthier to the poorer states.

Mr. Legg: Does my right hon. Friend realise that, when there is an independent European central bank, there will be one interest rate for the whole of Europe? Germany, Italy, Spain and the United Kingdom will have one interest rate. There will be no question of having easier monetary conditions in one part of Europe than in another. Within that system, the only way to mitigate the inequalities and problems that will arise will be through massive transfers of funds across Europe.

Mr. Butterfill: I am very surprised to hear that argument from a Conservative Member. We have seen what has happened under our own regional policy. In the United Kingdom, where, my hon. Friend may be surprised

to know, we have a monetary union, we have tried to deal with the problems of having some poor and some rich regions by pouring money into the poorer ones, which is what the Labour party has advocated for years. The effect has not been to improve the lot of the poorer regions. In fact, the lot of the poorer regions has improved only when they have had the wit to abandon some of the restrictive practices imposed by trade unions, to embrace free markets and to encourage inward investment. It is the encouragement of inward investment into the poorer parts of the Community which will ultimately be their salvation. Therefore, we have nothing to fear from a system that brings a single interest rate, combined with a single currency, throughout the European Community. However, we shall take a considerable time to get there.

Dr. Roger Berry (Kingswood): The previous contribution was extremely interesting. If the hon. Member for Bournemouth, West (Mr. Butterfill) had given way, I would have asked him to consider the scale of transfers within this country and this monetary union. Many of us consider them to be inadequate, but they take place automatically between regions when unemployment is higher in one part of the country than in another. The scale of those transfers is inadequate, but it far exceeds anything planned under the Maastricht treaty as part of the movement to a single currency and to monetary union. I shall say more about that a little later.

The vast majority of amendments in this group, including the modest amendment No. 101 tabled by my hon. Friend the Member for Neath (Mr. Hain) and me, are clearly critical of economic and monetary union, as is amendment No. 36, which I strongly support. One of the interesting features of the Maastricht treaty has been pointed out by the hon. Member for East Lindsey (Sir P. Tapsell). The essence of the treaty is economic and monetary union. About a quarter of the treaty's pages relate to banking arrangements and monetary policies. It is interesting to note that the treaty contains very little reference to other aspects of economic policy but that a quarter of the treaty—its guts and its specific proposals—relate to banking arrangements and monetary policy.

There is little doubt that hon. Members such as myself, who have not yet spoken in the debate, must state whether we are Euro-sceptics or anti-European. For the record, I am not a Euro-sceptic or anti-European. I am strongly pro-European. I am so pro-European that I do not want to support a treaty which will impose monetarism, deflation and unemployment on other members of the European Community, as it would here. There is little doubt that the treaty is a victory for those who believe that economic policy is essentially monetary policy and that the achievement of price stability—zero inflation—is the only worthwhile objective of macro-economic policy.

The view is staggeringly irrelevant, given the enormity of the recession and the unemployment facing the European Community. However, monetary policy as the instrument, and price stability or zero inflation as the objective, seem to be the sum total of economic policy in the treaty. It is a view promoted by bankers, among others, who tell us that it is best to take monetary policy out of democratic control and to put it in their good care.

As for democratic control, I cannot help but remember the enthusiasm that many had for democratising the composition of the Committee of the Regions. It is an advisory body, but it was nevertheless apparently a great victory for democracy when the Government were told in no uncertain terms that they must appoint to it representatives of local communities. That was a great victory for democracy, and I should like a similar victory for democracy when we come to deal with the European central bank or similar institutions.

As for the the "good care" of bankers, I find it surprising that anyone should be convinced by the argument that we should hand them more powers. I could be wrong, but I thought that bankers had something to do with the third world debt crisis because they pursued ill-informed and exceedingly ill-judged lending policies. I could be wrong, but I thought that they had something to do with the disastrous financial deregulation in the 1980s, which led to a wholly unsustainable credit boom and the debt problems that we now face. I am pretty certain that it is also bankers who, with some others, get into hysterics about the extent of public sector borrowing, yet enjoy every little bit of interest that they can get from the much more serious problem of private sectror debt. Private sector debt is okay, because bankers do all right out of it.

In fairness, I must add that my opposition to the European system of central bank proposals in the Maastricht treaty is based, not simply on the fact that the bankers support them, but on my genuine belief that economic and monetary union will have the biggest impact of any of the proposals in the treaty, and will inflict serious damage on the economies of Europe.

The proposals are also exceedingly outdated. I find it strange that some people present them as modern when they are based on ideas that became fashionable in certain quarters in the 1980s. It is true that the Delors report was not the first document to promote monetary union within Europe but, if I may be forgiven for not going as far back as some other hon. Members have done, I remind the Committee that in the 1980s, both before and during the debates on the Delors report, the orthodoxy was that we should go for an independent monetary policy aimed exclusively at price stability. That is an old-fashioned idea, extremely inappropriate for Europe in the 1990s, let alone beyond.

My opposition to that part of the treaty is based on the fact that the proposals are confused, monetarist, deflationary and undemocratic. I shall say a few brief words about each of those characteristics, starting with the confusion. It is true that other treaties have confused institutional arrangements for arriving at economic policy with the policy itself. Many treaties, including the treaty of Rome, could be said to have done that. But in the Maastricht treaty there is a hopeless confusion between the institutional framework for setting monetary and fiscal policy—the European system of central banks, the European Monetary Institute, the European central bank, and so forth—and a particular approach to monetary and fiscal policy—the policy to be pursued by the central bank, the convergence conditions, and so forth.

If we wish to establish a set of institutional arrangements for the conduct of economic policy in Europe, they should be robust enough to accommodate policy change. But in Maastricht, we have a mixture, a mess and a confusion between a set of institutions designed to arrive at an economic policy, and a particular economic policy. There has been an accommodation between the Euro-federalists, who have got the kind of institutions they quite fancied, and the monetarists, who have got the economic policy that they wanted.

[Dr. Roger Berry]

Such confusion is hopeless when it comes to making treaties. Institutions should be able to accommodate changes in policy—unless, of course, the purpose was that we should never change our economic policy. Perhaps the idea was that we would agree the treaty and that would be the end of policy making. In policy terms, that is alarming, because Maastricht reflects an obsession with inflation and —more importantly—an indifference to unemployment that were inappropriate even in the 1980s, and are grotesque in the 1990s.

The objective of the European system of central banks has not been referred to in the debate, although it has been referred to previously. It is essential to repeat it in order to understand the concerns behind the amendments. Article 105 clearly sets out that objective:

"The primary objective of the ESCB shall be to maintain price stability."

Price stability means zero inflation. Of course the European central banks should support the general economic policies set out in article 2—we have heard that often enough—but those policies are not seriously referred to anywhere else in the treaty, so they will not cause too much of a problem. Article 105 says that the ESCB should refer to the general policies in article 2, but that it should do so

"Without prejudice to the objective of price stability".

8.15 pm

The objective is clear. We have an independent central bank which is to be established with the legal requirement that its overriding objective should be zero inflation. None of that is accidental. The intellectual roots of the programme are monetarist—the Delors report and before. The pathological obsession with budget deficits and the money supply that is evident throughout Maastricht is based on two monetarist dogmas. The first is that the proper control of the money supply will eliminate inflation, and that that can happen without any harmful effects on unemployment, growth or the real economy.

The second crucial monetarist dogma is that unemployment and growth are determined entirely by supply side conditions, so demand management can be relegated as if it had no importance, or at least only secondary importance. That is not only nonsense but dangerous nonsense. It is why price stability is the overriding objective for the European central bank, and why we are to have an independent central bank with the constitutional requirement to pursue price stability at all costs.

The monetarism is self-evident, and it should be a cause for concern not only among the Opposition. Even the Government no longer accept monetarism——

Mr. Stuart Randall (Kingston upon Hull, West): Will my hon. Friend give way?

Dr. Berry: I shall finish my point, and then give way.

The Chancellor of the Exchequer is desperate to use monetary policy to engineer a consumer-led boom, desperate to use interest rates to encourage consumers to spend more so as to steer the economy out of recession. He no longer believes that zero inflation is a sensible objective, nor does his practice suggest that he still believes that monetary policy should be handed over to somebody else.

Mr. Randall: I have listened carefully to what my hon. Friend has said about maintaining price stability, but I am worried about the way in which he has written off article 2 by saying that it has been mentioned only once and that it therefore loses its validity. I am sure that that is not terribly logical.

Dr. Berry: I am not conscious of having said that article 2 had been mentioned only once; it has been mentioned many times in the debate. Article 2 is made much of in connection with the European central bank in an attempt to support the proposition that such a bank would be about more than aiming at zero inflation—a rather stupid objective—because the article refers to employment, growth and so on. But although article 2 mentions employment and growth, the rest of the treaty does not. The treaty places on the European central bank and the other monetary institutions the requirement to pursue zero inflation, but there is no corresponding obligation to pursue policies that deal with the real economy. That is the relevance of what I was saying.

Mr. Shore: We have heard a lot about article 2, and it is nonsense to give it the elevated importance afforded it by my hon. Friend the Member for Kingston upon Hull, West (Mr. Randall). If the other parts of that article, including the commitment to a high level of employment, were basic to the treaty, there would be a protocol on the subject, and all kinds of elaboration—measures to be taken and commitments made. There are no such commitments, and that is why the balance of what my hon. Friend the Member for Kingston upon Hull, West said to my hon. Friend the Member for Kingswood (Dr. Berry) is wrong.

Dr. Berry: I agree with my right hon. Friend. If one accepts the monetarist position, one can have no objection to those provisions in the Maastricht treaty. Of course one could have no objection to aiming for price stability, because one would believe that it did not affect unemployment or growth. One could not object to setting up an independent central bank beyond anyone else's control, with the specific requirement to achieve price stability, because that would not affect the real economy, so there would be no problem.

To a hard-line monetarist, there is, of course, no difficulty with the proposals, but unfortunately for those who support the Maastricht treaty, no one believes that nonsense any longer—not even the present Government. As has already been said, in a few years' time, our debates may well be judged to have been about a set of proposals that were so unsustainable politically, so unrealistic and so devoid of any recognition of how the real economy works that they will never be implemented. Unfortunately, however, they are the proposals that we have an obligation to debate today.

The monetarist agenda is deflationary, simply because any fool can get zero inflation by hammering the real economy, pushing up unemployment, restraining growth and creating recession. It has been done many times and no doubt it will happen again if certain people have their way. Maastricht is deflationary in other respects, too.

I shall not refer—because it would be out of order, Dame Janet—to the convergence criteria in stages 2 and 3, to which we shall return later, but the whole question of a single currency and monetary union is worthy of attention. I recognise that a single currency has benefits.

Mr. Radice: Good.

Dr. Berry: I recognise that—and not for the first time, as my hon. Friend the Member for Durham, North (Mr. Radice) knows. Any fool who did not recognise that there were some benefits in monetary union would have difficulty in explaining why we have a single currency in this country. We have a single currency because there are benefits. Equally, though, we do not have one currency throughout the world because there are certain disbenefits. Any sensible economic argument about the optimal area for a single currency must address advantages and disadvantages.

I say to my sedentary hon. Friend the Member for Durham, North that I of course recognise the advantages of a single currency. It is true that there may be efficiency gains to be had from the elimination of the costs of exchanging currencies or from the elimination of risk due to exchange rate uncertainty. I concede that. I recognise that a third of what our economy produces is exported and that 60 per cent. of our trade is with the other members of the European Community. Although it is possible to exaggerate those efficiency gains, I recognise that they exist. I also recognise that a single currency would reduce speculation by the simple device of removing some other currencies against which people could speculate, and that there could be virtues—least for Labour Governments—in such a situation.

There are costs as well, however, and they are profound. Above all, a single currency imposes restrictions on the instruments of macro-economic policy that we can use. In the context of this debate, a single currency in Europe imposes a restriction on what we can do in terms of exchange rate and monetary policy. I invite any hon. Member who thinks that this line of argument is trivial to imagine how uncomfortable the present Government would feel if they did not have some flexibility in relation to the exchange rate and monetary policy and how some of the Opposition's proposals would sound if exchange rate and monetary policy had already been abandoned.

Mr. Radice: But the Maastricht treaty leaves exchange rate policy in the hands of the Council. It is not governed by the central bank at all.

Dr. Berry: I am trying to work out why my hon. Friend is being so antagonistic. On occasion, I say something with which he agrees——

Mr. Radice: I am trying to be helpful.

Dr. Berry: My hon. Friend has conceded the point that the treaty removes from the national Governments of member states the power to influence exchange rate policy —*[Interruption.]* I am afraid that it does. One cannot say, "Power is located elsewhere and yet at the same time resides here." It must be one thing or the other.

The cost of a single currency is that the nation states or regions that decide to join in a single currency area give up certain instruments of macro-economic policy: most notably, they have less flexibility on monetary policy and no flexibility in relation to exchange rate policy, for self-evident reasons.

At present, if a country or region in the European Community, as elsewhere, becomes less competitive—no prizes for guessing examples—balance of payments problems emerge and unemployment increases. With monetary union, balance of payments problems will re-emerge as even greater problems of unemployment. Quite simply, the market adjusts to changing levels of competitiveness by generating higher unemployment in less competitive regions. That must be so. That is how the market operates. We need to think very carefully before we support a single currency arrangement given that we know, as a matter of simple fact—there is no difference between the two sides of the Committee on this—that that is how the market adjusts to differences in competitiveness.

To return to my first point, it is a fact that, within nation state monetary unions such as the United States, Germany and this country——

Mr. Robert Sheldon (Ashton-under-Lyne): Will my hon. Friend give way?

Dr. Berry: Yes, of course—even in the middle of a sentence.

Mr. Sheldon: The point that my hon. Friend is making is well understood. Most of what he said is absolutely right and no one ought to quarrel with it; he has put both sides of the argument. As my hon. Friend says, a union could increase unemployment. On the other hand, one could react by reducing the cost of labour. One of the principal reasons why the Government are so opposed to the social chapter is that it denies them that alternative. They must be against the social chapter because, if we are uncompetitive, such action is the only solution that they have—other than increasing levels of unemployment even further.

Dr. Berry: I agree with my right hon. Friend. That is absolutely correct.

Given that these facts are well known, I shall simply re-state my point. The difference between the proposal for a single currency within the European Community and what exists today in the United States, Germany and the United Kingdom is that, in the case of those three nation states, there are substantial fiscal systems that redistribute resources. There is automatic fiscal redistribution in the United Kingdom, as areas of high unemployment contribute less in tax and receive more in revenue. In Germany, there are formal systems for the redistribution of wealth between the lander.

The Maastricht treaty contains no equivalent way of addressing such imbalances. That is why I argue strongly that it is simply not sensible for member states of the European Community to sacrifice instruments of national macro-economic policy without much larger European Community budget and/or automatic redistributive mechanisms. Maastricht provides neither. It will therefore be profoundly deflationary in the less competitive regions.

Mr. Betts: I accept the point that my hon. Friend makes and agree that additional money within the Community budget and the mechanisms to which he has referred are not specifically mentioned in the Maastricht treaty. Does he not accept, however, that such matters are capable of development within the European Community? There is no restriction in the treaty to prevent them from being developed. Might not that be another way of looking at the situation? Might we not take the view that monetary union can be developed in the context of other measures to stop the problems of unemployment, which I recognise and on which I agree with my hon. Friend?

8.30 pm

Dr. Berry: That is a bit like saying that the Budget that we have just debated is capable of being developed to allow us to address mass unemployment in Britain. Of course it is capable of being so developed. The fact that that subject was not dealt with in the Budget was the reason why the Opposition said that it was inadequate to address unemployment and economic recovery. Anything could happen after Maastricht. But there is a treaty before us which contains words and which we must read and understand. Running through the many pages of the treaty dealing with economic matters is the single-minded obsession with the monetarist objective of zero inflation and the monetarist instrument of an independent central bank controlling monetary policy. There is nothing of the kind to which my hon. Friend refers.

Mr. Mandelson: On the subject of obsession, my hon. Friend appears to be overly obsessed by the words and gives insufficient attention to the actions that can be taken by politicians and Governments within the framework of the Maastricht treaty—*[Interruption.]* It is not good enough for those who disagree with other hon. Members to bawl and shout and attempt to prevent them from speaking. That is an unattractive characteristic of this debate. It shows an obvious weakness of argument among some of my hon. Friends.

My hon. Friend the Member for Kingswood (Dr. Berry) referred to the Budget. Is he aware that it is up to politicians and Ministers to take decisions, to form judgments and to implement policies? What is in the Maastricht treaty that prevents politicians and Ministers from taking such desirable decisions within the economic policy guidelines which are a feature of the treaty and which it is up to politicians to draw up and implement?

Dr. Berry: As my hon. Friend wants chapter and verse, I quote article 107:

"When exercising the powers and carrying out the tasks and duties conferred upon them by this Treaty and the Statute of the ESCB, neither the ECB, nor a national central bank, nor any member of their decision-making bodies shall seek or take instructions from Community institutions or bodies, from any government of a Member State or from any other body. The Community institutions and bodies and the governments of the Member States undertake to respect this principle and not to seek to influence the members of the decision-making bodies of the ECB or of the national central banks in the performance of their tasks."

Mr. Mandelson: Well——

Dr. Berry: My hon. Friend will agree that I have not barracked anybody so far. I am attempting to answer his question. If he thinks that that article, explaining how politicians cannot influence the central bank, is inadequate, perhaps he will allow me to summarise my understanding of the provision, and then he can explain why the words mean something different to him. I am not a lawyer; I am a humble hack——

Mr. Legg: And an economist.

Dr. Berry: Yes, I plead guilty to being one of those.

On the basis of my knowledge of the English language, article 107 instructs the European central bank and the Bank of England—denationalised by then, under the treaty—not to take instructions from anyone. It also commits the signatories to the treaty not to seek to influence the European central bank or national central banks.

Mr. Radice: My hon. Friend argues that economic and monetary union is against the interests of the weakest regions. There is in the Maastricht treaty—whether it is adequate is debatable; I do not think it is sufficiently adequate—a mechanism for dealing with that problem. It is called the structural fund and the cohesion fund. If my hon. Friend had mentioned those funds, he might have had a fair point. He is implying that there is no mechanism in the treaty to deal with such problems. There is a mechanism, though it needs to be expanded.

Dr. Berry: Redistribution takes place in the European Community. I thought I had pointed out that its extent was inadequate to justify the unleashing of a single currency on member states. In essence, I do not believe that the degree of economic, social and political cohesion necessary for the benefits of a single currency to outweigh the costs exists in the European Community now. I happily recognise that there are benefits from a single currency, but it is foolish in the extreme simply to assume that the costs in terms of rising unemployment that a single currency would impose now could be addressed through the terms of the Maastricht treaty.

There is also a nonsense in the Maastricht treaty as it tries to separate monetary policy from the rest of economic policy. How is fiscal policy—public expenditure and taxation policy—to be run in such circumstances? It cannot be left to a few simple rules about budget deficits. Limiting the size of public sector deficits does not determine a fiscal framework, because the macro-economic effects of a budget depend on much more than the size of the deficit. One could have the same deficit for radically different levels of expenditure and taxation. It is rumoured that there are some heretics in this place who might believe that we should have higher levels of expenditure and possibly even higher levels of taxation.

A fiscal policy cannot be determined purely by the size of a budget deficit. Fiscal and monetary policy must be determined together. If one produces a budget, one must discuss how it is to be paid for. It would be ridiculous to have one body—in this case an independent European central bank—setting monetary policy, whatever the objectives, with fiscal policy for Europe being determined somewhere else.

There is logic in the argument that, if there is to be monetary union in the European Community and a single currency, we must have political union as well so that there can be democratic control of economic policy. Maastricht does not set out to do that. It hands over monetary policy to the control of non-elected and unaccountable bankers with the legal requirement that they deflate the European economy, but it says little about how that fits in with other aspects of economic policy in Europe. I cannot see how any democrat could support that.

It seems self-evident that the political, economic and social cohesion necessary for a single currency in the EC does not exist today. Any democrat who was arguing for monetary union now would have to argue for political union as well. That would be the only way to achieve democratic control.

In other words, the options are simple. Either we maintain our separate currencies—and co-ordinate

European policy, so long as that is in favour of reflation and not deflation; we assume that we co-ordinate in the desirable direction, though there is some evidence that we do not always do that—and co-ordinate our economic policies to aim for full employment and economic recovery, or we go for a single currency and European political union. I do not believe that the second is either on offer or is desirable at this stage, so I strongly support the first of the two options.

The middle way that says, "We shall not go for democratic institutions in Europe that will control economic policy at a different level from the present nation state but will, on the other hand, hand over the control of monetary policy to non-elected bankers" is confused, monetarist and undemocratic, and will lead to rising unemployment in Europe and, in so doing—paradoxically, perhaps, in the view of some of those advocating it—will lead to greater division in Europe.

I do not want Europe to be rent asunder by an economic package which will increase unemployment and thereby divide. I want a Europe which addresses full employment. The Maastricht treaty does not do it. I hope that at least one of the amendments in this group—whether it is amendment No. 36, amendment No. 101 or whatever—which effectively undermine the proposals for a single currency, is carried, because otherwise it will be a disaster for not simply the United Kingdom but the other economies in Europe.

Mr. Gill: I shall try to focus the Committee's attention on the effects of creating a European central bank on the people of the United Kingdom, the politicians who represent them and, indeed, the political parties to which we all belong. I apologise for quoting article 107 again, but I shall paraphrase:

"neither the ECB, nor a national central bank . . . shall seek or take instructions . . . from any government of a Member State".

In other words, we will remove from the House and, therefore, the control of the people of the United Kingdom that essential element which gives them control over their destiny—money. Money is power. Through the ages, people and politicians have recognised that control of money is the control of power. If we cede the control of money to a European central bank by this Bill, we shall have effectively ceded the control which the people in the United Kingdom previously vested in their elected representatives in the House.

Mr. Dennis Skinner (Bolsover): What does the hon. Gentleman think of the idea that one cannot control what one does not own?

Mr. Gill: The hon. Gentleman is absolutely right; I entirely agree. I should like to ask the Financial Secretary how the Government, who do not believe in returning the Bank of England to the private sector, are prepared, by dint of this treaty, to cede control of the whole of the British economy to an unelected and uncontrollable European central bank without first experimenting in the United Kingdom to see whether it can possibly work. It seems to be entirely illogical that we should proceed along those lines without at least experimenting in our own country, especially when we have a Government who are committed to returning most state institutions back to the private sector.

I hope that the Financial Secretary will respond to my question because many of my constituents find it difficult to understand why, when we are privatising commercial undertakings—at present we face the prospect of privatising the railways—we do not consider that it is important to privatise the Bank of England. At the same time, we are saying that they must support a treaty which will remove instruments that I would prefer to vest in the control of the Bank of England to a European central bank where nationals of other countries will control what our monetary policy will be. It follows that those nationals will also be controlling our fiscal policy.

I shall come back to my theme, which is the effect that the transfer of control and power to a European central bank will have on us and the people whom we represent. If we reach the point—which we inevitably will—at which we are not free agents in this House to make those decisions which the electorate expect us to make, it will be a poor day for British politics and British politicians. The effects of removing such powers from the United Kingdom and vesting them abroad is that, at a stroke, one divides the two principles of good management—authority and responsibilty. In any properly managed organisation, those two principles must be vested in the same pair of hands.

8.45 pm

The people of the United Kingdom look to us to be responsible for all that goes on in this country and all that which affects their lives. If we decide that we will put the authority for much of what we must decide beyond our shores to be decided for us, we will create the classic symptoms of bad management. We will have put authority in one pair of hands and vested responsibility in another pair of hands. Anyone who has any experience of management knows that that simply does not work.

Many right hon. and hon. Members appreciate the unsatisfactory nature of having to tell constituents, "I understand your complaint. I sympathise and agree with your complaint, but it is out of my hands. I cannot do anything about it." I submit that the electorate will not put up with that. People will soon become disenchanted, first, shall we say, with the Conservative Government. They might even be tempted to vote for the Opposition party. It will not be long before the Labour party is proved to be in exactly the same powerless situation as that which I have described. In due course, people will conclude that there is no point in voting for any politician or any party. That is a dangerous position in which to put our country. It will mean that people will feel that there is no point in voting for any party and will, therefore, vote for no party.

Mr. Bob Cryer (Bradford, South): Does it follow that, if such power is handed to a central bank and if people who are elected to government are able to shrug off any responsibility by saying that it is not their fault or responsibility because the decisions are made by the central bank, and the procedure was approved by Parliament through a treaty, a degree of alienation will develop which will result in people taking action, possibly by violent means, as my right hon. Friend the Member for Chesterfield (Mr. Benn) said, to seek alternative solutions to the real problems of, for example, widespread unemployment which might result from the decisions of a central bank?

Mr. Gill: That is exactly my fear. In extreme circumstances, we will reach the position described by the hon. Gentleman and, indeed, portrayed by the right hon. Member for Chesterfield (Mr. Benn).

The right hon. Member for Chesterfield used an interesting word. He talked about the "confidence" of the nation. I do not have much confidence standing up in the Chamber and delivering a speech, but I have every confidence that my views are absolutely sound. I have not a scintilla of doubt that when I oppose the treaty, and especially when I oppose those new clauses before us tonight, I am doing the right thing because I am in tune with the people whom I represent and the majority of people in the United Kingdom.

Whether or not the majority of the people of Britain are right or wrong on the issue is not the point. If the majority of the people believe that we should not sign the treaty —I believe that that is their view—we should not sign it. If one believes in democracy, one believes that the view of the majority should prevail.

The hon. Member for Bradford, South (Mr. Cryer) said that many politicians and Ministers would find themselves powerless to answer responsibly to the electorate. He may recognise that some right hon. and hon. Members might be content with that position. I do not suggest that the hon. Gentleman would be content with it. I have a different opinion. I believe that he would stand up robustly for the views that he holds—with which, incidentally, I disagree, except on this issue. He would not be afraid to stand up for his views and defend them to the people he represents.

However, sad to say, other hon. Members might be content to shelter behind the European central bank or the Common Market and say to the people, "We have done our best. We would like to do more, but sadly the matter is out of our hands." I agree with the hon. Member for Bradford, South that that would lead to great alienation in our nation. We should not underestimate for one minute the threat to our democracy from proceeding with the establishment of a European central bank.

Of course, the establishment of a European central bank would inevitably lead to a central currency. My hon. Friend the Member for East Lindsey (Sir P. Tapsell) suggested that there would be 12 Chancellors of the Exchequer if we had a single currency. I agreed with much of what he said in his excellent speech, but I disagreed with him on this one detail.

If we had a European central bank and a single currency, there would be but one Chancellor of the Exchequer in Europe and the prospect is that that Chancellor would not reside at No. 11 Downing street. He might not be a Member of this Parliament. There is a great possibility that he would be German. That theme was developed by my hon. Friend the Member for East Lindsey. He forecast that the creation of a central bank and single currency would mean that the deutschmark became the currency of the European Community.

Mr. Cryer: Does the hon. Gentleman accept that some people have the mistaken notion that the Maastricht treaty brings nations together and that we should work towards some conglomerate, as if that was an idealistic aim? Does he agree that where nations are compelled to join together, tensions and antagonisms are created, as we have seen in eastern Europe, following the break-up of the Soviet bloc? An enormous degree of nationalism has developed and vicious tensions have arisen which have led to enormous tragedies. The idea of forcing nations together instead of nations working together as equals is festooned with doom and potential disaster.

Mr. Gill: I am more than willing to respond to that intervention, but if I do so directly, I risk being ruled out of order by you, Dame Janet. I shall answer the hon. Gentleman's question in the context of the European central bank. He and I talk the same language. I suggest that if 12 Finance Ministers sat round a table trying to decide matters which affected the economic and monetary policy of the European Community, the decision that would emerge from their deliberations would not satisfy him or, indeed, me. Nor would it satisfy the citizens of the 11 other nations which were party to the deliberations.

It is a simple fact that any decision reached by 12 Ministers on future policy would be a compromise. No other country would accept what Britain would like to see imposed any more than Britain would accept what another country would like to see imposed. Already we have so many examples of decisions affecting Britain which have been taken by that process of compromise. Decisions invariably arrive after the event. They are almost invariably late. We do not get decisions when we want them. When they arrive, they are compromises. That is the nature of the beast. They fit where they touch.

The establishment of a central bank would affect the people we represent. Indeed, people will increasingly resent having to accept a compromise decision which they feel in their bones was not the decision that their Members of Parliament in their sovereign Parliament would have reached if they had been in a position to do so. If people feel that they cannot get a satisfactory answer from their elected Members in debates in their own Parliament, they will become disillusioned and disenchanted with the whole body politic. That is very dangerous to our democracy —I stress the words "our democracy".

Our democracy is much older than any of the democracies of the 11 nations which compromise the European Community. Our democracy has evolved. It may not be the perfect democracy, but it suits the British people. The system of democracy that we have built up in this Parliament has been founded on the unions created in the British Isles many centuries ago. It just happens that our system of government suits us in the main. People criticise it—it is not perfect and I do not pretend it is but the system has evolved over many centuries and it suits us now.

Of course, we try to compromise. We keep coming back to that word. Now we are trying to compromise our system of government, which I stress has suited us for many centuries, within another system which also has to accommodate the systems of government that have built up in 11 other nations.

Mr. Radice: The hon. Gentleman was extolling the virtues of British parliamentary democracy. Would he care to comment on the following point? As far as I understand it, we are the only Parliament of the Twelve that does not have the power to ratify treaties.

Mr. Gill: That is an interesting point, but the hon. Gentleman knows what we are debating and why the House gives such great importance to the Bill. He knows that we have taken so many days to debate it simply

because of the importance that we and—I shall not miss the opportunity to say—the people we represent attach to this particular subject.

I was speaking about the union of the United Kingdom. For hundreds of years, we have had a union, or one could say a common market, within the British Isles. We certainly have a single currency. The conclusions that I draw from our history are perhaps different from those expressed by other hon. Members. It is an object lesson for Britain to learn as it shapes up perhaps to partaking in a broader Europe involving a European central bank and a single currency. A single currency has not removed all the frictions, difficulties and tensions in our society.

9 pm

What inevitably happened and will continue to happen is that richer regions of the United Kingdom have to divvy up each and every year to make funds available to the poorer regions so that those poorer regions can be sustained within the overall union of the United Kingdom.

Those who believe that our involvement in the European Community will benefit our own regions delude themselves. Britain is already paying some £2 billion net each year to the Community. That money does not return to these shores. Opposition Members might support my view that that money could usefully go to the regions of the United Kingdom, but is more likely in future, through the cohesion fund, to go to Greece, Portugal, Spain and Southern Ireland. That will be the effect of the greater union that we are now creating. Instead of the wealth of the nation being used to support our regional policy, it will be used increasingly to support other economies.

As an example of how the creation of another single currency has worked to the disadvantage of Britain, I instance what has happened in agriculture. Many right hon. and hon. Gentlemen will appreciate that through the common agricultural policy we have effectively created a common currency—the green currency. To some extent, we have created the equivalent of a European monetary system because, through the compensatory allowances, the green currencies can be adjusted so that no country is disadvantaged. The result has not been enormous prosperity in farming or great happiness to farmers, but quite the reverse. The taxpayer, both directly though his taxes and indirectly as a purchaser of agricultural produce, has had to pay a very high price.

I am mindful of a statistic which my hon. Friend the Member for Southend, East (Sir T. Taylor) has quoted before. If Britain simply gave every farmer each year the index-linked equivalent of £127,000, that would represent a saving to the Exchequer compared with what is happening now. Although we spend more than £127,000 per farmer each year, our agriculture is in a parlous state and very few farmers are content with their earnings and the profitability of their businesses.

Here again one sees a single currency effectively at work, but it has not delivered prosperity or easier working in that industry; it has delivered the absolute opposite.

My hon. Friend the Member for Lindsey, East spoke about the possible aspirations of the German people for the deutschmark to become the currency of Europe after the creation of the European central bank and of a single currency. If the Germans were able to achieve their aspirations, it would preclude English people from achieving any of theirs.

That is a feature which many young people in this country recognise today. They are looking askance at this treaty, which we may be in danger of signing, because they see that signing it will remove from them much of the responsibility for their lives and the authority to do something about their lives and their country. They can see responsibility for the future of their country passing from these shores and being vested in the hands of the nationals of other countries. Many young people today, therefore, are totally opposed to the treaty, to the creation of the single market and to the creation of a European central bank because they see the total erosion of any prospect of their controlling the destiny of their country.

Every one of us, within our limitations, aspires to be able to do something for our country. I feel passionately strongly about this country and about the ability of its people to manage their own affairs, control their own destiny and deliver the standard of living and way of life that they want. Young people, in particular, recognise that all the time we cede power from Parliament we are disposing of their future ability to serve their country and their people and to provide for their families in the way that they would like.

In the end, what is important and what we must take seriously in doing whatever we do in the House is to create the circumstances in which the people of this country can see their aspirations achieved. If we cannot do so, we should not be signing the treaty. If we deny the people the achievement of their legitimate aspirations, we risk unleashing forces which it will be difficult to control. Many argue that the treaty is necessary to suppress the forces of nationalism. I take the contrary view. If, by whatever means—the creation of a single currency or the creation of a European central bank—we deny people the opportunity to achieve their natural and legitimate aspirations, we shall encourage in the British Isles more nationalism than is perhaps already there.

The richer regions of this country are continually funding the poorer regions, but that does not buy happiness or peace because never a year goes by without the Scots, Welsh and Irish coming back to the House—and they do not come to say, "Thank you, we're grateful," but to say that it was not enough.

Mr. Walter Sweeney (Vale of Glamorgan): Does my hon. Friend accept that ratification of the treaty would lead to increased nationalistic tendencies and to a sense of the denial of democracy—to a feeling of frustration—which might result in disorder on the streets?

Mr. Gill: I have answered that argument in one way, but I should like the opportunity to do so in another, Dame Janet.

The Second Deputy Chairman: I hope that the hon. Gentleman will do so in a way that relates to the amendments under consideration.

Mr. Gill: I shall do my level best to ensure that I meet those requirements, Dame Janet.

The coinage of the realm is at stake. If it is controlled by the European central bank, and if all the decisions affecting it are seen by the people of this country to be defective, or if they disagree fundamentally or in detail with the decisions of the central bankers, it will be a bad day for this country and for its people and there will be enormous resentment.

[Mr. Gill]

If people feel that they cannot get redress through the ballot box, they will be left with no alternative but to seek other measures. I am sure that my hon. Friend the Member for Vale of Glamorgan (Mr. Sweeney) shares my view that that would also be a sad day for this country.

During our debates in Committee, much play has been made of the word "loyalty" and loyalty to party and constituents have been mentioned, but I suggest that there are two other important loyalties—loyalty to oneself and to one's country. I shall vote for the amendment.

Mr. Malcolm Bruce (Gordon): This will be my first intervention in the Maastricht debate. As the Committee has progressed, I have noticed that the shorter an hon. Member's notes, the longer his speech. I have some notes here, but they are approximately in proportion to the length of the speech that I intend to make.

I have been interested in some of the exchanges of views. One would have thought that the thrust of the argument of those who oppose the amendment is that it is a terrible thing to have an independent bank, and that one needs a bank that is under clear control. Then one would have control of the economy, and problems such as unemployment would be eliminated. That would be a bank similar to the Bank of England, but we have the Bank of England and it is under control, and we also have 3 million unemployed and an appalling balance of payments deficit. That seems to have escaped some of the critics of the developments that the treaty seeks to recommend for this country and for the Community.

I was interested to hear the speech by the right hon. Member for Chesterfield (Mr. Benn), and found it strange to see myself as a rising new Liberal Democrat, hearing the voice of a decaying old socialist, who was quoting Liberal history at me. He seemed to be accusing people of pessimism, but he seemed to be afraid of embracing change and of finding instruments in the mechanism whereby it can be brought about.

The treaty is about trying to take a step forward to build mechanisms, which will have to evolve as the Community has evolved since its inception. It is no secret to the Committee that my party has long argued the case for an independent central bank for the United Kingdom, and not only for the European Community as it develops. I should like to say why we think that an independent central bank is desirable—I stress "independent" rather than "unaccountable".

Mr. Mandelson: The reasons for the hon. Gentleman's party's support for an independent central bank will be of great interest to the Committee. Before giving those reasons, however, will he say whether the independent central bank that he advocates should have absolutely no political relationship with Parliament? Why have his hon. Friends said outside this Chamber that they are not prepared to support amendments tabled by my hon. Friend the Member for Oxford, East (Mr. Smith) to achieve some answerability and accountability? Surely that is completely inconsistent with, and contradictory of, everything that Liberal Democrats stand for.

9.15 pm

Mr. Bruce: As I said before I was interrupted, there is a difference between independence and lack of accountability. As has been clearly pointed out, an independent bank is appointed by politicians and operates within a constitutional framework determined by politicians and capable of being amended by politicians.

But I want to answer the hon. Gentleman's question directly. What is not acceptable is the suggestion that the bank should be accountable, in its day-to-day management of the economy, to the Government or to the House of Commons. This point has been addressed by Conservative Members. The problem arising out of the amendment is not whether the bank should report to the House of Commons. Such reporting would present us with no serious problem, but difficulty would arise if reports were put to a vote. The consequences would clearly compromise the principle of the bank's freedom of action and independence. That is why we have reservations about the amendment.

The second point relates to the bank's independence to pursue the strategy set down in its constitution. In general, it has been agreed—although there have been dissenting voices in the debate today—that bearing down on inflation should be the specific responsibility of the bank, and that it should pursue policies designed to achieve that objective. Those who say that that is not the objective that a central bank should freely pursue hold a perfectly legitimate view, but the argument then hinges on changing the articles of the bank and the political framework and constitution within which it operates—if necessary, by changing the treaty. The European Community has developed, step by step, through treaties, and will continue to do so. That is and will continue to be an evolutionary process.

Sir Teddy Taylor: Does the hon. Gentleman accept that, even if the House of Commons, under new clause 1, were to pass a resolution to the effect that the activities of our central bank were a mixture of lunacy, irresponsibility and madness, the decisions of the bank, in terms of the treaty, would not be affected in any way? Would not the bank be acting illegally if it paid the slightest attention to the views of the House of Commons?

Mr. Bruce: What the hon. Gentleman says is true, although I suspect that it might be quite difficult to prove. The argument has already been advanced in the case of the Bundesbank, which is independent and is required, within specific parameters, to operate independently and not to be directed by the German Government. However, there is a sanction. First, appointment is by the Government, and I suppose that in extreme circumstances the Government could dismiss. But the Government cannot tell the bank to change its policies within specific, legally defined areas.

Policies outside those areas are a different matter. This is about setting up mechanisms by which the bank will operate and mechanisms for effecting change from time to time should the need arise. But there should not be interference in day-to-day management. That is the meaning of independence.

Mr. Cash: The hon. Gentleman is displaying incredible ignorance of the nature and functions of the Bundesbank. One thing that is crystal clear is that the German Federal Government are responsible for economic objectives, whereas the Bundesbank merely has a function with

respect to questions of currency stability. Everything that the hon. Gentleman says displays a complete lack of knowledge of how the system functions. I do not understand how his party, whose name includes the words "Liberal Democratic", and which has the tradition of the Liberal party behind it, can endorse a system so thoroughly undemocratic and authoritarian. It is an unbelievable position. The people of this country need to know what a fraud the Liberal Democrats are perpetrating on their own electors.

Mr. Bruce: I shall take that intervention for what it is worth, but I think that the hon. Gentleman might listen to the argument before launching his attack. I shall not make the mistake of giving way to him again.

The first argument that we have made is that the pragmatic evidence is that independent central banks have an extremely good record of bearing down on inflation. There is plenty of evidence, not just theoretical but practical, to show that, when a bank acts independently, the record on reducing inflation is extremely good.

The hon. Member for Stafford (Mr. Cash) comments about the Bundesbank——

Mr. Denzil Davies: Will the hon. Gentleman give way?

Mr. Bruce: I shall not give way, as I wish to develop my argument. It becomes difficult to do so if one is interrupted every sentence.

The evidence shows that independent banks are effective in reducing inflation. A study published in 1991 by Vittorio Grilli expressed that graphically. It said:

"Central bank independence is tantamount to free lunch: it delivers low inflation with no apparent costs to the real economy's macroeconomic performance."

Mr. Austin Mitchell: Will the hon. Gentleman give way?

Mr. Bruce: I should like to proceed further with my argument, as I have a number of issues to raise.

I accept that my argument can be seen at present in practical terms only in individual nation states, as that is all we have to base it on. It has been argued that the effectiveness of a bank in bearing down on inflation and resisting political pressures across the whole of Europe would be less apparent. However, it can be argued that, in a single state, a general election can result in political pressures that affect the framework and organisation of the bank. It is unlikely that all 12 member states will face re-election at the same time, which would ensure greater independence than there is in a single member state.

It is also interesting that those who seem to oppose the concept of a bank operating within specific parameters for particular purposes without day-to-day political interference also seem to believe that, where that interference is apparent and overt, as it has been in this country, it automatically works in the national interest and meets the needs of constituents and electors. I have listened with interest, not only in this debate, but in previous debates, to criticisms—particularly from within the Conservative party—about our membership of the exchange rate mechanism, its undesirability and its effect on interest rates.

I remind Conservative Members of the circumstances in which we joined the ERM. There were numerous opportunities over many years for the Government to decide when the mix of exchange rate mechanisms was right. They missed every one of those opportunities—almost any of which would have been a better moment to enter than that when the Government decided to do so. It was not the Bank of England that decided when to enter, but the Government. They did so on the eve of the Conservative party conference in order to secure a standing ovation the following day.

That was the most short-term policy manipulation, as a result of which we entered the ERM at the wrong rate. The policy was successful in reducing inflation over a period, but at a severe cost. We had to sustain higher exchange rates than we would otherwise have done, because we also had to sustain interest rates.

Mr. Austin Mitchell: The hon. Gentleman said that we entered the ERM at the wrong rate, which is certainly true. But in that case, why was the Liberal party so insistent on pressing us to go into narrower bands at that wrong rate?

Mr. Bruce: The hon. Gentleman should be aware that the point of entering the exchange rate mechanism was to impose a discipline on this country, which would have enabled us to bring down inflation. We are dealing with the short term because it is only six months since we left the ERM.

Mr. Skinner: Would the hon. Gentleman go back into the ERM?

Mr. Bruce: In the present circumstances, we cannot return to it. The Bank of England has expressed the view that we should have a short transition to a single currency rather than go through a long process which leaves each currency vulnerable and open to pressure—*[Interruption.]* The hon. Member for Bolsover (Mr. Skinner) has moved from his usual place and is hurling sedentary abuse—*[Interruption.]*

The Second Deputy Chairman: Order. It is quite out of order for an hon. Member to come between the Chair and the Member who is speaking in the way that the hon. Member for Bolsover (Mr. Skinner) has done. Such behaviour is unacceptable.

Mr. Skinner: On a point of order, Madam Chairman. The hon. Gentleman invited me to come back to my seat, and said that I was in an unusual position. I was about to ask him if he was prepared to go back into the ERM along with Paddy Backdown and his mates, because that would be like a dog returning to his vomit.

The Second Deputy Chairman: I have heard enough.

Mr. Bruce: It is probably just as well that the hon. Gentleman's remarks are on the record. They do not do him much credit. The hon. Gentleman and those who hold his view do not have a vision of the future other than a centralised, socialist-managed state which does not yet command wide support in this country. We are trying to build a mechanism in Europe that will make the single market work and develop the Community so that its past successes can be built upon. That is the purpose of the proposals.

We need to look seriously at how we can operate a monetary system with the responsible financial management that an independent bank can provide. A system that is subject to constant political interference is almost bound to fail.

Mr. Michael Spicer: Will the hon. Gentleman give way?

Mr. Bruce: No, I should like to make progress.

I am not convinced by the argument that a central bank is anti-democratic. If we agree that economic policy has to be underpinned by low inflation, we must agree a mechanism by which that can be done and grant to a body the authority to pursue the policies to achieve it. Most democracies do that naturally in a variety of ways every week, and it is a perfectly reasonable way to proceed.

It is not reasonable to set up bodies, in the financial sphere or anywhere else, and presume to second-guess them. I have lost count of the number of times that I have been told by Ministers at the Dispatch Box that it is inappropriate to ask them to interfere in the day-to-day management even of public bodies for which they are responsible, because it is not their job to second-guess the people they appointed to manage those institutions. That is a comparable analogy. The constitution, the organisations and the personnel can be changed, but there is no point in setting up bodies and taking decisions away from them.

Mr. Michael Spicer: The hon. Gentleman is building his case on the idea proposed by Labour Front-Bench Members that a fixed exchange rate must be established and that interest rate policies should follow from that.

The hon. Gentleman says that he likes fixed exchange rates but did not like the one that applied when Britain entered the ERM. Will he give us a clue as to the exact level of the exchange rate that he would have thought appropriate? Was it when we were shadowing the deutschmark downwards and would have had a 4 per cent. interest rate? That would not have lasted long. It would have blown apart as easily as the one that exploded on white Wednesday. What are the Labour and Liberal Front-Bench spokesmen saying? Even the Government, temporarily at least, have said that they are not subordinating all their policies to a fixed exchange rate, but the Labour party and the Liberal party seem to be pursuing that idea.

Mr. Bruce: We could dwell on the reasons that the exchange rate mechanism came under pressure, but I do not intend to do so. We could debate whether or not the Chancellor was offered realignment within the mechanism, which could have enabled it to continue on a different basis, leading to a reassessment of the German mark. The ERM failed because of a number of factors, and its failure does not mean that the reasons for being in it were unsound. More fundamentally, its failure does not alter the case for a single currency. Rather, it strengthens the case, because a single currency would be less open to speculation than 12 currencies trying to maintain agreed parities.

Mr. Austin Mitchell: How do we get there?

9.30 pm

Mr. Bruce: I intend to develop my argument in my own way. I have given way several times, but I have a number of points still to make.

I made the point that the central bank would operate under a constitution written by politicians. It would be independent but also accountable.

Sir Teddy Taylor: Rubbish.

Mr. Bruce: The hon. Gentleman can say, "Rubbish," if he likes, but that is how the bank would operate.

The bank's board members would be appointed by the Governments of the member states and would be representative of them. It would report annually to the European Parliament, European Council and European Commission, and its policies may be debated in the Parliament. That is a much more orderly and genuinely democratic way of going about things than having banks that are subject to short-term political pressures from politicians in a hole trying to manipulate them.

People have every reason and right to say that they do not like or want a central bank—there are perfectly reputable arguments against one—but the argument that a central bank is undemocratic does not stand up. That is by definition to say that countries such as the United States, Germany and New Zealand that have a central bank are not democratic, whereas most of them are rather more successful democracies than our own. They have operated their economies with much more success over a longer period—certainly in the case of Germany—than we have done. We can at least acknowledge that they may have something from which we can learn, rather than abuse the notion of a central bank in a non-intelligent way.

Another argument frequently used concerns the sovereignty of the House of Commons. That is a matter of opinion. Some of us believe that the sovereignty of the House is used not to liberate the citizens of this country but occasionally to enslave them. Members of Parliament can take whatever power they choose by a simple majority in the House, and the citizens of this country have no guarantee against abuse of power. Achieving a majority in the House might be easier—as the hon. Member for Southend, East (Sir T. Taylor) believes—than achieving a majority in the country. Why else does the hon. Gentleman campaign for a referendum?

Mr. Benn: It is the interrelationship between proportional representation and a central bank. One could give people any electoral system—such as one under which national lists and the votes of the seats correspond—but ultimately, the electorate could not control economic policy no matter how they voted. That would not be democratic. That is where the proportional representation argument is totally phoney. One might offer the electorate the system that the hon. Gentleman's party thinks is better, but in the end they would not control power because, as the hon. Gentleman agrees, it would be handed to somebody else.

Mr. Bruce: I do not want to be drawn too far down that road. The right hon. Gentleman raised the issue of the voting system, not me. I was talking about matters on which he and I agree—such as a Bill of Rights and the rights of citizens being written in as guarantee against the abuse of Parliament, however that Parliament may be elected. I do not regard proportional representation as the definitive answer to all questions of freedom and democracy. There must be other guarantees that do not exist in this country. So far, freedom and democracy have not been seriously and totally abused, although they have been frequently undermined.

Mr. Richard Shepherd (Aldridge-Brownhills): Will the hon. Gentleman give way?

Mr. Bruce: I should like to get on.

We must consider a question to which the amendments at least relate: how are the Government to proceed from

their present stance? They are currently reserving their position on European monetary union, which is a three-stage process. We need to establish how they can go on to the third stage if they do not plan to go through the second. I hope that the Financial Secretary will explain how the Government's opt-out will, or will not, work. Alternatively, if they decide to opt in without having gone through the second stage, how can they proceed from the first stage to the third without transition?

I understand that, under the terms of the treaty, stage 2 requires us to make preparations to bring our own domestic central bank into line with the provisions of the independent bank that would be required by stage 3. If the Government resist the mechanism, how are we to achieve that in one go? There is a danger that we shall suddenly have to run extremely fast to catch up if we finally decide to go for monetary union. That is why I believe it makes sense for Britain to consider creating a more independent central bank, on its own merits and on our own terms, whether or not we opt for monetary union. First—as I have argued—that would be a better way in which to run the British economy; secondly, it would achieve the transition from an independent British bank to European monetary union with much less disruption than would otherwise occur.

I am particularly disturbed that the Government, under pressure, have gone for the opt-out, because I believe that that has had serious consequences for the development of the British economy and Britain's role as a financial centre. When I was a member of the Select Committee on Trade and Industry, we considered the implications of the single market for financial services. We were told—not only by bankers in Paris, Madrid and Milan, but even by bankers in Frankfurt—that, in their view, if we moved towards monetary union, Britain's case for securing the headquarters of the European bank would be overwhelming, given the importance of the City of London and the political argument that Britain was entitled to take a major prize from the process.

By deciding to sign the treaty, but not necessarily to sign up for full economic and monetary union, we gave away all our bargaining position. The Germans now assume that the prize will go elsewhere, and believe that they have a very good chance of winning it. For the very reasons cited by Conservative Members, I think that it would be undesirable for the bank to be located in Germany. It is important symbolically to make it clear that, if we proceed to European monetary union, there will be a European bank and a European currency, rather than a Bundesbank and a deutschmark. Britain could have secured a pivotal role, but the Government have effectively thrown that role away.

Those are not just my words; they were uttered to me 10 days ago by Sir Leon Brittan. "How," he asked, "can I possibly suggest that Britain should have the headquarters of a club that it has not yet decided to join?"

Sir Peter Tapsell: The German Parliament has reserved its position on the single currency and will have to have another vote, which we are not necessarily promised, but how does that strengthen the German claim to have the central bank? The issue is entirely open, and the constitutional position of the two countries is the same.

Mr. Bruce: If the Germans decided not to be part of the single currency, the enterprise would collapse in any case. However, they signed up for the principle without demur at the beginning. Some Conservative Members claim to favour the development of the Community but oppose the Maastricht treaty. That is like saying that they will play golf on the same course as everyone else but that they are to get a free lift out of all the bunkers. Surprisingly, other people are not willing to play under those rules.

In the long term, it is not realistic to believe that Britain can maintain credibility within the European Community and opt-out of major developments. The danger is that the majority of the members of the Government do not intend to opt out. They intend to move towards a central bank and European monetary union, but have gone for the opt-out clause because they thought that they needed it to get the proposals accepted by the Conservative party. The contributions made in debates by Conservative Members show that they have received very little gratitude for that, so the Government have paid a high price in terms of the national interest, for no political pay-off within the party. That is something for which they will be held accountable.

The argument that there is to be one unified, centralised bank does not accord with the practicalities of how the Community will develop. That is borne out by the wording of article 107, which refers to the European central bank or the central banks of member states. It is inevitable that the central bank will work through the central banks of the member states and that it will be—to use a word which causes hackles to rise among Conservative Members—a quasi-federal arrangement rather than a wholly unitary, central operation. That in itself gives scope for a more democratic approach.

It is our contention that an independent central bank will be much more effective in pursuing policies which will bring down inflation. That is not only theoretically true but practically proven in countries which have such an institution. It is desirable for the United Kingdom to move in that direction as quickly as possible. It is wholly compatible with our democratic institutions and with broad accountability, and merely removes the day-to-day interference from the operations of the bank.

I agree that convergence will take longer than some have argued. Once it is achieved, the single market which is so enthusiastically embraced by Conservative Members will ultimately not be sustainable without a single currency and bank. We must take it step by step and must be prepared to renegotiate. That is how all democratic institutions develop. However, the process must be formalised step by step, and that is especially true when dealing with the present national frontiers. That is the evolution of constitutional advance.

It is perhaps a problem for this country that we do not have a written constitution. As we do not have such a constitution, we do not understand that, for most people, agreements must be written down and reviewed and amended from time to time. Constitutional review is a normal process in most democratic countries. If we understood that better, we might be less concerned about and afraid of what is being proposed.

The European Community is a great association of democratic states trying to build a strong economic base on which they can create their own prosperity and compete effectively with other major blocs such as the United States, Japan, the Pacific rim and, perhaps in the long run, the eastern countries with which we can also develop trading partnerships.

[Mr. Bruce]

I do not accept that the EC is a closed community; it is an open, free-trade community. But the stronger we are internally, the better we shall be able to trade externally. The mechanisms in the treaty are an essential step, and I greatly regret that this country is dragging its feet and sullying its credibility by means of the process that the House is now going through. The longer it takes, the less influence we shall have in shaping the Community, and the more damage will have been done to our long-term national interests.

9.45 pm

Mr. Radice: I shall argue the case for a European central bank. I believe that it is inevitable that a single market should have a single currency. There is indeed a strong case for a single currency. I was interested to hear that, although he argued against a European central bank, my hon. Friend the Member for Kingswood (Dr. Berry) accepted that there were plus points in favour of a single currency. He said, rightly, that there would be a gain on transaction costs not only for businesses but for tourists and other travellers, and that a single currency would get rid of currency instability.

More important than those advantages is the fact that a single currency underwrites a single market. If currencies compete against one another and develop a system of competitive devaluation, which several of my hon. Friends seem to support, that is the surest way of destroying a single market—and it could well happen. If there is a single currency, a single monetary authority is also needed, and that is the case for a European central bank. As I shall argue, there is a strong case for such a bank to operate independently.

Of course, the political motivation behind a European central bank is that it is a way to escape from German domination of monetary policy. I know that the hon. Member for East Lindsey (Sir P. Tapsell) is worried about German domination of European monetary policy, and he once talked about German bankers as being like panzer generals. If he is really worried about that idea, he should support the idea of a European central bank, because that is the way to stop German domination. It would give every country in Europe a hand, a say——

Mr. Bryan Gould (Dagenham): Nonsense.

Mr. Radice: Yes, it would. Would my hon. Friend like to intervene?

Mr. Gould: I shall make my own speeches.

Mr. Radice: I am glad to hear that. What I have said is not nonsense; it is true. That is why the French have been so enthusiastic about economic and monetary union. One of the weaknesses of the ERM is precisely the fact that it is dominated by German monetary policy and the German currency.

I admit that I quite like central bankers. I do not see them as demons, as my hon. Friends do. I happen to believe that, if we put a number of central bankers together, of course they will act as central bankers—but as central bankers from different countries. Over the past three weeks, I have had the experience of meeting the governors of the central banks of France, Spain and Germany, and they are all very different—*[Interruption.]* I did not go to the Dutch central bank, but I hope to do so. *[Interruption.]* I was not even offered lunch—unlike the hon. Member for East Lindsey, who was offered lunch by the Italian Foreign Minister. *[Interruption.]* They did not offer me lunch or dinner—*[Interruption.]*—and they have not gone to gaol. Neither have I—not yet, anyway.

The central bankers were all very different: they were different because they were Frenchmen, Germans and Spaniards who looked at things from their own national angle. The point about the European central bank is that it will comprise the governors of the different central banks. Over them will be an executive with eight representatives who do not have to be bankers and who will bring to the European central bank different experiences from different countries.

Mr. Cash: Would the hon. Gentleman care to examine the provisions relating to the autonomy of the central bank? Is he aware that what he has just said about the individual bankers being able to represent their national interests is directly contradicted not only by article 7 of the protocol on the central bank, which says that they may neither seek nor take instructions, but even in stage 2, in which the same applies to the central bank governors in the European Monetary Institute? Does the hon. Gentleman accept that his argument is built on sand?

Mr. Radice: Of course it is not built on sand. I shall come to the issue of operational independence. It is a good principle. I see nothing wrong with the article that has been bandied about by all those who oppose Maastricht and the Community. It is a sensible way of ensuring that the bank acts independently in an operational way, as I believe it should. I do not believe that there is any other way in which it can operate if it is to be effective.

We have heard much about how terrible it is that the European central bank should have price stability as its primary objective. But what does one expect from a central bank? Surely that is what we want from a central bank. I happen to believe that there is a strong argument for price stability. People in my constituency do not like the currency to be debauched.

Mr. Gould: What about living standards?

Mr. Radice: I shall come to that in a moment, if my hon. Friend will wait.

There is nothing wrong with price stability as an objective for a central bank. As my hon. Friend the Member for Hartlepool (Mr. Mandelson) pointed out in a notable earlier speech—I think about three months ago—the central bank operates within the much wider context of an overall economic policy that is contained in article 2. The bank is only in charge of monetary policy, and that monetary policy does not include the exchange rate.

Dr. Berry: As it is not possible to achieve price stability or zero inflation with 3 or 4 million people unemployed, how many more people would need to be unemployed and how much deeper would the recession need to be to achieve price stability? Will my hon. Friend explain that to the Committee?

Mr. Radice: If my hon. Friend wants to be entirely literal about this, he is perfectly entitled to do so. I take price stability to mean that one does not have a roaring rate of inflation. That is what the treaty is referring to.

Dr. Berry: Does my hon. Friend recognise that the phrase "price stability" does not mean other than roaring inflation? Does he take it to mean stable prices and zero inflation? How many more people must be unemployed to achieve the overriding objective of zero inflation?

Mr. Radice: As I said, my hon. Friend is being entirely literal.

Mr. Gould: That is what it says.

Mr. Radice: I appreciate that my hon. Friend the Member for Dagenham (Mr. Gould) is enthusiastic about the issue. He likes to read into every word of the treaty some terrible thing that is about to happen. In fact, it does not say "zero inflation" but "price stability", and I do not see anything wrong in price stability.

Mr. Mandelson: My hon. Friend the Member for Durham, North (Mr. Radice) is saying that it is proper and legitimate for price stability to be a primary goal for an independent central bank to pursue. But it is not the only goal. There are other goals and other policy imperatives, and no doubt attention will be given to them all. It is up to Ministers and other politicians to decide among those goals, but it is proper for the central bank to try to pursue that goal of price stability.

Mr. Radice: I could not put it better myself. A carefully defined set of powers will be in the hands of the central bank—*[Interruption.]* There are other powers—for example, on exchange rate policy—in the hands of the European Council. Fiscal policy is in the hands of nation states, except in so far as there are common rules and procedures, as there should be, if there is to be a common European policy.

Sir Teddy Taylor *rose*——

Mr. Radice: I will not give way. There is too much noise—*[Interruption.]*—and I would not be able to hear the hon. Gentleman.

The Chairman of Ways and Means (Mr. Michael Morris): Order. The Committee should be courteous to the hon. Member for Durham, North (Mr. Radice) and listen to his words.

Mr. Radice: It has been said that economic and monetary union always works to the disadvantage of the poorer regions of Europe. That is true, which is why there is a cohesion fund and structural funds. I agree that they are not yet big enough—*[Interruption.]*—and there is in place a framework in which it is possible to deal with some of the disadvantages that arise from a single currency and economic and monetary union.

Much has been said about operational independence. There is a strong case for that, of which the model of the Bundesbank is a good example. Of course, the Bundesbank works from a history different from ours. It works from the experience of Weimar, when the politicians debauched the currency. That is why people in Germany are greatly concerned to have a stable price regime—*[Interruption.]*—and why the Bundesbank is a popular organisation. Indeed, it has been shown to be the most popular organisation in Germany. It must be said that, in Germany, bankers are more popular than politicians. I do not see anything wrong with having an independent bank or an independent European bank, and I do not see it as anti-democratic.

Like my hon. Friends, I shall argue for the strengthening of ECOFIN, a European Commission and the strengthening of the power of the European Parliament. I do not see anything wrong with operational independence or the beginnings of the accountability features in the Maastricht treaty. The question which arises is whether EMU will happen. Of course that is not certain. It is possible that competitive devaluation——

It being Ten o'clock, THE CHAIRMAN *left the Chair to report Progress and ask leave to sit again.*

Committee report Progress.

Motion made, and Question put forthwith, pursuant to Standing Order No. 14 (Exempted business),

That, at this day's sitting, the European Communities (Amendment) Bill may be proceeded with, though opposed, until any hour.—*[Mr. Nicholas Baker.]*

The House divided: Ayes 296, Noes 279.

Division No. 203] **[10 pm**

AYES

Adley, Robert
Ainsworth, Peter *(East Surrey)*
Aitken, Jonathan
Alexander, Richard
Alison, Rt Hon Michael *(Selby)*
Alton, David
Amess, David
Ancram, Michael
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Arnold, Sir Thomas *(Hazel Grv)*
Ashby, David
Ashdown, Rt Hon Paddy
Atkinson, David *(Bour'mouth E)*
Atkinson, Peter *(Hexham)*
Baker, Nicholas *(Dorset North)*
Baldry, Tony
Banks, Matthew *(Southport)*
Banks, Robert *(Harrogate)*
Bates, Michael
Bellingham, Henry
Beresford, Sir Paul
Blackburn, Dr John G.
Booth, Hartley
Boswell, Tim
Bottomley, Peter *(Eltham)*
Bottomley, Rt Hon Virginia
Bowden, Andrew
Bowis, John
Brandreth, Gyles
Brazier, Julian
Bright, Graham
Brooke, Rt Hon Peter
Brown, M. *(Brigg & Cl'thorpes)*
Browning, Mrs. Angela
Bruce, Ian *(S Dorset)*
Bruce, Malcolm *(Gordon)*
Burns, Simon
Burt, Alistair
Butterfill, John
Campbell, Menzies *(Fife NE)*
Carlile, Alexander *(Montgomry)*
Carlisle, Kenneth *(Lincoln)*
Carrington, Matthew
Channon, Rt Hon Paul
Chapman, Sydney
Churchill, Mr
Clark, Dr Michael *(Rochford)*
Clarke, Rt Hon Kenneth *(Rushcliff)*
Clifton-Brown, Geoffrey
Coe, Sebastian
Colvin, Michael
Congdon, David
Conway, Derek
Coombs, Anthony *(Wyre For'st)*
Coombs, Simon *(Swindon)*
Cope, Rt Hon Sir John
Cormack, Patrick
Couchman, James
Critchley, Julian
Currie, Mrs Edwina *(S D'by'shr)*
Curry, David *(Skipton & Ripon)*
Dafis, Cynog
Davis, David *(Boothferry)*
Day, Stephen
Deva, Nirj Joseph
Devlin, Tim
Dickens, Geoffrey
Dicks, Terry
Dorrell, Stephen
Douglas-Hamilton, Lord James
Dover, Den
Duncan, Alan
Dunn, Bob
Durant, Sir Anthony
Dykes, Hugh
Eggar, Tim
Elletson, Harold
Emery, Rt Hon Sir Peter
Evans, David *(Welwyn Hatfield)*
Evans, Jonathan *(Brecon)*
Evans, Nigel *(Ribble Valley)*
Evans, Roger *(Monmouth)*
Evennett, David
Faber, David
Fabricant, Michael
Fairbairn, Sir Nicholas
Fenner, Dame Peggy
Field, Barry *(Isle of Wight)*
Fishburn, Dudley
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Foster, Don *(Bath)*
Fowler, Rt Hon Sir Norman
Fox, Dr Liam *(Woodspring)*
Fox, Sir Marcus *(Shipley)*
Freeman, Roger
French, Douglas
Gale, Roger
Gallie, Phil
Garel-Jones, Rt Hon Tristan
Garnier, Edward
Gillan, Cheryl
Goodlad, Rt Hon Alastair
Goodson-Wickes, Dr Charles
Gorst, John
Grant, Sir Anthony *(Cambs SW)*
Greenway, Harry *(Ealing N)*
Greenway, John *(Ryedale)*
Griffiths, Peter *(Portsmouth, N)*
Grylls, Sir Michael
Gummer, Rt Hon John Selwyn
Hague, William

Hamilton, Rt Hon Archie *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, Sir John
Hargreaves, Andrew
Harris, David
Haselhurst, Alan
Hawkins, Nick
Hayes, Jerry
Heald, Oliver
Heath, Rt Hon Sir Edward
Heathcoat-Amory, David
Hendry, Charles
Heseltine, Rt Hon Michael
Hicks, Robert
Higgins, Rt Hon Sir Terence L.
Hill, James *(Southampton Test)*
Hogg, Rt Hon Douglas *(G'tham)*
Horam, John
Hordern, Rt Hon Sir Peter
Howard, Rt Hon Michael
Howarth, Alan *(Strat'rd-on-A)*
Howell, Rt Hon David *(G'dford)*
Hughes Robert G. *(Harrow W)*
Hughes, Simon *(Southwark)*
Hunt, Rt Hon David *(Wirral W)*
Hunt, Sir John *(Ravensbourne)*
Hunter, Andrew
Jack, Michael
Jackson, Robert *(Wantage)*
Johnson Smith, Sir Geoffrey
Johnston, Sir Russell
Jones, Gwilym *(Cardiff N)*
Jones, Ieuan Wyn *(Ynys Môn)*
Jones, Robert B. *(W Hertfdshr)*
Jopling, Rt Hon Michael
Kellett-Bowman, Dame Elaine
Kennedy, Charles *(Ross,C&S)*
Key, Robert
Kilfedder, Sir James
King, Rt Hon Tom
Kirkhope, Timothy
Kirkwood, Archy
Knight, Mrs Angela *(Erewash)*
Knight, Greg *(Derby N)*
Knight, Dame Jill *(Bir'm E'st'n)*
Knox, David
Kynoch, George *(Kincardine)*
Lait, Mrs Jacqui
Lamont, Rt Hon Norman
Lang, Rt Hon Ian
Leigh, Edward
Lennox-Boyd, Mark
Lester, Jim *(Broxtowe)*
Lidington, David
Lilley, Rt Hon Peter
Lloyd, Peter *(Fareham)*
Llwyd, Elfyn
Luff, Peter
Lyell, Rt Hon Sir Nicholas
Lynne, Ms Liz
MacGregor, Rt Hon John
MacKay, Andrew
Maclean, David
Maclennan, Robert
McLoughlin, Patrick
Madel, David
Maitland, Lady Olga
Major, Rt Hon John
Malone, Gerald
Mans, Keith
Marland, Paul
Marshall, John *(Hendon S)*
Marshall, Sir Michael *(Arundel)*
Martin, David *(Portsmouth S)*
Mates, Michael
Mawhinney, Dr Brian
Mayhew, Rt Hon Sir Patrick
Mellor, Rt Hon David
Merchant, Piers
Michie, Mrs Ray *(Argyll Bute)*
Milligan, Stephen
Mills, Iain
Mitchell, Andrew *(Gedling)*
Mitchell, Sir David *(Hants NW)*
Monro, Sir Hector
Montgomery, Sir Fergus
Moss, Malcolm
Needham, Richard
Nelson, Anthony
Neubert, Sir Michael
Newton, Rt Hon Tony
Nicholls, Patrick
Nicholson, David *(Taunton)*
Nicholson, Emma *(Devon West)*
Norris, Steve
Onslow, Rt Hon Sir Cranley
Oppenheim, Phillip
Ottaway, Richard
Page, Richard
Paice, James
Patten, Rt Hon John
Pattie, Rt Hon Sir Geoffrey
Peacock, Mrs Elizabeth
Pickles, Eric
Porter, Barry *(Wirral S)*
Portillo, Rt Hon Michael
Powell, William *(Corby)*
Rathbone, Tim
Redwood, John
Renton, Rt Hon Tim
Richards, Rod
Riddick, Graham
Robathan, Andrew
Roberts, Rt Hon Sir Wyn
Robertson, Raymond *(Ab'd'n S)*
Robinson, Mark *(Somerton)*
Rowe, Andrew *(Mid Kent)*
Rumbold, Rt Hon Dame Angela
Ryder, Rt Hon Richard
Sackville, Tom
Sainsbury, Rt Hon Tim
Scott, Rt Hon Nicholas
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shephard, Rt Hon Gillian
Shepherd, Colin *(Hereford)*
Shersby, Michael
Smith, Tim *(Beaconsfield)*
Soames, Nicholas
Spencer, Sir Derek
Spicer, Sir James *(W Dorset)*
Spink, Dr Robert
Spring, Richard
Sproat, Iain
Squire, Robin *(Hornchurch)*
Stanley, Rt Hon Sir John
Steel, Rt Hon Sir David
Steen, Anthony
Stephen, Michael
Stern, Michael
Stewart, Allan
Streeter, Gary
Sumberg, David
Sykes, John
Taylor, Ian *(Esher)*
Taylor, John M. *(Solihull)*
Taylor, Matthew *(Truro)*
Temple-Morris, Peter
Thomason, Roy
Thompson, Sir Donald *(C'er V)*
Thompson, Patrick *(Norwich N)*
Thornton, Sir Malcolm
Thurnham, Peter
Townsend, Cyril D. *(Bexl'yh'th)*
Tracey, Richard
Tredinnick, David
Trotter, Neville
Twinn, Dr Ian
Tyler, Paul
Vaughan, Sir Gerard
Viggers, Peter
Waldegrave, Rt Hon William
Walden, George
Wallace, James
Waller, Gary
Wardle, Charles *(Bexhill)*
Waterson, Nigel
Watts, John
Wells, Bowen
Wheeler, Rt Hon Sir John
Whitney, Ray
Whittingdale, John
Widdecombe, Ann
Wiggin, Sir Jerry
Wigley, Dafydd
Willetts, David
Wolfson, Mark
Wood, Timothy
Yeo, Tim
Young, Sir George *(Acton)*

Tellers for the Ayes:
Mr. David Lightbown and
Mr. Irvine Patnick.

NOES

Abbott, Ms Diane
Adams, Mrs Irene
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Allen, Graham
Anderson, Donald *(Swansea E)*
Anderson, Ms Janet *(Ros'dale)*
Armstrong, Hilary
Banks, Tony *(Newham NW)*
Barnes, Harry
Barron, Kevin
Battle, John
Bayley, Hugh
Beckett, Rt Hon Margaret
Beggs, Roy
Bell, Stuart
Benn, Rt Hon Tony
Bennett, Andrew F.
Benton, Joe
Bermingham, Gerald
Berry, Dr. Roger
Betts, Clive
Biffen, Rt Hon John
Blair, Tony
Blunkett, David
Boateng, Paul
Body, Sir Richard
Boyce, Jimmy
Boyes, Roland
Bradley, Keith
Bray, Dr Jeremy
Brown, Gordon *(Dunfermline E)*
Brown, N. *(N'c'tle upon Tyne E)*
Budgen, Nicholas
Burden, Richard
Butcher, John
Byers, Stephen
Caborn, Richard
Callaghan, Jim
Campbell, Mrs Anne *(C'bridge)*
Campbell-Savours, D. N.
Canavan, Dennis
Cann, Jamie
Carlisle, John *(Luton North)*
Cash, William
Chisholm, Malcolm
Clapham, Michael
Clark, Dr David *(South Shields)*
Clarke, Eric *(Midlothian)*
Clarke, Tom *(Monklands W)*
Clelland, David
Clwyd, Mrs Ann
Cohen, Harry
Connarty, Michael
Cook, Frank *(Stockton N)*
Cook, Robin *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Corston, Ms Jean
Cousins, Jim
Cran, James
Cryer, Bob
Cummings, John
Cunliffe, Lawrence
Cunningham, Jim *(Covy SE)*
Cunningham, Rt Hon Dr John
Darling, Alistair
Davidson, Ian
Davies, Bryan *(Oldham C'tral)*
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Ron *(Caerphilly)*
Davis, Terry *(B'ham, H'dge H'l)*
Denham, John
Dewar, Donald
Dixon, Don
Dobson, Frank
Donohoe, Brian H.
Dowd, Jim
Dunwoody, Mrs Gwyneth
Eagle, Ms Angela
Eastham, Ken
Enright, Derek
Etherington, Bill
Evans, John *(St Helens N)*
Ewing, Mrs Margaret
Fatchett, Derek
Field, Frank *(Birkenhead)*
Fisher, Mark
Flynn, Paul
Foster, Rt Hon Derek
Foulkes, George
Fraser, John
Fyfe, Maria
Galbraith, Sam
Galloway, George
Gapes, Mike
Gardiner, Sir George
Garrett, John
George, Bruce
Gerrard, Neil
Gill, Christopher
Godman, Dr Norman A.
Godsiff, Roger
Golding, Mrs Llin
Gordon, Mildred
Gorman, Mrs Teresa
Gould, Bryan
Grant, Bernie *(Tottenham)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Gunnell, John
Hain, Peter
Hall, Mike
Hanson, David
Harvey, Nick
Henderson, Doug
Heppell, John
Hill, Keith *(Streatham)*
Hinchliffe, David
Hoey, Kate
Hogg, Norman *(Cumbernauld)*
Home Robertson, John
Hood, Jimmy
Hoon, Geoffrey
Howarth, George *(Knowsley N)*
Howells, Dr. Kim *(Pontypridd)*
Hoyle, Doug
Hughes, Kevin *(Doncaster N)*
Hughes, Robert *(Aberdeen N)*

Hughes, Roy *(Newport E)*
Hutton, John
Illsley, Eric
Ingram, Adam
Jackson, Glenda *(H'stead)*
Jackson, Helen *(Shef'ld, H)*
Jamieson, David
Janner, Greville
Jessel, Toby
Jones, Barry *(Alyn and D'side)*
Jones, Jon Owen *(Cardiff C)*
Jones, Lynne *(B'ham S O)*
Jones, Martyn *(Clwyd, SW)*
Kaufman, Rt Hon Gerald
Keen, Alan
Kennedy, Jane *(Lpool Brdgn)*
Khabra, Piara S.
Kinnock, Rt Hon Neil *(Islwyn)*
Knapman, Roger
Lawrence, Sir Ivan
Legg, Barry
Leighton, Ron
Lestor, Joan *(Eccles)*
Lewis, Terry
Litherland, Robert
Livingstone, Ken
Lloyd, Tony *(Stretford)*
Lord, Michael
Loyden, Eddie
McAllion, John
McAvoy, Thomas
McCartney, Ian
McCrea, Rev William
Macdonald, Calum
McFall, John
McKelvey, William
McLeish, Henry
McMaster, Gordon
McNamara, Kevin
McWilliam, John
Madden, Max
Maginnis, Ken
Mahon, Alice
Mandelson, Peter
Marek, Dr John
Marlow, Tony
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester, S)*
Martin, Michael J. *(Springburn)*
Martlew, Eric
Maxton, John
Meacher, Michael
Meale, Alan
Michael, Alun
Michie, Bill *(Sheffield Heeley)*
Milburn, Alan
Miller, Andrew
Mitchell, Austin *(Gt Grimsby)*
Molyneaux, Rt Hon James
Moonie, Dr Lewis
Morgan, Rhodri
Morley, Elliot
Morris, Rt Hon A. *(Wy'nshawe)*
Morris, Estelle *(B'ham Yardley)*
Morris, Rt Hon J. *(Aberavon)*
Mowlam, Marjorie
Mudie, George
Mullin, Chris
Murphy, Paul
Oakes, Rt Hon Gordon
O'Brien, Michael *(N W'kshire)*
O'Brien, William *(Normanton)*
O'Hara, Edward
Oiner, William
O'Neill, Martin
Orme, Rt Hon Stanley
Parry, Robert
Pendry, Tom
Pickthall, Colin
Pike, Peter L.
Pope, Greg
Powell, Ray *(Ogmore)*
Prentice, Ms Bridget *(Lew'm E)*
Prentice, Gordon *(Pendle)*
Prescott, John
Primarolo, Dawn
Purchase, Ken
Quin, Ms Joyce
Radice, Giles
Randall, Stuart
Raynsford, Nick
Reid, Dr John
Robertson, George *(Hamilton)*
Robinson, Geoffrey *(Co'try NW)*
Robinson, Peter *(Belfast E)*
Roche, Mrs. Barbara
Rogers, Allan
Rooker, Jeff
Ross, Ernie *(Dundee W)*
Ross, William *(E Londonderry)*
Rowlands, Ted
Ruddock, Joan
Salmond, Alex
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon Robert
Shepherd, Richard *(Aldridge)*
Shore, Rt Hon Peter
Short, Clare
Simpson, Alan
Skeet, Sir Trevor
Skinner, Dennis
Smith, Andrew *(Oxford E)*
Smith, C. *(Isl'ton S & F'sbury)*
Smith, Rt Hon John *(M'kl'ds E)*
Smith, Llew *(Blaenau Gwent)*
Snape, Peter
Soley, Clive
Spearing, Nigel
Spicer, Michael *(S Worcs)*
Steinberg, Gerry
Stevenson, George
Stott, Roger
Strang, Dr. Gavin
Straw, Jack
Sweeney, Walter
Tapsell, Sir Peter
Taylor, Mrs Ann *(Dewsbury)*
Taylor, Sir Teddy *(Southend, E)*
Trimble, David
Turner, Dennis
Vaz, Keith
Walker, Bill *(N Tayside)*
Walker, Rt Hon Sir Harold
Walley, Joan
Wardell, Gareth *(Gower)*
Wareing, Robert N
Watson, Mike
Wicks, Malcolm
Wilkinson, John
Williams, Rt Hon Alan *(Sw'n W)*
Williams, Alan W *(Carmarthen)*
Wilson, Brian
Winnick, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macc'f'ld)*
Worthington, Tony
Wray, Jimmy
Wright, Dr Tony

Tellers for the Noes:
Mr. Peter Kilfoyle and
Mr. Andrew Mackinlay.

Question accordingly agreed to.
Again considered in Committee.

Question again proposed, That the amendment be made.

10.15 pm

Mr. Radice: Before I was so rudely interrupted, I was making the case for the European central bank, and I was saying that there is a strong argument for independent operation. I felt that the Bundesbank was a very effective model because, although it was operationally independent, it worked within an overall economic policy which was laid down by politicians. I argued that we should support the idea of a European central bank because, if we wanted a single market, we had to have a single currency, and if we had a single currency we would need a single monetary authority. I argued that there was a case for having an independent central bank, and in this I argued against my hon. Friend the Member for Kingswood (Dr. Berry), who said that it was anti-democratic. I said that it was not necessarily anti-democratic to have an independent body set up by statute which was accountable, through reports, to the European Parliament and also to the European Council.

It is true that we cannot be certain that we will achieve economic and monetary union or that we will have a European central bank. It is quite possible that conditions in Europe will be so difficult that we will be unable to achieve economic and monetary union. It is possible that we shall enter an era of competitive devaluations. I know that some of my hon. Friends think that the great thing about economic policy is that one should devalue, and then devalue again, and then devalue again.

Mr. Austin Mitchell: My hon. Friend should not attribute such asinine views to his hon. Friends. One should devalue when a currency is uncompetitive. The test of a competitive currency is when one can balance trading accounts in conditions of full employment and high, and sustainable, growth.

Mr. Radice: As it happens, I agree. As my hon. Friend knows, I thought that we entered the exchange rate mechanism at too high a rate, and I said so at the time. We were overvalued, and I was in favour of devaluation. However, there is a danger that, if one spends one's time talking about devaluation for one's currency, other countries will want to devalue too, which will set up a structure of competitive devaluations as countries devalue against each other. That is the danger now, and once that happens it will start to undermine the single market.

In Europe there is a strong move towards protectionism by many people, and there is a danger that the single market will be undermined and that there will be protectionism. Competitive devaluations and protectionism will result in the sort of dangerous nationalism that we had in the 1930s.

A dangerous scenario is opening up before us, and there is therefore a strong case for a single market, a single currency, a single monetary authority and a single European bank. If we do not achieve those, the forces of disruption and division will triumph in Europe and it will be a loss for all the peoples of Europe. If that happens, it will be to the cost of the people of Britain and of my constituency.

If European monetary union goes ahead, the United Kingdom must be part of it, as it would be disastrous if we were left out. The Government's opt-out policy is dangerous, and it was devised for internal party reasons to

[Mr. Radice]

make Maastricht more palatable to the Tory party—it has not succeeded. That policy has meant that we are no longer taken seriously as a potential member of economic and monetary union, and it certainly writes us out of any prospect of geting the European central bank, or any of the European institutions, in the City of London, which will be a great loss for us.

Mr. Tim Rathbone (Lewes): Does the hon. Gentleman accept that, since the treaty was struck, more opinon in Europe has come round to the British point of view that a single currency is unlikely to be achieved within the original timetable?

Mr. Radice: I have just visited a number of European countries with the Treasury Select Committee, and that is not the case. All the other countries are committed to the single currency—even Germany, which several Conservative Members have quoted as possibly being concerned about the currency. That is not surprising, as the Germans have the most to lose. The deutschmark is the strongest currency in Europe and the German central bank runs monetary policy. If the single currency and the European central bank are created, the show will no longer be German-dominated as it is now, but even the Germans support the principle of a single currency. All they are saying is that it must go ahead on present conditions, as they do not want the European central bank to be watered down; nor do they want countries to come in to EMU if they are incapable of being in it, which seems quite sensible.

It may be right to say that, in the event, EMU will not go ahead. We cannot read the future. I am saying simply that the alternative scenario is not a good one. Competitive devaluation and protectionism, with the single market bust open, is a very worrying prospect for all of us. People's concern about that matter is one of the driving forces behind economic and monetary union. If we are really at the heart of Europe, we should be in favour of the principle of economic and monetary union. If it eventually goes ahead, we ought to be part of it.

Sir Teddy Taylor: I wish that the hon. Member for Durham, North (Mr. Radice) could have spent a few moments in the Dining Room, where this matter was being discussed. He seems to think that Europe is a daydream land in which all the problems of the world and the nations will be solved by transferring all power and responsibility to central bodies. I wish that the hon. Gentleman could have met organisers from the port of Larne, Northern Ireland, who make the simple point that, as a result of what we are doing, competitor ports in the Republic of Ireland will receive grants of 85 per cent. to build exciting new facilities, which will achieve nothing but will steal business from Larne. The hon. Gentleman's notion that cohesion funds and structural funds will solve the problems of Europe is delusion. Things will not happen that way.

The main amendment in this group concerns article 107. The delightful Treasury Minister on the Front Bench, my hon. Friend the Financial Secretary to the Treasury, will be able to give a very speedy answer: that anyone looking at page 115 will see that article 107 does not, in the meantime, apply to the United Kingdom. On the other hand, associated with this amendment is the whole structure of what the treaty is about. In no sense is it about the harmonisation of exchange rate policies; it is about the abolition of the rights of people. What my hon. Friends should realise, even at this late hour, is that if the treaty is approved, they will have to ask themselves what on earth they are to say to the voters at the next election.

If the people are unhappy about what the central bank is doing, if they feel that its policies are creating unemployment, what will they be able to do? At present, if they are unhappy with policies, they can vote another party into office. If they are unhappy about policies in the course of a Government's term of office, they can give a warning by voting for Opposition candidates in by-elections. But when all economic policy and decisions are transferred to central constitutions that are wholly outwith the control of elected bodies, the power of the people will have been completely and utterly destroyed.

I hope that, even at this late hour, hon. Members will think seriously about what they are doing to their democracy. They are removing completely people's power to express an opinion. They are taking away people's ability to express a view. Thus, if people are unhappy about what is happening, if they feel that something is wrong and unfair, if they feel that something damaging to the economy is being done, their only means of registering opposition will be to march, demonstrate and, basically, go about destroying the democracy that we have set out to achieve.

It must be appreciated that this was not always the view of Her Majesty's Government. I listen very carefully to what our excellent Prime Minister says. On 1 July 1991, in response to a question from the Leader of the Opposition, he said:

> "We have made our position clear about a European central bank. If that comes about, it is many years away and it would certainly need to be accountable to a directly elected body."—[*Official Report*, 1 July 1991; Vol. 194, c. 25.]

The argument that we are putting forward is that it is wrong in principle to have a European central bank without any type of people's control or any mechanism for the expression of people's views. I realise that some of my hon. Friends feel that they should go into the Lobby in support of the Government because that is the right thing to do, but they should realise that we are making decisions about something far more important than the future of the Government or of the Conservative party.

We are deciding whether people should still have control over the issues in our country and whether they should still be able to warn Governments at election time. If the central bank is established and assumes all the power envisaged, and the central institutions are effectively running all the economies, basically our democracy will be dead. People should appreciate what is happening. I do not believe that people appreciate the extent to which power has already gone and our democracy has disappeared.

10.30 pm

I received a delightful letter from the Prime Minister, who has always shown great courtesy and kindness in his dealings with people who support or oppose his policies. The letter was on a small issue relating to the Sikh community of Britain. They are probably the most law-abiding and decent bunch in our community. Those good and hard-working people faced a terrible problem. In

British law we have exempted them from having to wear helmets when riding motor cycles or working on building sites.

A European directive has been introduced which obliges them to wear helmets in other places such as engineering works. The British Government tried hard, on a majority vote issue, to obtain an exemption for the Sikhs. Sadly, our Government were out-voted. I wrote to the Prime Minister asking him whether—in the light of subsidiarity—he could ask the Commission to exempt the Sikhs. The answer that the Prime Minister sent to me was one of the most dreadful letters that I have received. The Prime Minister was courteous and kindly, as he always is, but he said:

"We tried very hard, but without success, to obtain a derogation . . . Raising the issue again, now the Directive is in force, could well put the existing exemption at risk."

The Prime Minister of a democratically elected country said that he dare not even approach the Commission because, if he did, the provisions that have been made for the Sikh community would disappear. That does not show the lack of concern of our delightful Prime Minister for the Sikh community of Britain. I am sure that he cares about them deeply—we saw that in the way in which he tried o fight their case. However, the Prime Minister was saying that he dare not even ask the non-elected Commission, because, if he did, the right of the Sikhs to wear their turbans on motor bikes and building sites could be at risk.

The appalling TUPE regulations will effectively destroy privatisation in Britain—a controversial issue in this country today. Those regulations were part of the acquired rights directive which was passed in 1977; they were implemented by law in 1981 with what the British Government believed to be the law of the land. They said, "This is the law—it applies to commercial undertakings." Due to infraction proceedings taken by the European Commission—an unelected body—we now find that the law will apply to all sorts of privatisations and takeovers. It means that not only will future privatisations be difficult to achieve, but every British employer who has participated in a privatisation—*[Interruption.]* I see that my hon. Friend the Member for Leeds, North-West (Dr. Hampson) is shaking his head, but it happens to be true——

The Chairman: Order. I am having difficulty relating the hon. Gentleman's remarks to central banking. Perhaps he can help me.

Sir Teddy Taylor: I was referring to the issue as an example of the way in which our powers to influence matters have already disappeared. I was mentioning the matter briefly, not as part of my main argument. Something significant is happening to the powers of people and Parliament.

If we are concerned about the Sikhs—as we all are—there is nothing that we dare do. If we are concerned about the TUPE regulations, there is nothing that we can do. If we go ahead with the European central bank, there is nothing that we can do about basic economic policy or, more importantly, that the people can do with their votes.

Some people laugh and say, "What does it matter? Get the clever people to run things and don't give the power to the people." That is the sort of argument that people use against a referendum, when they say, "Don't let the people decide—they don't know about it." When people's power is destroyed in any country, something very important is destroyed—the basis of a peaceful community.

Mr. Randall: The hon. Gentleman suggests that all decisions will be taken by the central bank. Does he agree that Ministers who are accountable to this Parliament will have a major influence on ECOFIN? Surely it is exaggerating to suggest that all powers—the hon. Gentleman used the word "all" several times—will reside with the central bank.

Sir Teddy Taylor: I am afraid that the hon. Gentleman is wrong. He is a conscientious attender at our debates and sincerely believes in Europe. I appeal to him to look at the duties of the central bank and at the powers that are being given to the various financial institutions such as the EMI and others. If he does that, he will see that, no matter what views or opinions are expressed, the basic policy must still be followed. I shall give an example from new clause 1—a suggestion by the Labour party that there should be an annual report to Parliament about what central banks are doing.

If that new clause is accepted and we pass a resolution that the central bank follows mad, stupid and irresponsible policies, it will have no effect of any sort, because the central bank has a legal obligation to follow the basic policies set out in the treaty. Some people say that it will not work out like that, but the treaty obliges all institutions to act in that way.

The second point that I hope hon. Members will appreciate is that, before we accept the idea that a central bank should be set up to solve all the problems and achieve low inflation—although in fairness any fool can achieve low inflation by creating 3 million unemployed—we should look at the examples of the recent miracle cures offered by the EEC.

I shall not refer in detail to the miracle cure for agriculture which was to give a fair deal to our farmers and consumers—the common agricultural policy. Despite the years in operation and all the reforms, we are now in the crazy situation where mountains of food and expenditure on the CAP are higher than they have ever been and the people are paying more than ever for their food compared with world prices. The system is a shambles and a nightmare and is not working. The same argument applies to the ERM, which is closely linked because, unfortunately, we are obliged to try to move back to fixed exchange rates when the treaty comes into force.

Dr. Norman A. Godman (Greenock and Port Glasgow): I am grateful to the hon. Gentleman for showing his characteristic courtesy in giving way. He spoke about his correspondence with the Prime Minister. Has the hon. Gentleman at any time raised with the Prime Minister the likely location of the bank? Is the hon. Gentleman confident that it will be located in London with various agencies and functions carried out from a site in Edinburgh?

Sir Teddy Taylor: I have not raised that issue. When one opposes the establishment of a central bank, it is a bit devious to say, "I want it in my constituency or in London or Edinburgh." When one holds the view that the principle of a central bank that is based on policies of fixed exchange

[Sir Teddy Taylor]

rates is bad, it would be dishonest to suggest a location for it. I am sure that many hon. Members will suggest excellent places for the bank.

Mr. Geoffrey Dickens (Littleborough and Saddleworth): How does the ballot box affect banking? If one banks with the Hong Kong and Shanghai bank, the Bundesbank or Barclays, one is not affected by the result of a general election. Hundreds of thousands of companies in this country have to rely on the good will of banks, often to keep them afloat. My hon. Friend grossly exaggerates and clearly does not understand banking.

Sir Teddy Taylor: My hon. Friend and his colleagues voted for this wonderful new arrangement called the ERM on the basis that it would bring growth and stability. I know that, as a splendid and respectable person, my hon. Friend did that with sincerity—not because he was told to do so by the Whips but because he knew it was the right idea. I appeal to him to think of the unemployed. Think of the people whose houses are being repossessed as a direct result of a policy that is economic lunacy.

Dr. Keith Hampson (Leeds, North-West): That is not the fault of the exchange rate mechanism.

Sir Teddy Taylor: My hon. Friend says that is not the fault of the ERM. We know that the British people are having to pay a huge amount of extra cash in taxation——

The Chairman: Order. The hon. Gentleman has assiduously attended the Committee, but his remarks have little to do with the issue of a central bank. Will he please address the amendments?

Sir Teddy Taylor: Certainly, Mr. Morris. Once a central bank is established, we shall be obliged to return to the ERM and fixed exchange rates. The whole principle behind the central bank is monetary union based on fixed exchange rates. That will again create unemployment and misery, because if one tries to pretend that something is not its worth, one has to distort other factors.

Mr. Bill Walker (Tayside, North): My hon. Friend, as a fellow Scot, will recognise that the United Kingdom's central bank is the Bank of England. He may care to inform my hon. Friend the Member for Littleborough and Saddleworth (Mr. Dickens) that the Royal Bank of Scotland, the Bank of Scotland, the Clydesdale bank and all the other banks in Scotland have no say in interest rates, because they are set centrally by the Bank of England.

Sir Teddy Taylor: My hon. Friend is absolutely right. The argument is made that we are giving power to the people by obtaining exemption from stage 3. In fact, they will be in the same position as the people of Scotland, who have a Scottish pound note but no control over the United Kingdom's economic policy.

There is not the slightest evidence that passing over all economic power to a central bank will make matters better for the people of Britain. I have sat here treaty after treaty, night after night, debate after debate hearing about the wonderful ideas coming from the EEC that will solve problems and make life better. I wish that my hon. Friends —including those who are smiling, on the Front Bench below the Gangway—would look at Europe today. Do they see a growth in prosperity? Sadly, they see an area in structural decline and with mass unemployment. When countries such as America have steadily lowering unemployment rates, we should recognise that Europe is in structural decline. As a country stuck on the edge of that, ours would not benefit in any way.

We have tried the common agricultural policy, the ERM and other Euro-policies. When people say that a central bank is the answer, we should tell them that, on the basis of all the evidence, we do not accept it.

No one has argued in the debate that a central bank is a great idea. The European debate has changed dramatically since 1972. There always used to be a bunch of true enthusiasts who said, "This is going to be good. This is going to be great for Britain." With the arrival of the Single European Act, a good number of people still genuinely thought that it would be good for Britain. I gain the impression that very few people—apart from the small number of fanatics that one always finds in both parties —really believe that Maastricht will do any good for this country or its people.

Mr. Marlow: Surely my hon. Friend knows what has been happening in the background and in the Lobby and that the Government have been saying, "It isn't going to happen. Don't worry—there isn't going to be any monetary union. This horrible edifice isn't going to be built." If that is the case, the contract, and the legal detail —if that is what we are being asked to pass—is it not wrong that we should consider something that is nonsense and then vote for it?

Sir Teddy Taylor: Yes. I will come to that point in a second.

The Government say that if we do not give our approval, bad things will happen to Britain—that it will somehow be sidelined. We should ask ourselves whether it would make matters infinitely worse if we were prepared to say no to a central bank. Britain would be greatly strengthened. Time will tell. My hon. Friend is right to say that the arguments used now are, "Don't worry about a central bank or a single currency. It is not going to happen. It will all break down." Some people genuinely believe that.

Mr. Dykes: It will happen.

Sir Teddy Taylor: They know, for example, that fixed exchange rates can never work in the long term. There is no way in which all the countries will develop equally. The argument is made by some—including my hon. Friend the Member for Harrow, East (Mr. Dykes)—that the problem will be solved by dumping vast amounts of money on areas that are not doing so well, to bring them all up to the same level of achievement and activity. If one looks around the world one sees that that is nonsense and does not work.

Mr. Marlow: My hon. Friend the Member for Harrow, East (Mr. Dykes) has just said, from a sedentary position, that he believes that it will go ahead. Does that reassure my hon. Friend?

Sir Teddy Taylor: My hon. Friend the Member for Harrow, East (Mr. Dykes), who has consistently supported the EC, probably does believe that. I ask him to look back at what has happened to our economy, our democracy and, above all, the powers of the people since we joined the Community. I believe that some people are

supporting all this nonsense because they do not believe that it will happen, but some support it because they feel that we cannot act in any other way. Those people have lost hope and they have lost faith.

10.45 pm

Even if some people think that we should go ahead with the central bank and the transfer of power to non-elected boards, councils and commissions, we have no right to do that without informing and consulting the public. It is shamefully wrong that we should push ahead a massive change in our democratic system without telling and consulting the people.

Mr. Derek Enright (Hemsworth): I am grateful to the hon. Gentleman for giving way; he always shows great courtesy in that regard.

I have some sympathy with the hon. Gentleman's arguments about democratic control. I, too, am worried about what is happening to the police, hospitals and the education system. What worries me is that I can find precious little in the Bank of England that responds democratically to the worries of my constituents in Hemsworth. The position has been the same under successive Governments of both hues.

Sir Teddy Taylor: That is the whole point. The hon. Gentleman may believe that Conservative policy on the police is rubbish and takes away democracy; that is a fair argument. He may believe that Conservative policies on education are terrible and undemocratic. He may feel that we are not using the controls of the Bank of England in the proper way. If he holds such views, however, he can go out there and fight, get people to vote for him and secure the return of a different Government who will approach things in a different way. The tragedy of the transfer of power to non-elected institutions—to boards, councils and commissions—is that, if the hon. Gentleman suddenly decides that those bodies are pursuing policies that are bad for employment and industry and dreadful for Britain, he will be able to do nothing.

Mr. Enright: Will the hon. Gentleman explain how we elect the officials of the Bank of England?

Sir Teddy Taylor: As we know, the Governor of the Bank of England is appointed by the Government of the day and economic policy is determined by the Government. The present Government have pursued certain policies which they assure us will improve the economy and, of course, we hope that they are right; but the point is that, if they are not, people can do something about it. There is something terribly dangerous and bad about the taking of all power of control from the people and the ripping out of democracy.

I ask my hon. Friends to think about this. If the Maastricht Bill goes through and a central bank is established, what on earth will they tell voters at the next election? We shall have some control over the council tax and the grammar schools; we shall have some control over the amount of income tax within a global total of taxation, which will be subject to negotiation and determination on the part of non-elected bodies. Basically, however, the power of the people will go. I believe that the creation of a central bank and the monetary policies of the EC will create mass unemployment and misery and more protectionism; I think that it will be horrible for all our people.

I may be wrong, but the crucial point is that, if we agree to the Bill, what we had will have gone for ever. We shall not be able to sit down suddenly and say, "Let us change all this: it is not working." Sadly, we know from our experience of the common agricultural policy that policies do not simply get changed, particularly when many countries feel that they are doing very well out of them and getting lots of money.

I hope that we shall use the amendment not to try to score party points, but to persuade ourselves that something huge, important and significant is happening to our democracy. We have no right to allow that unless we are convinced that it will benefit our people—or, more important, unless we have given the people a chance to decide for themselves.

Mr. Shore: Like other hon. Members, I shall say something about the independence of the European central bank because it merits considerable discussion; but, before I do, I wish to mention the concept of the central bank and a single currency. The two clearly go together: we shall not have a central bank unless we are to have a single currency.

I am wholly unconvinced about the case for a single currency, which is central to the whole argument. It would be a serious mistake if we were to allow ourselves to be absorbed into a single currency, partly because of the difficult issue of convergence. We have had debates about convergence, purely monetarist indicator convergence and what we sometimes call convergence in real economic aggregates.

There is one particular difficulty about convergence. Let us suppose that, at one particular point in time, it could be arranged that all the countries which were potential or candidate members to join the single currency were all enjoying balance of payments equilibrium, full employment and other ideal circumstances. Even if it were possible at that moment to set up a single currency, it could not last. The conditions would change, and we all know the reasons. There is a dynamic working with different force and at a different speed in different parts of the vast area which would be formed in western Europe, and including the United Kingdom. The factors operating in different countries, and perhaps in different regions, are so clearly visible that the dream of a single currency looks like a nightmare when we start to consider the consequences of being locked into a single currency when there are differential rates of growth.

I did a simple calculation about relative movements in the growth of gross domestic product in the seven major economies of the western world. I took 1989 as 100 for all of them. By the end of this year, the estimates are as follows: France, which starts as 100 in 1989, reaches 107 by the end of 1993; Germany, which startes at 100, ends at 111; Japan, which also starts at 100, ends at 114; but the United Kingdom, which started at 100 in 1989, will be 99 at the end of 1993. Within four years, there is a spread of rates of growth, ranging from 14 per cent. for Japan and minus 1 per cent. for Britain. That could be different at different times, or we may do much better.

However, if there were no means of adjusting the rate of exchange of the yen and the pound—if they were frozen together—the consequences for the pound and the United Kingdom would be very severe. Throughout the history of the world economy as it has developed, there have always been movements and adjustments between currencies. There must be, otherwise there would be no tolerable way of making adjustments other than accepting that in the areas that are doing less well than others there would be constantly rising unemployment, whereas in the areas of great prosperity there would be ever-increasing investment. There would be an ever-increasing movement of people from the depressed areas to the areas that were doing well.

We know all this from our experience in our own country over the years. In the past we have had to use powerful instruments of regional policy to correct the tendency. The alternative would have been to let the south of England drain the north, Scotland and a large part of Wales, and let people crowd into the south—as happened to a large extent in the inter-war years.

If there is a single currency in Europe, inevitably there will be a differential rate of growth. We know where the strongest economy in the European Community is located —it is still in Germany, and when Germany has absorbed the former East Germany it will be the super-economy of the European continent. The effect of that on the United Kingdom and on other economies that are not as powerful, and are not growing as fast, will be as I have described. They will experience either rising unemployment or a substantial movement of their people and their investment to the areas of greatest growth.

Mr. Dickens: Does the right hon. Gentleman agree that convergence would be well-nigh impossible? I do not believe that there is a snowball's chance in hell of there being a single currency. The difficulties are compounded by the fact that, with more countries coming into the European Community, the criteria will not allow for convergence so easily, and the numbers complicate things further. I do not believe that we would ever get into that situation. Even if we did, we should of course maintain the opt-out clause—but I do not believe that we would ever have to use it.

Mr. Shore: It would not be impossible for those events to happen—although it would be foolish to allow them to happen.

In discussing the amendments, we must assume that the option to enter a single currency has been exercised—otherwise the debate would be rather unreal. I agree that that involves a hypothesis, and there is still a big question mark over it. In 1996, or whenever the moment of choice arrived, would the Government opt for a single European currency? Would they want to? In view of some of the criteria for opting in, would they be able to? I do not want to develop that argument now, because it would lead us back into another debate, about the transition—but what I fear most is that the Government may make a serious effort to opt in, which would involve a calamitous squeeze on the British economy. We know the problems that our economy is facing now, and from the financial statement we know what the prospects are for the next four or five years.

The conclusion to which I am coming is familiar to others who have addressed the problem. There may be a single currency, but there will be differential rates of growth and of prosperity. Therefore, either there will be a disastrous situation in the less prosperous and less dynamic regions, or there will have to be an enormously powerful regional policy.

With the best will in the world, there is not the will within the EC for a powerful regional policy. I know that the optimists in the Opposition will say, "Over the years we shall try to develop regional policy and try to pretend that we really all are absolutely identical in our motives and our feelings about each other. We shall come to the conclusion that our feelings about Italy, Greece and so on are exactly the same as our feelings today about our fellow countrymen." That may be a worthy ideal, but it is not the reality. It is difficult enough to sustain a strong regional policy in this United Kingdom.

Mr. Austin Mitchell: Does my right hon. Friend accept not only that that is unlikely but that, if it happened, we

would still be the second largest contributor unless the problem of redistribution was tackled so that contributions were measured in terms of ability to pay?

11 pm

Mr. Shore: That is absolutely right. The whole question of the criteria governing existing regional policy would need to be looked at and, indeed, changed, because that policy is built on objective 1 areas, which are receiving or will receive substantial assistance. Other areas of great need and rapid industrial change get very little regional assistance, and that assistance is not likely to increase.

I have made my point about the difficulty of sustaining a powerful regional policy within a single country. The difficulty of operating a really serious regional policy covering the whole of the half-continent of western Europe will be very much greater.

The only person ever to make a serious study of the problem was Sir Donald MacDougall, a most distinguished economist, who was chief economic adviser to the CBI and, before that, director-general of the Department of Economic Affairs. Donald concluded that one would need a shift of resources equal to 7 per cent. of the Community's GDP. The total European budget is about 1·2 per cent. and the regional fund accounts for about 15 per cent. of that sum. So we are talking about a sum 30, 40 or 50 times greater than what is now available in the enhanced structural funds that have existed since the European Single Act was passed.

The truth is that the enhancement of those funds was to take account of the introduction of a single European market. There has been no enhancement, and no proposal for the enhancement, of regional and structural funds to take account of the progress towards a single currency.

Mr. Hoon: The cohesion fund?

Mr. Shore: I accept that, but that was part of the whole package to get four particular countries, which were rather like client states, to take a favourable view. *[Interruption.]* I invite hon. Members to turn their mind to the meeting in Edinburgh and what Mr. Felipe Gonzalez was trying to achieve. Having established in principle the idea of a fund, he wanted a great deal for Spain—and he got it. The Spanish side of the bargain was, "If we don't get this, we will not give our approval."

Mr. Hoon: My right hon. Friend always advances a very logical argument. He talked about differential rates of growth. There are already differential rates of growth in each nation state—for example, the London area grows faster than the regions. That partly explains why unemployment is higher in the regions than has historically been the case in the capital city. The right hon. Gentleman would not, for one moment, blame that on the fact that the United Kingdom, like every other member state, has a single currency.

If I followed my right hon. Friend correctly, part of the justification of his argument was that such matters turn upon balance of payment flows and on the deficits created where some countries are growing faster than others. If there were a single currency, there would not be any purpose in calculating balance of payments deficits. We do not calculate the balance of payments deficit as between London and the north. We make no careful calculation of the movement of goods. My concern about my right hon. Friend's impeccably logical analysis is that it operates from the existing system and presupposes that the position would not be significantly different after the introduction of a single currency.

Mr. Shore: That is an interesting point. My hon. Friend is quite correct in saying that the balance of payments problem, which reflects inbalances of economic performance, would not be visible in a single currency. But the underlying consequences would be the same. Unless there was a correction of some kind—an increase in resources put in—there would be an increase in unemployment in and a movement of people out of areas that were not doing well. We would lose, as it were, the danger signal of a balance of payments deficit. We would not be aware of the physical problems until a disastrous slump was upon us.

Mr. Bill Walker: For nearly 300 years, we in the United Kingdom have operated a single currency and a single bank. During periods of economic difficulty, the discontent and unhappiness felt by people in the regions soon made itself manifest to their parliamentary representatives. We have democratic control here, so we are able to act quickly in such circumstances.

A single currency and a single bank, with the absence of democratic accountability, is not the answer. The people of Britain can complain to, and about, us and there is the ability to change Governments, sometimes at relatively short notice. That represents a balancing factor, for at times we have moved people from poor to wealthy areas and have transferred vast amounts of taxpayers' money from wealthy to poor areas. We have been doing that for nearly 300 years, and the facts are there to be seen.

Mr. Shore: That raises the whole question of what is a community. We refer often to the European Community, but I am not sure that it is a community in the same sense that, for example, the United Kingdom is a community. We feel closer because they are our own people, and we are prepared to do more for them—as we are prepared to do more for our families—than we are prepared to do for others.

That does not mean that we shall be pig-headedly obstinate or ungenerous in our dealings with others. On the contrary, I hope that we shall be very generous. But it is no good pretending that there is the same degree of commitment and sense of genuine community and union between the countries of Europe as there is within each country. We must bear that in mind, particularly when we are talking about the need to transfer major resources to compensate for the effects of a single currency.

Mr. Enright: Does my right hon. Friend recall some of the difficulties he had when Secretary of State for the Environment? For example, when I chaired the West Yorkshire planning and transportation committee, we had some negotiations with him. I remember the way in which I thought he and his colleagues conducted a very centralised administration. I did not realise how little centralised it was until the Conservatives took control. Even so, the response we got was carefully noted in the region.

I suggest that many of the disparities in the regions are recognised more as a result of what is happening in Europe now—because it is essentially a Europe of the regions—than as a result of what is happening in central

[Mr. Enright]

Government. Much the same applies when we are in power, although slightly modified, or the Conservatives are in office.

Mr. Shore: My hon. Friend gives a strange viewpoint. Perhaps it reflects past insensitivities. In an earlier ministerial experience, when Secretary of State for Economic Affairs, I was responsible for regional policy. We had a picture, a map, of the whole country showing the state of employment and unemployment and the future commitment of new work into every travel-to-work area throughout the United Kingdom. We put enormous resources into a powerful economic regional policy. In addition to the old development areas, we had special development areas and intermediate areas. Later, as Secretary of State for the Environment, I was involved in putting resources into the inner cities, which had been neglected for too long.

We were able to do that because we had the knowledge, the information, the commitment and a sense of being one political community. We used the strength where we were strong to help weak areas in our country. That is natural; it is what one expects. That is the real meaning of community. The European Community is a different sort of community.

Mr. Bowen Wells (Hertford and Stortford): Would the right hon. Gentleman reflect on the experience of the United States, which created a single market among the states of America? The number of states increased over 100 years. A single currency among the states was not established until 100 years after the formation of a single market and the free movement of people. A single currency and a central federal bank were established because one currency became paramount—it became so strong that all the states decided that it would be better to have one currency and trade without the problems which resulted from the differential exchange rates among the states rather than continuously adjust them.

It seems that exactly the same process will take place in Europe because the deutschmark will become the common currency. With the common currency in the hands of the Germans, and with the Bundesbank under its present constitution—which involves currency stability only within the borders of German—we would have absolutely no say about or influence over monetary policy throughout Europe. Therefore, it is essential that we establish a central bank and a single currency which we can influence through democratic institutions.

The Chairman of Ways and Means (Mr. Michael Morris): Order. This is a long intervention. The hon. Member's point has been made.

Mr. Shore: The comparison with the United States is not helpful to us. There are so many obviously special circumstances in the history of the United States that one cannot make an easy comparison between what happened there and what may happen in western Europe. A factor which we cannot leave out when we look at the United States is that it has a single Government, a single central bank and a single currency.

I know that some Labour Members long for such a fulfilment and development. However, that is not the line taken by those on the Labour Front Bench—not publicly, at any rate—or the Government Front Bench. Without that fulfilment and development, we will face serious problems, as the more honest federalists in the Labour party are willing to acknowledge.

Mr. Marlow: Will the right hon. Gentleman give way?

Mr. Shore: I will not give way because I want to move on.

Mr. Leighton: In addition to the original policies of the sort over which my right hon. Friend presided when he was Secretary of State, it is not the case that public expenditure is redistributed in nation states because richer people and richer areas pay in more and draw out less, and poorer people and poorer areas pay in less and draw out more in benefits? Is it not also the case that local government expenditure by rate support grants is redistributed and consists of transferred payments from richer areas to poorer areas?

Public expenditure in nation states is about 40 per cent., but the budget in the European Community is only slightly more than 1 per cent., most of which goes on agriculture. We are not comparing like with like. Public expenditure is minuscule and inadequate to overcome the damage which will be done by a single currency.

Mr. Shore: My hon. Friend is absolutely right, and it is relevant to the argument. When I think about the transfers which take place in the United Kingdom as a matter of course through rate support grants and so on, I sometimes say to myself that MacDougall, in his 7 per cent. of gross domestic product, greatly underestimated the sums which are needed. They are much less than the sums which are dispersed through the federal Government of the United States to the different states which make up the union. We have established that point.

The independence of the European central bank has been the subject of considerable discussion already. I have made it clear that I believe that the single currency idea is basically flawed. That is my position. I am holding on to that. I understand that many hon. Members are interested in the question whether a European central bank should be independent, more or less on the German model, or should be brought under ECOFIN.

11.15 pm

It is not necessary to read article 107 again. No one who attaches any importance to the meaning of words can doubt the strength of the commitment to an independent central bank. It is extraordinary. Not only shall the bank not seek or take instructions from Community or national institutions, but the Governments and the Community institutions

"undertake to respect this principle and"—

almost unbelievably—

"not to seek to influence the members of the decision-making bodies".

That declaration of independence goes far beyond anything which affects the federal bank in Washington or any other independent bank that I have ever heard of. The words

"not to seek to influence"

are almost unbelievable, but they are part of the treaty and have all the authority of the treaty. They have the authority that they may be interpreted, if need be, by the European Court of Justice. That is why provisions are put into treaties.

Mr. Radice: Will my right hon. Friend give way?

Mr. Shore: Not for a moment. I want to develop the point further.

I find the provision in article 107 extraordinary. My hon. Friends find it difficult to cope with. They know that it is wrong. They know that such a separation is unacceptable to them because they have intellectual honesty. They know that they cannot accept it because it is intolerable and ridiculous to hand such power to independent bankers. They have to continue pretending that it is a mistake—perhaps a misprint in the text. We heard some of that today.

My hon. Friends have a considerable record in saying that they would never accept a provision such as article 107. The famous document "Meet the Challenge: Make the Change" did not acknowledge the concept of economic and monetary union. It dealt mainly with the exchange rate mechanism. My hon. Friends may say that that was in 1989. What about 1990? Another document went to annual conference then and received whatever approval one obtains there. It said:

"premature monetary union would damage Britain . . . The bank, which will be responsible for the day-to-day management of monetary policy, should be statutorily accountable to ECOFIN for meeting its monetary objectives."

The principle was stated with clarity.

A similar pledge was made in a later document in 1991. Those were the policy statements of the Labour party up to the 1991 annual conference, the last before the election. We still maintained that it would be intolerable to have a European central bank which was not controlled by a powerful ECOFIN. Now things have changed. Things were slipped out of the national executive and joint meetings of the shadow Cabinet and the national executive in the run-up to the election.

As we know, there was no further annual conference, so the new absurdity is that, apparently, at its last annual meeting, the party agreed to accept it on the ground that it was the best thing we could get. However, it is a major change from the commitments of the past three years. I well understand that my hon. Friends feel uneasy and that leads them to make assumptions about the treaty that are far from the truth.

I do not wish to subject to detailed criticism the proposition that we need a powerful ECOFIN to control the otherwise independent bank, but let us take it at face value. Do we want that?

The treaty contains the opposite of what we want, with all the entrenched authority of a treaty commitment. Some of my hon. Friends say that it simply requires political will, with a powerful new Labour Government storming into Brussels and saying, "We want ECOFIN. We want to bring that great institution under our control." I do not know who they would find as their allies in that task. I am afraid that there will be no French socialist Government available in the next few years. I do not think that there will be a French socialist President for very much longer, so we will find no allies there. According to all accounts, even when we had those allies they were not very successful in getting their way with the other partners in the European Community.

Mr. Marlow: It is worse than the right hon. Gentleman says. It would not matter if that exciting, new, dynamic Labour Government were to rush across to Brussels with those ideas. The Commission would have to propose and the European Parliament would have to agree before any changes could be introduced.

Mr. Shore: Indeed, there are many complications. The basic point is that there has been no evidence whatsoever of any substantial body of opinion in the Governments of the present member states in favour of a powerful ECOFIN to which the European central bank is to be made responsible. It simply is not there. Instead, we have the overriding view of the Germans—and it is above all a German institution. As the Germans are deeply afraid of inflation following their appalling experience in the 1920s, we have the most anti-inflationary structure for the bank and the greatest independence for it written into the treaty, in contrast to the wishes of my hon. Friends.

What we have heard from the Labour Front Bench and from a number of Back Benchers is simply wishful thinking. They want it to happen, but it is not there. The opposite is there and they cannot deny it.

We had a reminder of the absurdities and costs of the common agricultural policy. When something is in a treaty —the CAP is in the treaty of Rome—and buttressed by regulations, it takes a great deal to get rid of it.

As long as I have been in politics we have been reforming the common agricultural policy. What about the Mansholt plan? Remember him? Great things were to come from that. There have been wonderful arrangements every decade. We have come back in triumph from negotiations saying that at least we shall put an end to the surpluses, the wine lakes and so on. What has happened? Where are we? We still have the CAP; it is jeered at and laughed at throughout the world, except where it causes considerable pain because it is protectionist and does such damage. It is an absurdity of a policy, but it remains.

When something is written into a European treaty, it takes almost an earthquake to get it out agin, so my hon. Friends should not pretend that there is no substance, weight or authority in what is written into the text of a treaty. Unless they are prepared to face that fact, they are not doing much credit to themselves or to any serious discussion of what is involved.

Mr. Enright: I am very grateful to my right hon. Friend for giving way yet again, but may I remind him that it was during the tenure of his Government and his Government's negotiations—[HON. MEMBERS: "Ours."] I was certainly in the party at that time and I supported the party, but I was not, alas, a member of the Government. It was a Government of which my right hon. Friend was a member which negotiated access to the sugar market for British sugar beet farmers, resulting in huge excesses of sugar which continue today, to the detriment of the third world. I deplored it then, and I deplore it now.

The Chairman: Order. I do not think that we need develop an argument on sugar. We are discussing the central bank.

Mr. Shore: My hon. Friend has not, frankly, recorded accurately the history of those years.

I was going on to deal with the desperate plight of my hon. Friends in trying to prove that ECOFIN will be in charge of the European central bank. They are in great difficulties. When they have reached the end of their tether, as it were, when the last possible argument has been produced and dismissed by better information, what do

[Mr. Shore]

they say? It is fascinating. They say that we may be right, but that it really does not matter anyway because we have no freedom with our interest rates and exchange rate, that we are dominated by the Germans—we have heard this from all sides—or the Americans or whatever. It really does not matter, they say, that we are transferring one of the great instruments of macro-economic policy to an unelected, unaccountable institution in Europe. We are transferring the power to set our own interest rates and our own exchange rate, and they say that it does not matter. It is not just recently that they have been saying it; they have been saying for the past couple of years that we will have no power over our own interest rates and our own exchange rate.

We know what the answer to that is. Some members of the Government may have shared that view at some stage, but events are a marvellous tutor, and the events on what some hon. Gentlemen call "white Wednesday" in September 1992 showed us that there is a freedom. It is not, of course, a freedom to lower one's interest rates to the point of oblivion. We cannot go right down from 10 per cent., I think it was, before we added the 5 on the fatal day, to 3 per cent., because there are world factors and influences to be taken into account. But there is a big difference between being, as we were on 13 September, 2 per cent. higher than German interest rates and being, as we are today, at least 2 per cent. lower than German interest rates. That is quite a margin of freedom.

If anyone doubts it, let him talk to British industries, which are now borrowing money at much better rates than they were able to do six or nine months ago, and ask whether they would prefer to be a firm in France, where the bank rate is not 6 per cent. but 12 per cent., holding the "franc fort", looking the deutschmark in the face, and accepting for an incredibly long time quite unacceptably high employment, almost the same as our own, 3 million. Frankly, was what happened last Sunday surprising? It should be a lesson for socialists everywhere.

Mr. Gould: My right hon. Friend makes a powerful case, but one can add to it. He will recall that before 16 September we were solemnly assured that withdrawing from the exchange rate mechanism would not give us greater freedom to set our own interest rates and that if we dared to break the arrangement interest rates would have to rise. Does my right hon. Friend recall that advice, and what does he think of it?

11.30 pm

Mr. Shore: Yes, I remember hearing that. Undoubtedly, people had that anxiety. I do not think that it was very rational, but, frankly, the Treasury has not been very good at judging or forecasting matters affecting the exchange rate or interest rates.

When we entered the ERM in October 1990, I remember saying—this is not hindsight—that I was convinced that it was the wrong rate; and I am not a great currency expert. From what I could see of the pre-fixed exchange rate and the performance of the British economy, especially in terms of its balance of trade deficit, it seemed self-evident that it was wrong. But the Treasury went ahead, and in written and oral answers to my questions I was assured that the most expert people had been consulted, and different authorities had suggested that entry was right. I am afraid that they were wrong, and they were also wrong about their estimates of the effects on interest rates and other things of getting the pound out of the ERM.

Mr. Nicholas Winterton (Macclesfield): The right hon. Gentleman has referred to the "independence" of the new European central bank, but is he not misguided in using that word? Does he not mean that it is unaccountable? Bearing in mind the huge powers that the bank will have to control the economies of all the countries that comprise the European Community, and given the fact that its policies to deal with and to limit deficits could create massive unemployment in certain parts of the Community, will it not undermine democracy and accountability? As several hon. Members have said, perhaps it will force the people of this country reluctantly to take to the streets to exercise the democratic rights which the body will deny them.

Mr. Shore: The hon. Gentleman is correct. The bank will be both unaccountable and independent.

The political authorities will be totally incapable of influencing the top management of the European central bank. I remind the House that the four executive members of its board and the chairman and vice-chairman are to be appointed for a one-term, eight-year period. Even the most timid people are likely to be very independent in their judgment if they are appointed on such generous terms. One cannot be reappointed, so it is no good sucking up to people or assisting them in any way. The executives are meant to be independent and one could not conceive of any arrangement that could make them more so. That is written into the protocol on the European central bank.

An adjacent matter is also very important. The hon. Member for Macclesfield (Mr. Winterton) was absolutely right: okay, we will have an unaccountable central bank. What are its terms of reference and what has it been asked to do? Article 105 states:

"The primary objective of the ESCB"—

European system of central banks—

"shall be to maintain price stability."

I do not want to go over all the previous arguments about that, but it is the deflationary heart of the treaty, and it reflects German historical experience and their insistence on those terms of reference before they would agree to the treaty. That clause is very important.

Let me return to article 2, which contains a general statement. I know that the phrase "high unemployment" is used three times in the treaty, because my hon. Friend the Member for Western Isles (Mr. Macdonald) corrected me when I said that it was used only twice. Nobody can possibly say that this is not very important. But the faith of my hon. Friends in article 2 is rather misplaced, for another reason. Article 2 must be read in conjunction with article 3a. I do not know whether hon. Members have had a chance to look at the latter. As it is highly relevant, I shall quote it. Paragraph 1 says:

"For the purposes set out in Article 2"—

including high employment and all these other lovely things—

"the activities of the Member States and the Community shall include, as provided in this Treaty . . . the adoption of an economic policy which is based on the close co-ordination of Member States' economic policies".

Paragraph 3 says:

"These activities of the Member States and the Community shall entail compliance with the following guiding principles".

What do hon. Members think those guiding principles are? A high level of employment? One looks in vain for that. The principles stated are stable prices, sound public finances and monetary conditions and a sustainable balance of payments. One does not find there much encouragement for those who have pinned their faith on article 2. As I said earlier, we should take article 2 more seriously if there were a 10-page protocol on full employment in the European Community.

Mr. Mandelson: My right hon. Friend is right to draw attention to these provisions. Indeed, I have the page flagged and intended to quote from it if given the opportunity. My right hon. Friend refers to sound public finances and a sustainable balance of payments. Why does that give rise to such horror? Why should we, instead, be in favour of unsound public finances and an unsustainable balance of payments?

Mr. Shore: There is no doubt that a sustainable balance of payments is crucial. However, the factors that are picked out here are ones that curtail employment, rather than help to create it. Nobody, except perhaps the Germans, has ever had stable prices and full employment. Sound public finances mean a public sector borrowing requirement of less than 3 per cent. of gross domestic product. And what are sound monetary conditions? Tight money? Certainly, and monetary discipline. I want to find the things that my hon. Friend the Member for Hartlepool (Mr. Mandelson) would have been delighted to find. If there had been a preference to high employment, would he not have waved his papers in the air and rejoiced? Such a reference would have given a little credibility to his faith in article 2.

Mr. Betts *rose*——

Mr. Shore: I shall not give way. I want to come to a conclusion.

These are not very encouraging guiding principles for people concerned with the achievement of high rates of growth and low rates of unemployment.

I want to put to the Minister a question about article 19 of the protocol in respect of the statute of the ESCB. This seems to give the central bank power to demand minimum reserves for banks and other financial institutions. I have not had an explanation of what is entailed. Is the point that, in order to secure what the bank considers to be sound monetary conditions, it could, like the Bank of England in times past, call up deposits from commercial banks, to be non-interest-bearing and frozen as part of a tight money policy? I should be grateful if the Financial Secretary would explain that—not necessarily now, but when he makes his speech.

Article 108 is a simple little article that states:

"Each Member State shall ensure, at the latest at the date of the establishment of the ESCB, that its national legislation including the statutes of its national central bank is compatible with this Treaty and the Statute of the ESCB."

My hon. Friend the Member for Oxford, East (Mr. Smith) will have swallowed hard and put on a brave face when he reached that disagreeable item.

When the Labour majority Government came to power in 1945, the first thing it did—virtually with the assent of the then Opposition—was to place, not just in public ownership but in Treasury control, the Bank of England. If I can recall one or two of the phrases that we used then, I think that we said that it was to finance the servant, not the master, of the nation. That was the sort of approach that we took, and we meant it. We meant to take over those factors that greatly influenced the lives of our people. I find it difficult to detect any vestige of the socialist tradition in those of my hon. Friends who are cheerfully contemplating handing over the power of democratic control through our democratically elected Government and Chancellor here to an unelected bank in Europe. I think that such an attitude is utterly deplorable, and I hope that the Labour party will rethink what it is doing.

Can anyone envisage the circumstances in which the next Labour Government would come before the House and, in its first Bill, repeal the Bank of England Act 1946 and formally renounce the power to control this country's monetary system? We would die of shame. I am certain that many people in the Labour party would never accept it.

The Financial Secretary to the Treasury (Mr. Stephen Dorrell): The group of amendments addresses the institutional implications of those sections of the treaty which deal with the possibility of the establishment of a single currency. Much of the debate has proceeded on the assumption that there will come into force and apply in this country a European system of central banks which will operate a single currency in this country. I shall return to those arguments later.

First, however, I wish to pick up an issue raised by the right hon. Member for Bethnal Green and Stepney (Mr. Shore). He said that for the debate to proceed on such a basis would be to make a substantial leap of logic. The success of my right hon. Friend the Prime Minister at Maastricht means that the House is not being asked now to accept the proposition that a single currency should be circulating in this country or that the institutions set out in the treaty should come into force to operate that single currency. As a result of the British protocol negotiated by my right hon. Friend the Prime Minister, that decision will be made later. That is not the issue before the House today.

Mr. Andrew Smith: In the light of what the Minister has said, may I ask if he is aware of the article written by the Prime Minister when he was Chancellor of the Exchequer in *The Irish Times* on 6 July 1990? He wrote:

"There is no more important issue facing the European Community than the path we choose towards economic and monetary union. We are all committed to that goal."

Are the Government still committed to that goal?

Mr. Dorrell: The goal of economic and monetary union has been accepted by EC member states since the early 1970s. The issue is the precise form that the union will take. The treaty sets out a form of monetary union and contains the British position on that form—that under the terms of the British protocol we are not bound to introduce a single currency.

Mr. Marlow: If there is monetary union does that not mean that there will be a single currency?

11.45 pm

Mr. Dorrell: No. That is precisely why in the run-up to the Maastricht negotiations we proposed not a single currency system but a common currency which within a monetary union would allow a range of different

[Mr. Dorrell]

currencies to circulate. That is why we have not accepted a commitment to a single currency. We do not accept that commitment to monetary union necessarily implies a commitment to introduce a single currency.

Mr. [illegible]lands: Why in 1993 do we have to write into our domestic legislation all stages 1, 2 and 3 articles and all the protocols? Why not do that in 1996?

Mr. Dorrell: As the Government made clear in another context, in the Bill, as in earlier legislation to introduce treaty obligations to our domestic law, it is more sensible to legislate for all the implications which might arise from the treaty. That lies behind the drafting of the Bill.

Mr. Marlow *rose*——

Mr. Dorrell: Perhaps my hon. Friend would allow me to answer the question put to me. It is more sensible to introduce into our legislation the provisions which would be necessary if we exercised the choice provided for by the British protocol. That is in line with the manner in which we have legislated for treaty obligations in the past.

Mr. Spearing: I think that the Minister asserted that the commitment or obligation to economic and monetary union went back to the early 1970s. I do not recall any such commitment in the European Community debates in 1972. My recollection and that of my hon. Friends is that the Government referendum document of 1975 specifically stated that the threat of economic and monetary union had been removed. I do not recall any Conservative denying that. What was the commitment of the early 1970s?

Mr. Dorrell: The amendments concern the institutional arrangements for the operation of a single currency. At the time of the referendum the argument was not that there was no further Community interest in economic and monetary union—that would have been a hard argument to advance—but that if there was to be a decision to introduce economic and monetary union it would require at the very least unanimity in the Council. Any significant move down the road of such union would involve a treaty amendment, which is precisely what we are debating.

Mr. Mandelson: The point about the early 1970s is rather fine and arcane. More relevant is the position of the Prime Minister. For the benefit of those who are following the debate it would be worth clarifying the answer the Minister gave to my hon. Friend the Member for Oxford, East (Mr. Smith), who quoted from an article in *The Irish Times* of Friday 6 July written by the then Chancellor of the Exchequer, now the Prime Minister:

"There is no more important issue facing the European Community than the path we choose towards economic and monetary union. We are all committed to that goal."

The Minister says that that is enshrined in the Maastricht treaty, but the Government take a separate position within the treaty. Presumably the Prime Minister has changed the view that he expressed in 1990—or does he now hold a minority position in his own Government?

Mr. Dorrell: I did not say that the position was set out only in the Maastricht treaty. I said that we accept the commitment to economic and monetary union, to which this country has signed up several times—including in the early 1970s. We do not accept that the only way to deliver monetary union in Europe is by introducing a single currency. That is why my right hon. and noble Friend Lord Lawson, who is not a supporter of a single currency, proposed to the Community that we should introduce provision for a common currency regime which would allow currencies to circulate within the Community on the basis of a monetary union, but without the introduction —and certainly without the imposition—of a single currency. There is no inconsistency about that.

Mr. Budgen: Can my hon. Friend say whether the Government are committed to moving back into a system of irrevocably locked exchange rates?

Mr. Dorrell: My hon. Friend does not accurately describe either the history or the present commitment involved in the exchange rate mechanism. It is true that it is Government policy to return to membership of the exchange rate mechanism when the Government believe that it is in this country's interest to do so.

Mr. Budgen: Are we committed to going back to irrevocably locked exchange rates?

Mr. Dorrell: The answer is no. I understood my hon. Friend to ask whether we are committed to returning to ERM membership when it is in this country's interest to do so. The answer to that question is yes.

Mr. Marlow: My hon. Friend the Minister said that we are committed to economic and monetary union but that that does not necessarily mean to a single currency—but if one examines the treaty, the only option is a single currency. The Government are committed to the treaty and to economic and monetary union. How can there be economic and monetary union at a later stage without the treaty having a single currency? What alternative is available to the Government?

Mr. Dorrell: I explained twice the Government's preferred option in terms of a route to monetary union.

Mr. Marlow: But that is not in the treaty.

Mr. Dorrell: It is not in the treaty, but neither is any obligation to join a single currency in the treaty. It contains commitments for this country, but a commitment to join a single currency is not numbered among them.

I was asked to give chapter and verse on the commitment in the early 1970s to economic and monetary union. Member states signed up to that at their conference in Paris between 19 and 21 October 1972.

Mr. Leighton: The Minister mentioned Britain's commitment in the early 1970s to economic and monetary union and the referendum. The 1975 manifesto of the Government of the day stated:

"There was a threat to employment in Britain from the movement in the Common Market towards an Economic and Monetary Union. This could have forced us to accept fixed exchange rates for the pound, restricting industrial growth and so putting jobs at risk. This threat has been removed."

Mr. Dorrell: As I have already pointed out, I do not feel responsible for that Government in a collective sense. The position in 1975—it remains the same now—was that no form of monetary union could be imposed on the country other than as a result of a treaty amendment, which would clearly require the consent not merely of the Government but of the House in the context of debates such as this.

Mr. Budgen: Will my hon. Friend give way?

Mr. Dorrell: I should like to make some progress on the question which has provided the substance of the debate—the institutional arrangements which would be necessary if we moved to a single currency.

The question which underlies the Bill is this. Other sovereign countries in Europe have expressed an interest—some, indeed, have gone well beyond that—in introducing a single currency as the means of delivering our collective commitment to monetary union. The question that we in Britain must answer is whether, when other member states of the Community are choosing to take that course, we should repeat the mistake—as I regard it—that our forefathers made at the time of the Messina conference. Should we stand out from the process in which those member states are engaged—the designing of a single currency—or take advantage of the opportunity that my right hon. Friend the Prime Minister won for this country at Maastricht, which sets this process apart from the process started at Messina, and assist in the design of a single currency which may come into force in the rest of the Community?

That is the question that the House must decide. The question is not, "Do we want to accept a single currency?" and still less, "Do we want to accept the institutional arrangements set out in the treaty?" Those are questions to which the House will return as a result of the passage of the Bill. The question with which we have to deal tonight is whether, if there is to be a single currency, the arrangements set out in the Bill are sensible for the management of such a currency, which would circulate in 12 independent member states.

Mr. Budgen: My hon. Friend has raised the question of the common currency. Does he agree that, if it is our long-standing wish to move towards economic and monetary union, a common currency can only be a delaying mechanism? Does he agree that, if we are to honour the ultimate obligation, such a currency must lead to a single currency, which is the necessary condition for monetary union?

Mr. Dorrell: Let me say for the third time—in what has been, so far at least, a relatively short speech—that I do not accept that proposition. I continue to believe that a different route for the delivery of monetary union would involve the circulation within the Community of common, as opposed to single, currencies.

Mr. Macdonald: Will the Minister give way?

Mr. Dorrell: No, I want to move on.

Let me return to the subject which has provided the purpose of the debate and answer the question whether the institutional arrangements set out in the treaty are sensible for the management of a single currency. We must at least allow the possibility that a single currency will be introduced. The right hon. Member for Bethnal Green and Stepney made it abundantly clear—as, indeed, did my hon. Friend the Member for East Lindsey (Sir P. Tapsell) and one or two others—that he was against the establishment of a single currency, however managed. If that is the basis on which the discussion is to take place, it will be a wholly academic discussion.

If we are to pursue the argument about what the institutional arrangements could be if a single currency were established—if we chose to join such a currency at a later date, as a result of the opportunity provided for us by my right hon. Friend the Prime Minister at Maastricht—let us examine what the arrangements could be for the management of that currency.

12 midnight

From the point of view of our history, we are starting with a relatively clean sheet of paper. If we are to answer the question, how do we best manage a single currency starting from a clean sheet of paper, we would do well to set out a few trig points for the argument, as I shall do now.

The first proposition is self-evident. If there is to be a single currency which circulates in the 12 member states of the Community, we have to set up not only the single currency but the monetary authority which will be responsible for managing that single currency. The second proposition is that, if it is to circulate in 12 sovereign member states, that monetary authority—[HON. MEMBERS: "They will no longer be sovereign states."] My hon. Friends may have a view about that.

If the currency is to circulate in the 12 member states of the Community and as there can be only one monetary authority, it follows as night follows day that that monetary authority must be separate from the political institutions of any individual member state. No member state will accept a currency in circulation within its borders which is managed by institutions within the body politic of a different member state. We therefore have to design a monetary authority which is separate from the member states.

My third proposition is that, even when we are designing a monetary authority which is separate from the member states, we should seek to apply the principle of subsidiarity. If monetary authority is to be removed from member states and passed to a single monetary authority, it does not follow that other economic decision-making needs to be removed from the member state level. To manage a single currency across 12 member states, it is certainly necessary to take monetary authority away from member states, but I do not accept that it is necessary or, indeed, desirable, within the principle of subsidiarity, to remove fiscal policy or wider economic policy responsibility from member states.

Mr. John Wilkinson (Ruislip-Northwood) *rose*——

Mr. Dorrell: I wish to develop this point; then I will give way to my hon. Friend.

This is one of the fundamental disagreements that I have with my hon. Friend the Member for East Lindsey and the right hon. Member for Chesterfield (Mr. Benn) who argue that, if there is to be a single monetary authority, it follows that it must have responsibility for fiscal policy decisions all around the Community. I do not accept that that is technically necessary. At a technical level, it is simply wrong and certainly not provided for within the treaty.

The treaty provides limits, which we shall discuss on a later group of amendments, to the range of policy options open to member states as fiscal authorities—that is where the budget deficit criteria comes into play—but it does not remove from member states the responsibility for fiscal policy. That rests with member states. If there is to be a single currency, the only aspect of economic policy which it is necessary to remove from member states is responsibility for monetary policy.

Mr. Wilkinson: How on earth, in the real world, could it be possible to have a single monetary authority conducting monetary policy on behalf of the union while the constituent elements of the union pursue their independent fiscal policy? Surely that is a recipe for total economic confusion.

Mr. Dorrell: With great respect, I do not think that that is true. It is wrong at a technical level. *[Interruption.]* One of my hon. Friends queries my use of the word "technical". The conduct of monetary policy is, in large measure, a technical matter. There is the question of accountability, of course, with which I shall deal in a moment, but if the technical questions are not right, monetary policy will not work.

It is a technically wrong proposition to say that monetary and fiscal policy must be exercised by the same authority. Indeed, it is demonstrably untrue, because there are many examples around the world of different parts of the institutions of a nation state operating fiscal and monetary policy.

Mr. Denzil Davies: The Minister protests too much. Nobody—certainly no Opposition Member—has ever said that the whole of fiscal policy is to be put in the hands of the monetary authorities, or of the bank. The point is that fiscal policy will be partly controlled by the Commission and the Council of Ministers. Fiscal policy on public expenditure, in terms of the ceilings, will be shared with—or partly controlled by, or whatever language one wishes to use—the Commission and ultimately the Council of Ministers. So there is also a transfer of fiscal policy—or of control over some of it—to Community institutions.

Mr. Dorrell: I said in terms that I acknowledged that there was an inhibition on the freedom of manoeuvre of independent nation states, arising from the budget deficit criteria. But the right hon. Gentleman is wrong to say that nobody has suggested during the debate that the consequence of moving to a single currency would be that fiscal policy would become the responsibility of the central bankers. That is exactly the proposition that the right hon. Member for Chesterfield argued at some length—and he is wrong.

It follows from what I have been saying——

Mr. Austin Mitchell *rose*——

Mr. Dorrell: I want to make a bit more progress now.

It follows from what I have said that it is proposed that the monetary authority be separate from the fiscal authority. We in this country are not familiar with that proposition. We know that our institutions have for some time operated on the premise that my right hon. Friend the Chancellor of the Exchequer is responsible to the House, at this Dispatch Box, for the conduct of both fiscal and monetary policy. If we are designing institutions which could work, and which open for us the choice of a single currency circulating at a later date, we must recognise that that choice is no longer open to us.

If we are designing new institutions which would work and which would allow us to have that choice—a single currency operating within 12 member states—it would be sensible for us to learn from the experience of countries elsewhere in the world which operate fiscal and monetary policy through different institutional arrangements. That is why I make no apology to the Committee for the fact that the European system of central banks looks remarkably like an institution with which many hon. Members are familiar—the Bundesbank. It is no surprise that the ESCB looks like the Bundesbank: there has been a conscious attempt to learn from the experience of a Community member state which has different authorities for fiscal and monetary policy and which, if we examine its record dispassionately, we see has been relatively successful in the conduct of its economic policy.

That is why, under the arrangements for the ESCB set out in the treaty, the executive board and the governing council and its responsibility to the individual national central banks are reminiscent of the arrangements within the Bundesbank. It is also why article 107, about which there has been substantial debate, is reminiscent of the conditions surrounding the operation of the Bundesbank.

Mr. Gill: Will my hon. Friend give way?

Mr. Dorrell: I want to make a couple of points about article 107, but first I will give way to my hon. Friend.

Mr. Gill: If my hon. Friend thinks that the Bundesbank is such a shining example to us all, will he tell us why we have not emulated that example before? Secondly, may I remind him of the question that I asked earlier about the irony of the fact that the Government do not support an independent Bank of England, yet are prepared to support an independent central bank?

Mr. Dorrell: My hon. Friend's first question is put to us regularly. We make it clear that within our own national arrangements the important issue is to tackle the substance of the management of monetary policy, not the institutional arrangements. In the end, it does not matter whether responsibility rests with the Chancellor or with a governing council institution within the Bank of England. The important issue on monetary policy is the conduct of that policy. I am asking the Committee to consider how, if we wanted to follow up the choice that my right hon. Friend the Prime Minister negotiated for us at Maastricht, we would envisage a single currency being managed within the European Community. Present arrangements for the management of monetary policy in this country, as in every other member state of the Community, would necessarily have to be changed if we were to adopt that approach.

Mr. Malcolm Bruce: If we are even to give ourselves the option to move towards signing up for European monetary union—and allowing for the fact that the Government have kept their options open—would it not be logical and sensible to move now towards establishing an independent Bank of England so as to make the final transition that much easier and our understanding of how the arrangements work that much better?

Mr. Dorrell: I do not accept that. Unless and until we decide that we want to move to a single currency, our energies would be better absorbed using our existing institutions, which work perfectly well at a national level, to conduct monetary policy in order to deliver our substantial policy objectives.

Mr. Andrew Smith: If I heard the Minister right, he said that whether monetary policy was under the control of the Treasury or the central council of the Bank was a matter of indifference, and that the important thing was the conduct of that policy. If that is a matter of such indifference, and if the Government are to honour their

implicit obligations in article 109j(1)—from which the United Kingdom is not exempt under the opt-out and under which the compatibility of the statutes of our central bank with the provisions of the treaty is to be assessed—are they not under an obligation to introduce legislation to change the Bank's statutes? And when will they decide whether to do that?

Mr. Dorrell: Neither we nor any other member state are under any obligation to change our domestic monetary arrangements, except in the context of a move to stage 3. If we do not intend to move to stage 3—or until we decide that we intend to move to stage 3—I am not in favour of changing the arrangements that we have, which work perfectly well. The burden of proof is on those who argue that institutions need to be changed. I do not think that the case for change in our institutional arrangements is made.

One or two of the points made about article 107 are not borne out by the provision itself. It is important to stress that, although it is certainly true that the European central bank and the national central banks are prevented from taking instructions from Community institutions or bodies, from any Government of a member state or from any other body—in other words, they are accountable for their own decisions and cannot take instructions from an outside body—it is not true that the second half of the article prevents the House, or newspaper journalists, or any other interested parties, from expressing their view about the conduct of monetary policy by the European central bank.

The second half of the question addresses only Community institutions and bodies and Governments of the member states. Those two groups forswear the opportunity to influence members of the board of the European central bank, but they are a relatively narrow group of people; anyone else is free, under the provisions of article 107, to express views about the conduct of monetary policy by the European central bank. That includes this House. *[Interruption.]* I shall deal with the question of the proper accountability arrangements of the bank in a moment.

Mr. Austin Mitchell: The Minister is reducing this House to the level of *The Sun* or *Scallywag* in saying that it has the right to give its opinion—big deal.

Mr. Dorrell: I am merely pointing out that those who have argued that article 107 prevents hon. Members expressing their view on the conduct of monetary policy by the European central bank are wrong. The article does not do that.

12.15 am

The right hon. Member for Bethnal Green and Stepney argued that the provisions for the independence of the central bank were a major departure from anything seen before. They are very similar indeed to the arrangements for the independence of the members of the Commission which were introduced by the treaty of Rome, which says:

"Members of the Commission, in the performance of these duties, shall neither seek nor take instructions from any Government or any other body"

and it provides that

"Member States undertake to respect this principle and not to seek to influence Members of the Commission in the performance of their tasks."

So it is not true to say that the independence provisions of the treaty of Maastricht are a significant departure.

Mr. Shore: There is a real difference between one eight-year term not to be renewed and five-year terms for Commissioners, who are eligible for renewal and who hope to be renewed.

Mr. Dorrell: There is a difference, though I am not sure that I would accept the description of it as a big one. I do not deny that the central bank is set up to be independent and that the provisions are designed to ensure its independence, and I shall discuss how accountability is to be delivered in the context of those independence provisions.

Mr. Marlow: In relation to article 107, my hon. Friend said that the House could express its view and opinion. If there is a debate here and he is standing at the Dispatch Box putting the Government's point of view, how will he be able to respond to the debate? What views will he be able to put to the House? How will he be able to take account of the views of hon. Members? What will he be able to say? The answer is nothing. Article 107 says that he cannot say anything.

Mr. Dorrell: It is flattering to hear my hon. Friend ascribe such importance to the views expressed from this Dispatch Box. I hope that he will feel persuaded to follow the weight of my argument tonight, as he implies he would at a later date in relation to questions about monetary policy.

The arrangements for the accountability of the central bank are set out in two places in the treaty. One is in article 109b, which provides arrangements very similar to those which prevail within the Bundesbank—that members of the Council can attend and argue their case but cannot vote within the governing council of the bank, that the bank in turn will be invited to participate in Council meetings and that the central bank will produce

"an annual report on the activities of the ESCB and on the monetary policy of both the previous and current year to the European Parliament, the Council and the Commission, and also to the European Council."

That refers to the Heads of State and Government meeting on a six-monthly basis. It goes on:

"The President of the ESCB shall present this report to the Council and to the European Parliament".

Those are the institutional arrangements for reporting set out in that article of the treaty.

In addition, and of some significance in view of recent events in this country, are the arrangements set out on page 94 in article 15 of the ESCB protocol. That article sets out extensive requirements for the ESCB to publish reports on its activities. It requires:

"A consolidated financial statement of the ESCB shall be published each week"

and it states that it must draw up and publish reports on its activities quarterly, with an annual report being made in the way I described. That is of some significance, particularly in view of the arrangements that the Chancellor has set up for the conduct of monetary policy in this country. He has placed great stress on the importance of providing information to those who operate in the market, or comment on the market in the newspapers, and people who are interested in such affairs so that they can see on a regular basis the information against which money policy decisions are made. The same arrangements are provided in this treaty in the context of the European central bank.

Mr. Alex Salmond (Banff and Buchan): The Minister would show more conviction if he openly admitted that this House will lose a range of powers in the future. Some of us think that it is a cracking good idea. Does he accept that in the future, the influence of this House on aspects of monetary policy and the central bank will be roughly equivalent to, say, that which the Scottish Grand Committee has on fiscal policy in Scotland at present?

Mr. Dorrell: I do not know whether the hon. Gentleman was in the Chamber when I started my speech, but I made it clear that if there is a single currency which circulates in 12 member states of the Community it follows, as night follows day, that the existing monetary arrangements within the member states would lose some of the power that they have at present. That is the choice that the House will be asked to make when it decides to join a single currency. It is not being asked to make that choice now.

Mr. Andrew Smith: When I asked the Minister a question relating to article 109j(1), he said that there was no obligation for the United Kingdom to move towards the independence of the central bank until the third stage. I draw his attention to article 109e(5), which clearly states:

"During the second stage, each Member State shall, as appropriate, start the process leading to the independence of its central bank".

When will the Government take a decision on that?

Mr. Dorrell: I did not say that we had no obligation to introduce an independent central bank until we had moved to a single currency. I said that we were not obliged to do so unless and until we decided that we wished to move to a single currency. That is the position.

Mr. Hain: If amendment No. 36 were put to the vote and carried, would that prevent the Government from ratifying the treaty, in the light of the Attorney-General's guidance on amendment No. 27? As amendment No. 27 related to opting out of the social chapter, so the British Government have opted out of stage 3 of monetary union, which this debate and the amendment specifically address.

Mr. Dorrell: I made it clear that we have introduced a Bill which gives effect to all the provisions necessary to the exercise of either discretion on the question of a single currency. The Bill makes provision which will work if the United Kingdom chooses to adopt the single currency or if it chooses not to adopt the single currency.

The arrangements that I have described have been referred to by more than one hon. Member in the debate as a bankers' Europe, making provision for the conduct of monetary policy to be unaccountable and conducted by central bankers in a way which is contrary to the interests of working people throughout the Community. Today and in an earlier debate on this subject, my hon. Friend the Member for East Lindsey asked why, even if we have a single currency——

Mr. Hain: On a point of order, Dame Janet. I regret having to raise a point of order, but I ask for your guidance on this point. I asked the Minister a specific question about legal advice from the Attorney-General on amendment No. 36. During previous debates in Committee on this Bill, we were promised that advice, but that point has not been answered. Could you give some guidance as to whether that point should be answered because we might be required to vote on it shortly?

The Second Deputy Chairman of Ways and Means (Dame Janet Fookes): Such matters of substance are not a matter for the Chair.

Mr. Dorrell: In conclusion, I return to the basic point. This evening, the Committee is not being asked to give the green light to a single currency. The decisions that the Committee is making in the context of this Bill have no consequences for the independence of the Bank of England, for parliamentary control of our existing monetary policy arrangements or, as the right hon. Member for Chesterfield argued, for the Conservative tradition of a strong and free United Kingdom or, indeed, the Labour party tradition, which he identified as standing against the interests of capital.

The day may come when the House is asked to decide to adopt a single currency, with the institutional arrangements that I have described, but we are not at that day now. If we decided to go to stage 3 we would have to consider the issue of an independent central bank under the arrangements that I have described. We would also have to establish to our satisfaction our own procedures for making those arrangements accountable.

Today's isssue is much simpler. Is this a sensible arrangement for the management of a single currency, if we chose to adopt one? I believe that is, and on that basis I do not want to see amendments incorporated into the Bill which would make those arrangements unworkable.

Mr. Hain: The debates on this and the next two groupings of amendments deal with the guts of the treaty —its economic framework. The reason why I am so critical of the treaty is that the economic framework, specifically in terms of establishing an unaccountable central bank, is bad for our economy and society.

When one examines the origins of the proposal to establish a central bank, one finds that it was framed during the high tide of monetarism in the 1980s, when European policy makers hatched the idea of the independent European central bank. The hon. Member for East Lindsey (Sir P. Tapsell) took us back to an earlier genesis of the idea in the late 1930s. I shall not follow him in that.

When the proposal for a European central bank was hatched, the political situation was entirely different. The intellectual fashion was for monetarist ideas. The independent central bank was an example of that. It will be the driving force behind Maastricht. It will drive Europe uncompromisingly towards monetary union and enforce price and interest rate stability, virtually regardless of the consequences for employment, redistribution and public welfare, all of which would be entirely secondary matters for the all-powerful bank.

We have seen that that monetarist vision is deeply flawed. It has been rejected in America and I am sure that it will soon be rejected here in Britain. It should be rejected in Europe, too. In that sense, the economic framework of the Maastricht treaty is severely out of date. It was out of date even before the ink had dried on it.

Massive changes have occurred since the original economic programme for Maastricht was framed. For example, we have seen the reunification of Germany and massive deflation has been imposed across Europe. Unemployment is rising continuously. It now stands at some 18 million to 19 million across the European Community. If present trends continue, according to the

Organisation for Economic Co-operation and Development, that total will reach 30 million, with all the awful prospects that that holds for us. In addition, the ERM has imploded. All those factors have created an entirely new situation which should have been recognised. It requires a renegotiation of the treaty's economic framework, especially the establishment of an independent central bank.

Mr. Nicholas Winterton: I am following the hon. Gentleman's speech closely and I find myself in considerable agreement with it. He has just come on to the establishment of an independent European central bank. Bearing in mind the control that that bank will have and the criteria on which it will operate, will not it produce massive unemployment throughout the European Community? In the absence of any accountability, will not it create social unrest which most of Europe, and certainly the United Kingdom, has seldom, if ever, experienced?

Mr. Hain: Indeed. I was about to deal with that point. The bank to which the hon. Gentleman refers was due to be established as part of the final stage 3 transition to monetary union and a single currency. That is why I raised the question that the Minister failed to answer on amendment No. 36. I take his failure to answer directly as confirmation of the fact that if amendment No. 36 were carried the ratification of the treaty would not be affected. We have to assume that because the Minister has not denied it.

Under article 3a the primary objective is

"to maintain price stability and, without prejudice to this objective, to support the general economic policies in the Community, in accordance with the principle of an open market economy with free competition.

These activities of the Member States and the Community shall entail compliance with the following guiding principles: stable prices, sound public finances and monetary conditions and a sustainable balance of payments."

There is absolutely no mention of full employment policies.

12.30 am

Nobody has disputed the fact that this is the most important article in the treaty. It is far more important than article 2 to which some of my hon. Friends constantly refer and which I call the apple pie and motherhood article. It is full of nice, generous phrases, but is virtually meaningless when measured up to the specific targets and policies which are carefully prescribed in subsequent articles and specified exactly in article 3a.

Mr. Mandelson: Why are the parts of the treaty that my hon. Friend likes and is fond of quoting so much more meaningful than the articles to which his hon. Friends refer? Why are high employment, high living standards and growth, so hollow and meaningless whereas what he likes is so full of meaning and portent for the future of Europe? I do not understand it.

Mr. Hain: Let me explain to the hon. Gentleman why he should understand it and ask him to restrain the sharpness of his tongue. If he reads the article and compares the specific references in article 3a to price stability and so forth to the rather general phrases in article 2, he will see that the latter are apple pie and motherhood phrases about full employment and welfare, to which we can all subscribe but which are specifically denied by article 3 and all the subsequent articles that I am about to quote to him.

Mr. Rowlands: Will my hon. Friend draw attention to the primary objectives in article 5 on the ESCB? While article 2 is

"with a view to contributing to the achievement",

article 3 requires compliance. The language is totally different. One involves compliance while the other is a general objective.

Mr. Hain: Indeed. My hon. Friend makes a convincing point. It is the central flaw in the views of those who are turning a blind eye to the real content of the treaty, as the hon. Member for Hartlepool (Mr. Mandelson) is inviting us to do. He wants us to salute the general phrases and the nice, rolling words of the treaty, but he wishes us to ignore the specifics which ultimately require legal compliance, despite their hugely deflationary consequences. I consider that irresponsible because it will have enormous consequences not only for my constituents in an outlying region of Britain, but for his constituents who also live in an outlying region, especially in relation to the hub of the European Community where all decisions will be made and where power will be centralised.

Mr. Mandelson: Talking about sharpness, I do not need to take any lectures from hon. Friends about the effectiveness with which I represent my constituents.

May I just ask my hon. Friend two things? Why is it that article 2, the first substantial article of the entire treaty, which starts with the words

"The Community shall have as its task"—

I will not read the rest of it because it is familiar—is so meaningless? Secondly, why—after all, my hon. Friend raised article 3a—does not he subscribe to this categorical and clear statement which I should have thought would enjoy the support of all Opposition Members:

"the adoption of an economic policy which is based on the close co-ordination of Member States' economic policies, on the internal market and on the definition of common objectives"?

What is so commonly objectionable about that? I should have thought that it echoed precisely Labour party statements and our manifesto at the last general election.

Mr. Hain: There is nothing commonly objectionable about it at all. No hon. Member could object to those fine and rolling words.

Mr. Mandelson: My hon. Friend is choosing to ignore them.

Mr. Hain: No, I am not choosing to ignore them at all. What I am pointing out to the hon. Member and to other hon. Members, if they care to listen, is that one can start off a treaty with all sorts of fine words, but when it comes to the implementation of that treaty——

Mr. Mandelson: My hon. Friend is ducking and weaving.

Mr. Hain: No, it is not a question of ducking and weaving and picking and choosing——*[Interruption.]*

The Second Deputy Chairman: Order. We cannot have a sub-conversation going on. The hon. Member for Hartlepool (Mr. Mandelson) has had a number of opportunities to intervene. When he is not intervening, he must keep quiet.

Mr. Hain: I am grateful, Dame Janet. Could I just emphasise that it is not a question of picking and choosing or ducking and weaving but of looking objectively at the treaty and at those instruments, one of which is specified in article 3a, the principal one of price stability, an objective which nothing must compromise. One then has to measure up those specific instruments against the woolliness of the earlier phrases and the fine words that we can all salute and subscribe to.

Mr. Leighton: In relation to what my hon. Friend has called the apple pie and motherhood clause, with these woolly words, is it not a fact that similar words also occur in the treaty of Rome? But what has been the result of that? Why is it, if we have such nice words in the treaty, that we have 18 million to 19 million workers unemployed? Is not it true that, despite having those nice words in the treaty of Rome, the Community has become the unemployment black spot of the world, and that this would make it worse?

Mr. Hain: Without going into the treaty of Rome, I think that my hon. Friend's point about the European Community becoming the unemployment blackspot of the world is valid. The average unemployment rate in the EC has now outstripped that in the Organisation for Economic Co-operation and Development, whereas it used to be below it. One must ask why. The answer is clear. What we have had in the past few years is a dress rehearsal for precisely the kind of deflationary, monetarist policies which Maastricht celebrates and institutionalises and which will cause mass unemployment and further deflation across Europe.

Sir Teddy Taylor *rose*——

Mr. Hain: I would like to make progress, if the hon. Member does not mind, but I shall be happy to give way later.

Under this treaty the European central bank will be an independent institution. It will be required, as article 3a specifies, to be single-mindedly dedicated to low inflation, virtually regardless of the consequences for employment and social equality. That is the key point. It is specified that national central banks will be subordinated to the unaccountable European central bank and not to their elected Governments—a point which has recurred in contributions to this debate. It will be specifically prevented from being accountable to the elected national Governments. If the timetable is strictly adhered to, the Bank of England would have to be privatised, or at least made fully independent, by 1999, as is already happening in France and has just been completed in Spain.

The independence of the European central bank is uncompromisingly spelled out in chapter 2, article 107—another one that I want to quote for the record:

"When exercising the powers and carrying out the tasks and duties conferred upon them by this Treaty and the Statute of the ESCB, neither the ESCB, nor a national central bank, nor any member of their decision-making bodies shall seek or take instructions from Community institutions or bodies, from any government of a Member State or from any other body.

The Community institutions and bodies and the governments of the Member States undertake to respect this principle and not to seek to influence the members of the decision-making bodies of the ECB or of the national central banks in the performance of their tasks."

There is not much fudging, or ducking and weaving there—it is crystal clear. Elected Governments and politicians are barred from influencing the governing body of the European central bank, which is equally obliged to disregard any representations made to them.

Sir Teddy Taylor: I fully agree with that excellent argument. Will the hon. Member remind his very gullible and talkative friend, the hon. Member for Hartlepool (Mr. Mandelson), that many political parties have promoted policies comprising full employment, high wages and lots of sunshine, but those are extremely difficult to achieve if the basic policies inherent in the manifestos are a load of rubbish and if they are deliberately designed to create unemployment and misery?

Mr. Hain: I shall allow the hon. Member for Hartlepool to make his own case in his own way.

Not only does the treaty require——

Mr. James Arbuthnot (Wanstead and Woodford) *rose in his place and claimed to move,* That the Question be now put.

Question put, That the Question be now put:—

The Committee proceeded to a Division, and the Second Deputy Chairman having directed that the Doors be locked——

Mr. John Wilkinson (Ruislip-Northwood) *(seated and covered):* On a point of order, Dame Janet. You will notice that the Door to one of the Lobbies has been locked whereas the Door to the other one has been left open. We have seen some funny tricks in the Committee, but this is one of the oddest.

The Second Deputy Chairman: I think that it was my fault. I ordered the Doors to be locked in error. I apologise for the mistake. I am sure that the Doorkeepers will open the Doors to allow us to proceed as usual.

Whereupon the Doors were unlocked.

The Committee having divided: Ayes 236, Noes 70.

Division No. 204] **[12.40 am**

AYES

Adley, Robert
Ainsworth, Peter *(East Surrey)*
Aitken, Jonathan
Alexander, Richard
Alton, David
Amess, David
Ancram, Michael
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Arnold, Sir Thomas *(Hazel Grv)*
Ashby, David
Atkinson, Peter *(Hexham)*
Baker, Nicholas *(Dorset North)*
Baldry, Tony
Banks, Matthew *(Southport)*
Banks, Robert *(Harrogate)*
Bates, Michael
Batiste, Spencer
Bellingham, Henry
Beresford, Sir Paul
Blackburn, Dr John G.
Booth, Hartley
Boswell, Tim
Bottomley, Peter *(Eltham)*
Bottomley, Rt Hon Virginia
Bowden, Andrew
Bowis, John
Brandreth, Gyles
Brazier, Julian
Bright, Graham
Brooke, Rt Hon Peter
Brown, M. *(Brigg & Cl'thorpes)*
Browning, Mrs. Angela
Bruce, Malcolm *(Gordon)*
Campbell, Menzies *(Fife NE)*
Carlile, Alexander *(Montgomry)*
Carlisle, Kenneth *(Lincoln)*
Carrington, Matthew
Channon, Rt Hon Paul
Chapman, Sydney
Churchill, Mr
Clarke, Rt Hon Kenneth *(Rushcl)*
Clifton-Brown, Geoffrey
Coe, Sebastian
Congdon, David
Conway, Derek
Coombs, Simon *(Swindon)*
Cope, Rt Hon Sir John
Couchman, James
Currie, Mrs Edwina *(S D'by'lre)*
Curry, David *(Skipton & Ripon)*
Dafis, Cynog
Davis, David *(Boothferry)*
Day, Stephen
Deva, Nirj Joseph
Dorrell, Stephen
Douglas-Hamilton, Lord James
Dover, Den
Duncan, Alan
Dunn, Bob
Durant, Sir Anthony
Dykes, Hugh
Eggar, Tim
Elletson, Harold

Emery, Rt Hon Sir Peter
Evans, Jonathan *(Brecon)*
Evans, Nigel *(Ribble Valley)*
Evans, Roger *(Monmouth)*
Evennett, David
Faber, David
Fabricant, Michael
Fenner, Dame Peggy
Fishburn, Dudley
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Foster, Don *(Bath)*
Fox, Dr Liam *(Woodspring)*
Fox, Sir Marcus *(Shipley)*
Freeman, Roger
French, Douglas
Gale, Roger
Gallie, Phil
Garel-Jones, Rt Hon Tristan
Garnier, Edward
Gillan, Cheryl
Goodson-Wickes, Dr Charles
Gorst, John
Grant, Sir Anthony *(Cambs SW)*
Greenway, John *(Ryedale)*
Grylls, Sir Michael
Gummer, Rt Hon John Selwyn
Hague, William
Hamilton, Rt Hon Archie *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Harris, David
Haselhurst, Alan
Hawkins, Nick
Hayes, Jerry
Heald, Oliver
Heathcoat-Amory, David
Hendry, Charles
Hicks, Robert
Higgins, Rt Hon Sir Terence L.
Hill, James *(Southampton Test)*
Horam, John
Hordern, Rt Hon Sir Peter
Howarth, Alan *(Strat'rd-on-A)*
Howell, Rt Hon David *(G'dford)*
Hughes, Simon *(Southwark)*
Hunt, Rt Hon David *(Wirral W)*
Hunt, Sir John *(Ravensbourne)*
Hunter, Andrew
Jack, Michael
Johnston, Sir Russell
Jones, Gwilym *(Cardiff N)*
Jones, Ieuan Wyn *(Ynys Môn)*
Jopling, Rt Hon Michael
Kellett-Bowman, Dame Elaine
Kennedy, Charles *(Ross,C&S)*
Key, Robert
Kilfedder, Sir James
Kirkhope, Timothy
Kirkwood, Archy
Knight, Mrs Angela *(Erewash)*
Knight, Greg *(Derby N)*
Knox, David
Kynoch, George *(Kincardine)*
Lait, Mrs Jacqui
Leigh, Edward
Lester, Jim *(Broxtowe)*
Lidington, David
Lightbown, David
Lilley, Rt Hon Peter
Lloyd, Peter *(Fareham)*
Llwyd, Elfyn
Luff, Peter
Lyell, Rt Hon Sir Nicholas
Lynne, Ms Liz
MacGregor, Rt Hon John
Maclean, David
Maclennan, Robert
McLoughlin, Patrick
Madel, David
Maitland, Lady Olga
Malone, Gerald
Mans, Keith
Marshall, Sir Michael *(Arundel)*
Martin, David *(Portsmouth S)*
Mawhinney, Dr Brian
Merchant, Piers
Milligan, Stephen
Mills, Iain
Mitchell, Andrew *(Gedling)*
Mitchell, Sir David *(Hants NW)*
Monro, Sir Hector
Moss, Malcolm
Needham, Richard
Nelson, Anthony
Neubert, Sir Michael
Newton, Rt Hon Tony
Nicholls, Patrick
Nicholson, Emma *(Devon West)*
Norris, Steve
Onslow, Rt Hon Sir Cranley
Oppenheim, Phillip
Page, Richard
Paice, James
Patnick, Irvine
Patten, Rt Hon John
Pattie, Rt Hon Sir Geoffrey
Peacock, Mrs Elizabeth
Pickles, Eric
Porter, Barry *(Wirral S)*
Portillo, Rt Hon Michael
Powell, William *(Corby)*
Rathbone, Tim
Redwood, John
Renton, Rt Hon Tim
Richards, Rod
Riddick, Graham
Robathan, Andrew
Roberts, Rt Hon Sir Wyn
Robertson, Raymond *(Ab'd'n S)*
Robinson, Mark *(Somerton)*
Rowe, Andrew *(Mid Kent)*
Rumbold, Rt Hon Dame Angela
Ryder, Rt Hon Richard
Sackville, Tom
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shepherd, Colin *(Hereford)*
Smith, Tim *(Beaconsfield)*
Soames, Nicholas
Spencer, Sir Derek
Spicer, Sir James *(W Dorset)*
Spink, Dr Robert
Sproat, Iain
Squire, Robin *(Hornchurch)*
Stanley, Rt Hon Sir John
Steel, Rt Hon Sir David
Stephen, Michael
Stern, Michael
Stewart, Allan
Streeter, Gary
Sykes, John
Taylor, Ian *(Esher)*
Taylor, Matthew *(Truro)*
Temple-Morris, Peter
Thomason, Roy
Thompson, Patrick *(Norwich N)*
Thornton, Sir Malcolm
Thurnham, Peter
Townsend, Cyril D. *(Bexl'yh'th)*
Tracey, Richard
Trotter, Neville
Twinn, Dr Ian
Viggers, Peter
Walden, George
Wallace, James
Waller, Gary
Wardle, Charles *(Bexhill)*
Waterson, Nigel
Wells, Bowen
Wheeler, Rt Hon Sir John
Whitney, Ray
Whittingdale, John
Widdecombe, Ann
Wigley, Dafydd
Willetts, David
Wolfson, Mark
Wood, Timothy
Yeo, Tim
Young, Sir George *(Acton)*

Tellers for the Ayes:
Mr. Andrew MacKay and
Mr. Robert G. Hughes.

NOES

Abbott, Ms Diane
Adams, Mrs Irene
Anderson, Ms Janet *(Ros'dale)*
Barnes, Harry
Barron, Kevin
Beggs, Roy
Bermingham, Gerald
Betts, Clive
Boyce, Jimmy
Budgen, Nicholas
Campbell-Savours, D. N.
Cann, Jamie
Chisholm, Malcolm
Cran, James
Cryer, Bob
Cunliffe, Lawrence
Cunningham, Rt Hon Dr John
Darling, Alistair
Davies, Rt Hon Denzil *(Llanelli)*
Davis, Terry *(B'ham, H'dge H'l)*
Dixon, Don
Evans, John *(St Helens N)*
Foster, Rt Hon Derek
Gill, Christopher
Godman, Dr Norman A.
Gould, Bryan
Griffiths, Nigel *(Edinburgh S)*
Hain, Peter
Hall, Mike
Heppell, John
Hill, Keith *(Streatham)*
Howarth, George *(Knowsley N)*
Hughes, Kevin *(Doncaster N)*
Jessel, Toby
Kennedy, Jane *(Lpool Brdgn)*
Kilfoyle, Peter
Knapman, Roger
Lawrence, Sir Ivan
Lewis, Terry
Lloyd, Tony *(Stretford)*
McAllion, John
Macdonald, Calum
McMaster, Gordon
McWilliam, John
Mandelson, Peter
Martin, Michael J. *(Springburn)*
Meale, Alan
Michael, Alun
Mowlam, Marjorie
Pike, Peter L.
Pope, Greg
Reid, Dr John
Robertson, George *(Hamilton)*
Ross, William *(E Londonderry)*
Rowlands, Ted
Shepherd, Richard *(Aldridge)*
Shore, Rt Hon Peter
Simpson, Alan
Skinner, Dennis
Smith, Andrew *(Oxford E)*
Smith, Llew *(Blaenau Gwent)*
Spearing, Nigel
Stott, Roger
Taylor, Sir Teddy *(Southend, E)*
Walker, Bill *(N Tayside)*
Wilkinson, John
Winnick, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macc'f'ld)*
Wray, Jimmy

Tellers for the Noes:
Mr. Austin Mitchell and
Mr. Ron Leighton.

Question accordingly agreed to.

Question put accordingly, That the amendment be made:—

The Committee divided: Ayes 48, Noes 234.

Division No. 205] **[12.55 am**

AYES

Abbott, Ms Diane
Adams, Mrs Irene
Barnes, Harry
Beggs, Roy
Bermingham, Gerald
Budgen, Nicholas
Campbell-Savours, D. N.
Cann, Jamie
Cash, William
Chisholm, Malcolm
Cran, James
Davies, Rt Hon Denzil *(Llanelli)*
Davis, Terry *(B'ham, H'dge H'l)*
Gill, Christopher
Godman, Dr Norman A.
Gould, Bryan
Griffiths, Nigel *(Edinburgh S)*
Hain, Peter
Hall, Mike
Howarth, George *(Knowsley N)*
Jessel, Toby
Kennedy, Jane *(Lpool Brdgn)*
Knapman, Roger
Lawrence, Sir Ivan
Leighton, Ron
Lord, Michael
McAllion, John
McWilliam, John
Marlow, Tony
Martin, Michael J. *(Springburn)*
Mitchell, Austin *(Gt Grimsby)*
Reid, Dr John
Ross, William *(E Londonderry)*
Rowlands, Ted
Shepherd, Richard *(Aldridge)*
Shore, Rt Hon Peter
Simpson, Alan
Skeet, Sir Trevor
Smith, Llew *(Blaenau Gwent)*
Spearing, Nigel
Spicer, Michael *(S Worcs)*
Taylor, Sir Teddy *(Southend, E)*
Walker, Bill *(N Tayside)*
Wilkinson, John
Winnick, David
Winterton, Mrs Ann *(Congleton)*

Winterton, Nicholas *(Macc'f'ld)*
Wray, Jimmy

Tellers for the Ayes:
Mr. Bob Cryer and
Mr. Dennis Skinner.

NOES

Adley, Robert
Ainsworth, Peter *(East Surrey)*
Aitken, Jonathan
Alexander, Richard
Alton, David
Amess, David
Ancram, Michael
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Arnold, Sir Thomas *(Hazel Grv)*
Ashby, David
Atkinson, Peter *(Hexham)*
Baker, Nicholas *(Dorset North)*
Baldry, Tony
Banks, Matthew *(Southport)*
Banks, Robert *(Harrogate)*
Bates, Michael
Batiste, Spencer
Bellingham, Henry
Beresford, Sir Paul
Blackburn, Dr John G.
Booth, Hartley
Boswell, Tim
Bottomley, Peter *(Eltham)*
Bottomley, Rt Hon Virginia
Bowden, Andrew
Bowis, John
Brandreth, Gyles
Brazier, Julian
Bright, Graham
Brooke, Rt Hon Peter
Brown, M. *(Brigg & Cl'thorpes)*
Browning, Mrs. Angela
Bruce, Malcolm *(Gordon)*
Burt, Alistair
Campbell, Menzies *(Fife NE)*
Carlile, Alexander *(Montgomry)*
Carlisle, Kenneth *(Lincoln)*
Carrington, Matthew
Channon, Rt Hon Paul
Churchill, Mr
Clarke, Rt Hon Kenneth *(Rushcliff)*
Clifton-Brown, Geoffrey
Coe, Sebastian
Congdon, David
Conway, Derek
Coombs, Simon *(Swindon)*
Cope, Rt Hon Sir John
Couchman, James
Currie, Mrs Edwina *(S D'by'ire)*
Curry, David *(Skipton & Ripon)*
Dafis, Cynog
Davis, David *(Boothferry)*
Day, Stephen
Dorrell, Stephen
Douglas-Hamilton, Lord James
Dover, Den
Duncan, Alan
Dunn, Bob
Durant, Sir Anthony
Dykes, Hugh
Eggar, Tim
Elletson, Harold
Emery, Rt Hon Sir Peter
Evans, Jonathan *(Brecon)*
Evans, Nigel *(Ribble Valley)*
Evans, Roger *(Monmouth)*
Evennett, David
Faber, David
Fabricant, Michael
Fenner, Dame Peggy
Fishburn, Dudley
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Foster, Don *(Bath)*
Fox, Dr Liam *(Woodspring)*
Fox, Sir Marcus *(Shipley)*
Freeman, Roger
French, Douglas
Gale, Roger
Gallie, Phil
Garel-Jones, Rt Hon Tristan
Garnier, Edward
Gillan, Cheryl
Goodson-Wickes, Dr Charles
Gorst, John
Grant, Sir Anthony *(Cambs SW)*
Greenway, John *(Ryedale)*
Grylls, Sir Michael
Gummer, Rt Hon John Selwyn
Hague, William
Hamilton, Rt Hon Archie *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Harris, David
Haselhurst, Alan
Hawkins, Nick
Hayes, Jerry
Heald, Oliver
Heathcoat-Amory, David
Hendry, Charles
Hicks, Robert
Higgins, Rt Hon Sir Terence L.
Hill, James *(Southampton Test)*
Horam, John
Hordern, Rt Hon Sir Peter
Howarth, Alan *(Strat'rd-on-A)*
Howell, Rt Hon David *(G'dford)*
Hughes Robert G. *(Harrow W)*
Hughes, Simon *(Southwark)*
Hunt, Rt Hon David *(Wirral W)*
Hunt, Sir John *(Ravensbourne)*
Hunter, Andrew
Jack, Michael
Johnston, Sir Russell
Jones, Gwilym *(Cardiff N)*
Jones, Ieuan Wyn *(Ynys Môn)*
Jopling, Rt Hon Michael
Kellett-Bowman, Dame Elaine
Kennedy, Charles *(Ross,C&S)*
Key, Robert
Kilfedder, Sir James
Kirkhope, Timothy
Kirkwood, Archy
Knight, Mrs Angela *(Erewash)*
Knight, Greg *(Derby N)*
Knox, David
Kynoch, George *(Kincardine)*
Lait, Mrs Jacqui
Leigh, Edward
Lester, Jim *(Broxtowe)*
Lidington, David
Lightbown, David
Lilley, Rt Hon Peter
Lloyd, Peter *(Fareham)*
Llwyd, Elfyn
Luff, Peter
Lyell, Rt Hon Sir Nicholas
Lynne, Ms Liz
MacGregor, Rt Hon John
MacKay, Andrew
Maclean, David
McLoughlin, Patrick
Madel, David
Maitland, Lady Olga
Malone, Gerald
Mans, Keith
Marshall, Sir Michael *(Arundel)*
Martin, David *(Portsmouth S)*
Mawhinney, Dr Brian
Merchant, Piers
Milligan, Stephen
Mills, Iain
Mitchell, Andrew *(Gedling)*
Mitchell, Sir David *(Hants NW)*
Monro, Sir Hector
Moss, Malcolm
Needham, Richard
Nelson, Anthony
Neubert, Sir Michael
Newton, Rt Hon Tony
Nicholls, Patrick
Nicholson, Emma *(Devon West)*
Norris, Steve
Onslow, Rt Hon Sir Cranley
Oppenheim, Phillip
Page, Richard
Paice, James
Patnick, Irvine
Patten, Rt Hon John
Pattie, Rt Hon Sir Geoffrey
Peacock, Mrs Elizabeth
Pickles, Eric
Porter, Barry *(Wirral S)*
Portillo, Rt Hon Michael
Powell, William *(Corby)*
Rathbone, Tim
Redwood, John
Renton, Rt Hon Tim
Richards, Rod
Riddick, Graham
Robathan, Andrew
Roberts, Rt Hon Sir Wyn
Robertson, Raymond *(Ab'd'n S)*
Robinson, Mark *(Somerton)*
Rowe, Andrew *(Mid Kent)*
Rumbold, Rt Hon Dame Angela
Ryder, Rt Hon Richard
Sackville, Tom
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shepherd, Colin *(Hereford)*
Smith, Tim *(Beaconsfield)*
Soames, Nicholas
Spencer, Sir Derek
Spicer, Sir James *(W Dorset)*
Spink, Dr Robert
Sproat, Iain
Squire, Robin *(Hornchurch)*
Stanley, Rt Hon Sir John
Steel, Rt Hon Sir David
Stephen, Michael
Stern, Michael
Stewart, Allan
Streeter, Gary
Sykes, John
Taylor, Ian *(Esher)*
Taylor, Matthew *(Truro)*
Temple-Morris, Peter
Thomason, Roy
Thompson, Patrick *(Norwich N)*
Thornton, Sir Malcolm
Thurnham, Peter
Townsend, Cyril D. *(Bexl'yh'th)*
Tracey, Richard
Trotter, Neville
Twinn, Dr Ian
Viggers, Peter
Walden, George
Wallace, James
Waller, Gary
Wardle, Charles *(Bexhill)*
Waterson, Nigel
Wells, Bowen
Wheeler, Rt Hon Sir John
Whitney, Ray
Widdecombe, Ann
Wigley, Dafydd
Willetts, David
Wolfson, Mark
Yeo, Tim
Young, Sir George *(Acton)*

Tellers for the Noes:
Mr. Sydney Chapman and
Mr. Timothy Wood.

Question accordingly negatived.

Mr. Spearing: On a point of order, Dame Janet. Can you help the House by confirming the rules of order? I understand that my hon. Friend the Member for Neath (Mr. Hain) had been making his speech for about 10 minutes when the closure was moved. Is it the custom of the House for hon. Members, for reasons of courtesy, to wait until the end of a speech before moving the closure, or have you discretion to accept it immediately if you think that sufficient debate has taken place on a matter of this importance?

The Second Deputy Chairman: It is perfectly within the rules for the closure to be moved in the middle of a speech —and, in fact, the hon. Member for Neath (Mr. Hain) had spoken for 15 minutes.

Mr. Cryer: On a point of order, Dame Janet. Would it be in order for documents relevant to the debate to be laid on the Table? It is the custom and practice of Parliament for relevant documents to be made available to hon. Members. I have in mind the document that sets out the deal between the Government and the Liberals, under which the Liberals voted with the Government so that they can get away on Friday to go to a conference at Dunoon or somewhere similar.

The Second Deputy Chairman: If such an agreement exists, it certainly does not have the status of a state paper.

Mr. Winnick: The matters that are due to be debated, some of which have already been debated, are of great political and economic significance. Is it the case that you, Dame Janet, have complete discretion over whether to accept the closure motion? In view of the rumour, which is presumably correct, that the Government intend to debate amendments and new clauses until 1 pm on Thursday, what will be the position of the Chair with regard to closure motions moved by the Government? Surely there should be plenty of time to discuss these issues. The Government should not take the opportunity to run through them all in one night which, judging by the 10 o'clock business motion which they won with the Liberals' support, they intend to do. I hope that those points will be duly taken into account by the Chair.

The Second Deputy Chairman: I do not offer hostages to fortune by speculating on what might or might not be. I deal with situations as they arise.

Mr. Austin Mitchell: On a point of order, Dame Janet. I had tabled eight amendments in the previous group but was not called to speak. That group covered a major issue —the future of the central bank—and was decided in a brief six and a half hours. If, as you said, you have the discretion to turn down a closure motion, may I ask how you are able to consider the matter in the middle of an hon. Member's speech?

The Second Deputy Chairman: I make my own decisions on that and I am confident that I made the correct decision. The role of the Chair is simply to ensure that there is no gross abuse of the rights of the minority. After that, it is for the Committee to decide whether to curtail debate.

Mr. Wilkinson: Further to that point of order, Dame Janet. I would not for a moment question your ruling, which is wholly within the letter of the rules of procedure, but is it in the spirit of this place, which works effectively by agreement, understanding and tolerance, for the Government to move closure motions in the middle of speeches?

The Second Deputy Chairman: I have already explained that it is perfectly within the rules and I do not think that I can make any further observations.

Mr. Skinner: On a point of order, Dame Janet. You may have noticed that, during the past few years, debates have taken place in other parts of the country, for example, in Scotland and Wales. I wonder whether you are prepared to have a word with Madam Speaker about having a series of Maastricht debates in Newbury in the run-up to the by-election? Labour Members could explain about the conspiracy between the Tory and Liberal parties, tell the Newbury electorate that they are both in one bag and give the people there a chance to vote for members of the Labour party who will vote against Maastricht.

The Second Deputy Chairman: I think that that goes well beyond my duties in the Chair.

Mr. Bill Walker: On a point of order, Dame Janet. You quite properly said that the Chair's responsibility was, among other things, to protect the minorities. As I happen to be the only Scottish Conservative Member who stood at the general election on a platform of opposing the Maastricht treaty, would I be correct in assuming, Dame Janet, that I belong to that rare breed of minorities that are to be taken into consideration? If so, may I remind you that I was trying to speak in the debate?

The Second Deputy Chairman: It may not always be possible to call all hon. Members who wish to speak, but I think that the hon. Gentleman would agree that he has had a reasonable share. We must now turn to the next——

Mr. Winnick: Will you, Dame Janet, accept a motion to report progress?

The Second Deputy Chairman: No, I will not. We now come to the next group of amendments, under the heading "Economic policy and deficits".

1.15 am

Mr. Peter Shore: I beg to move amendment No. 79, in page 1, line 9, after 'II', insert

'(with the exception of those Articles and Protocols set out in Schedule *[Excessive Deficits]*)'.

The Second Deputy Chairman: With this, it will be convenient also to discuss the following: Amendment No. 98, in clause 1, page 1, line 9 after 'II', insert

'(except Article 104c on page 19 of Cm 1934 which concerns excessive Government deficits)'.

Amendment No. 100, in page 1, line 9, after 'II', insert

'(except Articles 103(3) on page 18 and 109j on page 28 of Cm 1934 which concern convergence conditions for monetary union)'.

Amendment No. 119, page 1, line 9, after 'II', insert

'(except the protocol on the excessive deficit procedure on page 111 of Cmd 1934 in relation to Article 104c of Title II).'.

Amendment No. 201, in page 1, line 9, after 'II', insert

'except Article 102a of Title VI on page 17 of Cm 1934'.

Amendment No. 202, in page 1, line 9, after 'II', insert

'except Article 103a(1) on page 18 of Cm 1934'.

Amendment No. 324, in page 1, line 9, after 'II', insert (except paragraph 2 of Article 103 on page 18 of Cm 1934)'.

Amendment No. 362, in page 1, line 9, afer 'II', insert

'except Article 3(a) Section 1 as referred to in Article G on page 10 of Command Paper number 1934'.

Amendment No. 47, in page 1, line 10, after '1992', insert

'but not Article 103 in Title II thereof'.

Amendment No. 48, in page 1, line 10, after '1992', insert

'but not Article 104c in Title II thereof'.

Amendment No. 61, in page 1, line 10, after '1992', insert

'but not the Protocol on the Excessive Deficit Procedure.'.

Amendment No. 203, in page 1, line 10, after '1992', insert

'but not Article 103a in Title VI of Title II thereof'.

Amendment No. 114, in page 1, line 17, at end add—

'The above subsections shall only come into force subsequent to the laying before Parliament of a Command Paper concerning the implications for the United Kingdom of Articles 102a and 103 and related Articles of the Treaty on European Union, with particular reference to the decision-making structure in respect of economic convergence and allocation of resources and to approval of its terms by Resolution of both Houses of Parliament.'.

New clause 2—*Information from Commission*—

'In implementing the provisions of Article 103(3) of Title II of the Treaty on European Union, information shall be submitted to the Commission from the United Kingdom indicating performance on economic growth, industrial

[The Second Deputy Chairman]

investment, employment and balance of trade, together with comparisons with those items of performance from other member states.'.

New clause 57—*Convergence criteria: assessment of deficits*—

'Before submitting the information required in implementing Article 103(3) of Title II of the Treaty on European Union, Her Majesty's Government shall report to Parliament for its approval an assessment of the medium term economic and budgetary position in relation to the social, economic and environmental goals set out in Title II, Article 2, which report shall form the basis of any submission of information to the Commission which may be required under Articles 103(3) and 104(c) of the Treaty.'.

Amendment No. 80, new schedule:—

'EXCESSIVE DEFICITS

(1) Article 104c.

(2) Protocol on Excessive Deficits.'.

Mr. Shore: The amendment seeks to exclude article 104c and its related protocol. I am sure that the Committee will be delighted to know that this is not a probing amendment. It is a serious and substantive amendment, and we shall vote on it when the time comes. That means that we have come to the end of a period of what I call cosy collusion and shadow boxing among the Opposition Front Bench spokesmen, the Ministers and the Liberal Democrats, all of whom are in favour of the treaty and have been conducting a spurious debate on the issue. At least we shall try, now that we have the opportunity, to put the serious arguments before the Committee, because I believe that the Committee should consider them.

As the Committee will be aware, the public sector borrowing requirement has always been one of the crucial instruments of economic policy. I have always thought of the size of the Government's borrowing requirement as the Chancellor of the Exchequer's Budget judgment, to be made each year in the light of the circumstances that pertain. Under the treaty, and especially under article 104c, that judgment is no longer to be taken by any future Chancellor of the Exchequer of the United Kingdom. Instead, the Budget judgment is to be made by the Maastricht treaty.

Article 104c begins with the imperative instruction:

"Member States shall avoid excessive government deficits."

The associated protocol than lays down what it calls the "reference values", according to which an excessive Government deficit is to be judged. I am sure that the Committee will be familiar by now with the two reference values—3 per cent. of GDP for the public sector borrowing requirement, and 60 per cent. of GDP as the reference value, or limit, for the national debt.

It is true that words are added to article 104c that give a certain qualification to the starkness of the 3 per cent. and 60 per cent. specified in the protocol. Extremely carefully chosen words allow some slight movement from those precise values. Article 104c(2) says:

"The Commission shall monitor the development of the budgetary situation and of the stock of government debt in the Member States with a view to identifying gross errors. In particular it shall examine compliance with budgetary discipline on the basis of the following two criteria"—

this is where the slight softening of the harsh terms of 3 per cent. and 60 per cent. comes in—

"whether the ratio of the planned or actual government deficit to gross domestic product exceeds a reference value, unless . . . the ratio has declined substantially and reached a level that comes close to the reference value"—

I emphasise the word "close"; in the case of the PSBR, that means close to 3 per cent.—

"or, alternatively, the excess over the reference value is only exceptional and temporary and the ratio remains close to the reference value."

That is most important, as I shall show later, in relation to this country's experience. It is easy to imagine the effects of those limitations.

Mr. Winnick: We have been hearing from hon. Members, including some Labour Members, that the treaty favours opportunities for employment and so on. It is true that article 2 contains a passing reference to employment, but article 104c contains two full columns giving all the reasons why Governments should avoid deficits. I am sure that my right hon. Friend will be mentioning the fact that the article goes on to refer to the penalties and fines that could be imposed if Governments exceeded the 3 per cent. Does my right hon. Friend agree that there is all the difference between a passing reference to employment and social policy, of which we would all approve, and the emphasis in article 104c on the deficit and on what could happen to member states that exceed the limit?

Mr. Shore: I can assure my hon. Friend that I shall be saying something about the penalties and coercive powers that are allowed under the provisions, which I find profoundly disturbing.

Article 104c(3) contains a slight concession in respect of the strictness of the 3 per cent. and 6 per cent. limits. As I have said, the Commission is the great disciplining force. It will monitor and identify gross errors. Article 104c(3) states:

"If a Member State does not fulfil the requirements under one or both of these criteria, the Commission shall prepare a report."

Here comes the slight concession:

"The report of the Commission shall also take into account whether the government deficit exceeds government investment expenditure and take into account all other relevant factors, including the medium term economic and budgetary position of the Member State."

Dr. Godman: My right hon. Friend talks about the Commission being the disciplining force. Is he entirely correct? It appears that, under article 104c, the Commission will perform the role of policeman but that —astonishingly, to my mind—the Council will perform the role of a court. Paragraph 11 says that the Council can "impose fines of an appropriate size."

Will the Council in turn refer a recalcitrant member to the European Court of Justice, or does the Council have the power to impose fines on member states?

Mr. Shore: I shall discuss that a little later in my speech. My hon. Friend is correct in what he said at the beginning. The Commission basically has a policing role, and it is the Council of Ministers that makes the decision.

Mr. Nicholas Winterton: Can the right hon. Gentleman imagine this scenario? Suppose that the United Kingdom has ratified Maastricht and is part of the structure, and our membership, at some time in the future, of the ERM, has produced a situation similar to that which has prevailed for the past 18 months—that is, it has lost this country thousands of businesses and a million jobs. A million jobs cost this country £8 billion, which contributes to our deficit. Because of our membership of a Community institution and a Community system, we would be in

deficit beyond the 3 per cent., and because of that, we would be further fined. That could happen. Is that a situation that the right hon. Gentleman relishes or believes that the people of this country would relish?

Mr. Shore: It is outrageous, and I shall develop my reasons for saying so. The whole notion of an alien body imposing fines and penalties on a sovereign nation is entirely unacceptable.

I was referring to the policeman role of the Commission, which will monitor, identify gross errors and draw up a report. The provision says that it will take account of whether a Government's deficit exceeds Government investment expenditure, as though that were somehow less a matter for condemnation than if it was simply a current account deficit.

We have not been told what weight the Commission will give to such matters, but we should not be over-cheered when we consider Government investment expenditure in this country as a percentage of GDP, because it accounts for a small part of the total. Indeed, in the Red Book published this year, we got a picture of general Government investment. It showed that between £11 billion and £12·5 billion—about 2 per cent. of GDP—is the total of Government investment. I ask the Committee to bear those details in mind as I describe the relevance of the figures.

Sir Teddy Taylor: Will the right hon. Gentleman, in view of his knowledge, explain to what the gross errors relate? Are they errors of judgment or arithmetical errors? Having read the provision many times, I still do not have a clue what it means by gross errors. Does he believe, as I do, that somebody will consider whether an error of judgment has been made? If so, that will be a major step beyond an arithmetical error.

Mr. Shore: I think it refers back to the figures of 3 per cent. and 60 per cent., allowing a margin or tolerance, as I described it. It refers to gross errors, and those errors will be the distance of a country's performance from its targets. The Commission will prepare a report if it believes there is a risk of an excessive deficit. It is empowered, having consulted the monetary committee, to address an opinion to the Council. The Council, acting by a qualified majority, will decide whether an excessive deficit has arisen.

We can conclude that there is an imprecise margin, a tolerance, in the reference values of 3 per cent. and 60 per cent. How helpful is that margin likely to be? To answer that, I must refer the Committee to certain statistics. The first is this year's PSBR. The projected PSBR figures for 1992-93 to 1997-98 are set out in the medium-term financial strategy in Red Book. For 1992-93, the PSBR was 5·75 per cent. For 1993-94, the year on which the Budget has concentrated, it is 8 per cent. of GDP. In 1994-95, it is 6·5 per cent., 1995-96, 5·5 per cent. and 1996-97, 4·5 per cent.

The figure comes close to the presumption in the present forecast only in 1997-98 when it is under 4 per cent.—3·75 per cent.—for the first time. If we had to get within the 3 per cent. level over that whole period, what would be the effects on the British economy, the level of employment and funding of public services?

Sir Teddy Taylor: They would shove up taxes.

1.30 am

Mr. Shore: It is unbelievable to think what would happen. Six billion pounds is equivalent to 1 per cent. of GDP. When we have a public sector borrowing requirement deficit which has been forecast at 8 per cent. of gross domestic product, we are talking about £30 billion in either reduced expenditure or increased taxation to get from 8 to 3 per cent. A lesser amount—although it would still be a high figure—would be demanded in each year of the five-year forecast of the public sector borrowing requirement.

Mr. Wilkinson: Does the right hon. Gentleman find it extraordinary that, far from the Council communicating to the national parliament of a country which is straying outside the guideline reference of percentage gross national product on budget deficit, paragraph 11 merely suggests that the President of the Council shall inform the European Parliament of a decision taken? In our earlier debate, the Financial Secretary said that the member state will continue to have independent fiscal powers. That does not seem to accord with paragraph 11, which says that the European Parliament is the body which must be told about a defaulting country.

Mr. Shore: That is absolutely right. It is a different form of coercion from that which we were talking about with regard to the central bank and its powers. Collective decisions will be made by qualified majority voting in the Council. The Commission will make its recommendation and report, and the Council will act on it by qualified majority voting. That will be a major imposition on the United Kingdom. We might have a report or we might demand a debate on it, but we will have no power to influence it.

Mr. Winnick: As far as Britain and the House of Commons are concerned, do we not lose both ways under article 104c? A right-wing Tory Government who were determined to cut public spending—they need no such encouragement—would undoubtedly say, "We have no alternative under the terms of the treaty." Likewise, a Labour Government—hopefully carrying out policies which we would like to see—would say, "We would like to do otherwise. It goes against the grain; nevertheless, we are part and parcel of the arrangements. We have no alternative because, if we go over the limit as far as the deficit is concerned, and if we do the public spending and so on which the Labour movement is so keen about, we will be penalised." At the end of the day, power is completely taken away from this Chamber.

Mr. Shore: I am coming to a point which will help my hon. Friend's case. It is true that the Labour party has always had a special commitment to public expenditure and public services. We plead guilty. Therefore, to have such limitations imposed on a Labour Government is totally unacceptable.

I do not wish to split the Committee unnecessarily. Many people on the other side of politics also understand the value of public services and public expenditure and do not want to see the devastation and ever-increasing unemployment that would result from the restriction on borrowing. So the matter should not necessarily divide us, although I say again that there is a special affection for public expenditure in the Labour party.

Mr. Betts: I am sure that no Opposition Member would find the rigid imposition of the 3 per cent. or 60 per cent. reference criteria acceptable, but is it not the case that, in their raw and unrefined form, the criteria in article 104c(2) apply to the production of a report? Once that report is produced, as laid down in paragraph 3, other criteria, including the investment expenditure criteria, all other relevant factors, the medium-term economic and budgetary strategy and the comments of the member states, later come into play. My right hon. Friend referred to Government forecasts of debt as a percentage of GDP for the next few years. They include a large element of the non-cyclical part of investment expenditure, which would be taken into account under paragraph 3.

Mr. Shore: My hon. Friend is trying to comfort himself. I understand well why he does so—because the article is so unacceptable. He is trying to say that it does not mean what it says, and that 3 per cent. is not the real figure. I carefully went over the ground saying where the tolerances were. The figures were approximations which would only exceptionally be departed from. I also took special account of the distinction made between investment expenditure and other expenditure. As the total investment expenditure is only 2 per cent., if it is all taken into account and set against the target, anything over 3 per cent. plus 2 per cent. would be ruled out.

Next year, the Government PSBR is 8 per cent. of GDP. In no way can my hon. Friend comfort himself by saying that the matter has been dealt with and that reports have to be produced and a judgment made. Of course that is so. Of course people have to consider it. But at the end of the day, the treaty defines excess deficit. I am not even certain whether action could not be taken before the European Court of Justice in the fulfilment of those treaty terms.

Mr. Skinner: My right hon Friend will appreciate that my hon. Friend the Member for Sheffield, Attercliffe (Mr. Betts) would have been in one hell of a mess as the leader of Sheffield city council if the same restrictions had been placed on borrowing. Within our parliamentary set-up, he was able to extricate the city council from its problems to a degree. If Sheffield was transposed to the nation state arena inside the Common Market, he would have had supreme difficulties.

My right hon. Friend the Member for Bethnal Green and Stepney (Mr. Shore) remembers 1976. He remembers Mr. Witteveen. I remember the fight that my right hon. Friend put up for an alternative policy to the restrictions. Does he agree that, even though the Labour Government took the wrong turn on that occasion—history has shown it to be wrong, and my right hon. Friend was right in the battle that he took part in—we were able to resolve that problem in a limited fashion within the nation state? Yet inside the Common Market, Mr. Witteveen would have reigned supreme not merely for a few months or years: we would have been in his stranglehold for ever.

Mr. Shore: Absolutely right. That is the central difference. All Governments who are obliged to call in the International Monetary Fund have to come to some agreement with it. But a sporadic visit is a different thing from the permanent requirements of the treaty. It would be as though a European Commissioner sat at the Cabinet table all the time invigilating and watching whether the Government were about to transgress or had transgressed their reference values.

Mr. Cash: The so-called opt-in which has been negotiated on behalf of the United Kingdom, relating to the central bank and the deficit arrangement, excludes during the transitional period article 104c(1) and other provisions, including the requirement not to have excessive Government deficits. Does the right hon. Gentleman agree that, although the opt-in or opt-out that has been so acclaimed is no more than a fig leaf, as Robin Oakley of the BBC made clear he had understood from everyone he came across in Whitehall and the European Community, there is another protocol, which says that all these arrangements are irreversible and irrevocable and must come into effect on 1 January 1999, come what may, and which tells the truth about what is going on. Just in case the Minister——

The Second Deputy Chairman: Order. This is an intervention, not a speech.

Mr. Cash: In case the Minister is tempted to say that all the provisions are left out under the protocol, I simply want to point out that the protocol is a worthless piece of paper, and that a future Parliament will not be in a position to make a decision. The decision is being taken now. The Minister may be shaking his head, but that is the position.

Mr. Shore: I shall certainly await with interest what the Minister has to say.

One of the difficulties of tonight's debate is that there are three closely related economic debates on which more amendments have been tabled than for the rest of the treaty. Unfortunately, those three immensely important interrelated debates will be pushed through in a single unbroken session. We have not had the opportunity of studying in *Hansard* what the Minister has said in response to the first debate before being launched into the second, and it looks as though the Government will try to press us into the third debate.

The point raised by the hon. Member for Stafford (Mr. Cash) cannot sensibly be answered until we have studied the Minister's replies to the first two debates. We shall not have that opportunity. It is a terrible misuse of the House of Commons on matters that everyone will agree, whether or not they are in favour of the treaty, are at the heart of it—economic and monetary union and the transfer of powers from Britain to European institutions.

Dr. Godman: May I ask my right hon. Friend a question about the monetary committee? In passing, I offer my compliments to my right hon. Friend and the 20 or 30 other hon. Members who, in the absence of a referendum, are performing a fine service for the people of the United Kingdom in scrutinising the treaty so closely. As the Council seems to have the power to impose fines against a recalcitrant state, has that state the right of appeal to the European Court of Justice? Given that there are 26 persons to be appointed to the monetary committee, does that committee's opinion have to be unanimous when it recommends that a state be fined by the Council?

Mr. Winnick: On a point of order, Dame Janet, before my right hon. Friend replies to that intervention—I apologise to him. I sought earlier to move to report

progress and, no doubt on reflection, you decided not to accept my motion. Was your refusal such that you would not consider it at any future stage during the night, or would you be willing to accept a motion, or at least ponder it at some appropriate time?

Some of us believe, arising from what my right hon. Friend said, that it is totally wrong, quite inappropriate, that we should be debating these matters all through the night, and that we should have a further opportunity at some other time to do so.

1.45 pm

Mr. Nicholas Winterton: Further to the specific point of order, Dame Janet, raised by the hon. Member for Walsall, North (Mr. Winnick). I believe that I am correct in saying that the Select Committee on Procedure has produced a report, which has not been fully debated or agreed by the House, based upon the Jopling inquiry carried out on behalf of the House, which firmly recommends—senior and distinguished Members were part of the Committee and agreed to the report—that the House should not sit beyond 10 o'clock on Government business.

I put the point particularly to you, Dame Janet, because of the observations just made by the right hon. Member for Bethnal Green and Stepney (Mr. Shore). In these particular groups of amendments that we have considered, are considering and, depending on your ruling, may well be considering a little later, on critical constitutional matters, it is important for those of us who are trying to scrutinise this legislation to have an opportunity to study the ministerial responses.

As a constitutionalist and a man deeply wedded to the rights of the House, I put it to you that we are being deprived of that opportunity. Bearing in mind the report that the Select Committee on Procedure has produced, this is surely an abuse of the Committee by the Government of the day.

The Second Deputy Chairman: The Chair must operate under existing rules, customs and Standing Orders. As the hon. Member will know very well, it is perfectly possible to extend the sittings of the Committee under the present regime. As regards any motion to report progress, whoever is the occupant of the Chair at the time will have to come to that decision. I would certainly not wish to give any opinion in advance.

Mr. Spearing: On a point of order, Dame Janet. Can you confirm that the rules of order, both for the Committee upstairs and the Committee downstairs, permit the Chair to accept a motion for closure, even when there has been no wind-up or reply from the Government Benches after the introductory speech which they have made, as no doubt they will shortly, in relation to any group of amendments?

The customs and courtesies that I have experienced upstairs have been that there has been a reply from the Government Bench after other speeches have been made and as a sort of wind-up comparable to that at Second Reading. I take it—perhaps you will confirm it—that no Standing Order prohibits your accepting a motion for the closure even when that has not happened?

Can I put it to you, Dame Janet, that it may well be within your discretion—perhaps you could confirm that it is possible—for you to decline to accept that motion for closure if such a reply has not been given in these debates of enormous constitutional significance?

The Deputy Chairman: The Chair has discretion, but one looks to the principles behind it, which are clearly stated—that there should be no gross abuse of the rights of minorities in the House. I think that we must make further progress.

Mr. Shore: A ruling on what is a gross abuse or what is a gross excess is among the things that we are discussing tonight.

My hon. Friend the Member for Greenock and Port Glasgow (Dr. Godman) intervened just before points of order were raised, and I will try to deal with the question he put. My understanding is that the Council of Ministers, by qualified majority vote and excluding the member state which is, as it were, in the dock, will make the decision.

I do not think that there is an appeal to the European Court of Justice against that, but if a member state refused to comply with the further penalties, the Commission could take that state to the court.

Dr. Godman: On a point of order, Dame Janet. My questions to my right hon. Friend the Member for Bethnal Green and Stepney (Mr. Shore), concerning the power of the Council to impose swingeing fines, and the powers of the monetary committee, raise important legal questions, and, as you know, I am not a lawyer. It would be helpful if the Attorney-General were present during the debate to give us guidance on those important questions. From article 104c, it would appear that the Council will take on some of the functions of an international court. I am not so sure that any hon. Member present can answer the questions that—perhaps unfairly—I asked my right hon. Friend. They are important legal questions, and an English and a Scottish Law Officer should be present.

The Second Deputy Chairman: I think that the hon. Member has been here long enough to know that it is not for the Chair to compel the attendance of the Attorney-General or any other hon. Member. Representatives of the Government are on the Front Bench, and no doubt they will have heard the hon. Gentleman's point of order.

Mr. Shore: Obviously it would be helpful if the Attorney-General were here to deal with the sort of questions that my hon. Friend the Member for Greenock and Port Glasgow has raised. I also find it surprising that the Chancellor and shadow Chancellor of the Exchequer have not looked in. I cannot think of any measure which more directly affects the power of a Chancellor than the impositions that will be placed upon him in the exercise of his Budget judgment, under the terms of the treaty.

Mr. Wilkinson: Might not that power be redundant in the future, in as much as it will be transferred to the Commission and the Council of Ministers?

Mr. Shore: Perhaps so, but I cannot believe that that could be welcome to the Chancellor, or his shadow, if they take their responsibilities seriously, as I believe they do. The present Chancellor is already a transgressor of the treaty, as he has gone way beyond the limits of tolerance, which I was trying delicately to outline. He has behaved like Sheffield council at its worst.

[Mr. Shore]

I was seeking to establish that the matter concerns both sides of the House. I have given the figures for the Government's medium-term forecast for the economy. Every year, it has been well in excess of that forecast, except for last year, when it just crept under 4 per cent. It cannot be right that we should subject ourselves to that sort of discipline. It cannot be the Government's judgment that that is right for the country—they have their own economic doctrines and priorities—and it certainly is not the judgment of those on the Labour Front Bench and in the Labour party that it is good for Britain to be forced to make the sort of cuts, or raise the taxes, indicated by the figures.

Mr. Cryer: That issue is of peculiar importance to Labour Members. My right hon. Friend has outlined a scenario in which a Labour Government could be elected, inheriting a deficit created by a Conservative Chancellor of the Exchequer and a Conservative Government. As my right hon. Friend said, we would be elected to have particular regard to the virtues of the services provided by the public sector but, if the Maastricht treaty were in operation, we would have to embark on a programme of cuts, perhaps amounting to £30 billion in present circumstances. Therefore, it is of special interest and concern to Labour members that we do not go down that road, as it would wreck the chances of a Labour Government and the potential of the Labour party.

Mr. Shore: I thank my hon. Friend. It is extraordinary that the most senior representatives of our own party are not taking part in this debate. If they disagree with the treaty, they should say so. If they agree to accept the disciplines on their future conduct, they should explain their position.

Mr. Andrew Smith: Does not my right hon. Friend acknowledge that our right hon. and learned Friend the Leader of the Opposition made it quite clear that the attempt to impose a 3 per cent. deficit limit in present circumstances would be both misguided and absurd?

Mr. Shore: Very good, but we are not talking just about this year. The forecast is that the deficit will be well in excess of the 3 per cent. limit for the next four or five years. And that is quite apart from additional programmes that my right hon. Friends may wish to introduce if we are successful in the next general election. Indeed, the absence of my right hon. and hon. Friends is extraordinary for another reason, and for the same reason this is a matter of common concern between the Government and Opposition parties.

I can best illustrate my point by referring the Committee to the PSBR record between 1972-73 and 1981-82. During those years, the requirement was never under 3 per cent. Under the Heath Government, the figures were as follows: 3·7 per cent. in 1972-73, and 5·9 per cent. in 1973-74. Under the following Labour Government, they were: 9·1 per cent. in 1974-75, 9·4 per cent. in 1975-76, 6·5 per cent. in 1976-77, 3·6 per cent. in 1977-78, and 5·4 per cent. in 1978-79. The next Conservative Government had similar problems, the figures being 4·8 per cent. in 1979-80, 5·4 per cent. in 1980-81, and 3·4 per cent. in 1981-82.

A particular Government may face very difficult problems, but these figures suggest that both parties and three successive Governments found it necessary to have a PSBR substantially in excess of the reference limit that this treaty seeks to impose.

Mr. Skinner: It is worth noting that the years to which my right hon. Friend has just referred were the great privatisation and North sea oil tax years. Now we are talking about going up to 8 per cent. I read in the *Financial Times* the other day a story to the effect that the Chancellor's Budget figures had been doctored. We are not talking about £35 billion for this financial year; the figure is about £10 billion worse than that. Had it not been for North sea oil and privatisation, the PSBR figures for the years between 1982 and 1989 could have been up to 8, 9 or 10 per cent. Indeed, that will probably happen before this lot are finished.

Mr. Shore: My hon. Friend is correct. The fact that the PSBR is very significantly less than it would otherwise have been is accounted for by the sale of publicly owned assets, bringing in £6 billion, £7 billion or more a year. My hon. Friend is absolutely right about North sea oil also. The North sea produced a great flood of revenue, particularly during the 1980s. But for that, too, there would have been a much larger PSBR.

Ms Diane Abbott (Hackney, North and Stoke Newington): My hon. Friend the Member for Oxford, East (Mr. Smith) said, with just a touch of irritation, that any attempt to impose a 3 per cent. limit would be misguided and absurd. We can all agree about that.

If Labour Members vote for this part of the treaty, that is what we shall be signing up to. Back Benchers can only marvel at the way in which the Front-Bench team seeks to evade the issue of what the text of the treaty states.

Mr. Shore: I can only agree 100 per cent. with my hon. Friend. If anyone objects to having the yoke of 3 per cent. put upon them, they should stand up and say so and vote against it. That is the message that should go out.

2 am

Mr. Austin Mitchell: Thanks to the unforgivable silliness of the Liberals in allowing the Government to force crucial economic measures through the night, I am not at the peak of my mental activity, which is fairly low anyway. The Liberals have forced us into the position of hurrying the measures through in the dead of the night when hon. Members are half asleep so that the Liberals can hide their shame at what is being done. Therefore, it is difficult to follow the argument.

The figures that my hon. Friend the Member for Bethnal Green and Stepney (Mr. Shore) gives are those for the PSBR, but the 3 per cent. limit referred to the public sector financial deficit, which will constitute the PSBR plus the borrowing receipts from privatisation. Therefore, the deficit will be bigger than the borrowing requirement.

Mr. Shore: That was the point being made by my hon. Friend the Member for Bolsover (Mr. Skinner).

What deeply disturbs me is that some of my hon. Friends whose professional activity is to put a favourable gloss on the treaty try hard to say that it is not quite what it seems. The most astonishing omission from the treaty is the fact that it never faces the issue of counter-recession policy, about which it contains not a word. We all know

from experience that there is a built-in cyclical movement over five or more years in a market economy—there are absolutely predictable waves of activity. There is a tendency for a boom, which then falls away into a recession. That is a common experience, not only of Governments of both parties over the years, but of the western world.

One lesson that we should have learnt from the disasters of the inter-war years was that tendency to go too high in a boom, and too low into recession and slump. Why is that aspect not written into the protocol? Why does it not say that we must recognise those counter-cyclical problems, and will certainly do so if unemployment grows by X per cent.? Instead of having merely 3 per cent. and 60 per cent. for borrowing and debt, why not have 3, 4 or 5 per cent. of the level of unemployment or the fall in gross domestic product? If such indicators were part of the protocol, we would have some reason to take seriously the arguments of those who try to gloss over the reality of the outrage that is being inflicted on us.

Mr. Betts: I agree with my right hon. Friend on the need for a counter-cyclical policy, but what does he think that the words

"other relevant factors, including the medium term economic and budgetary position of the Member State"

mean in paragraph 3 of article 104c? I take them to mean exactly what my hon. Friend is advocating—the need for a counter-cyclical policy.

Mr. Shore: If that is what the treaty means, it should have been spelt out, but I do not for a moment believe that it does. The paragraph refers to the sort of run of figures provided by the Government in the Red Book so that a judgment can be made on whether the nation state is tending towards, deviating from or approximating to the 3 per cent. and 60 per cent. reference points contained in the protocol.

Mr. Skinner: Woolly statements have just been mentioned by my hon. Friend the Member for Hackney, North and Stoke Newington (Ms Abbott) and others, and my hon. Friend the Member for Oxford, East (Mr. Smith) described them as safeguards. In a nutshell, those statements mean only what the Chancellor and the Prime Minister said a few weeks or months ago about extending VAT. They are as strong as their statements when they said that they had no present plans to do so. Statements from the Common Market and from the protocol will be treated in the same fashion. They are not specific, but they will be rammed down our throats. I cannot understand why our Front-Bench spokesmen connive with the Government Front Bench when for the rest of this week they played merry hell about the Government not using precise words. But they are prepared to accept this woolly, abstract statement, because it is about their beloved Common Market. The whole thing stinks.

Mr. Shore: Some statements are later denied or withdrawn—that is a common experience—but we are not discussing statements: we are talking about a treaty, for God's sake, which is legally enforceable. That is the reason for concern. As I have said, the omission of any direct reference to deficit financing is extraordinary.

Mr. Spearing: May I relate my right hon. Friend's excellent questions and arguments to his earlier comment about the absence of the Chancellor and his opposite number? One explanation is that, if they were present, they would have to silently acquiesce to my right hon. Friend's argument or attempt to reply. Their absence during a debate deliberately brought about in the middle of the night by the Government on the major issue of our national finance shows that they do not wish to engage in the debate. That is because they cannot face my right hon. Friend's questions on behalf of our nation.

Mr. Shore: That adds to my general criticism about the sadness of this ruse to obtain a debate in the middle of the night. We are talking to ourselves, and there are only 30 or 40 of us here. We are debating an issue that could damage our people more than anything else if they knew about it. That damage will occur if they are clamped into this straitjacket. We have been tricked into a debate, thanks to Liberal connivance, late at night without being able to distinguish between one major issue and another. The Financial Secretary does not do himself any credit by grinning foolishly. It is a disgrace, and he knows it.

Mr. Leighton: Nobody is fond of deficits, but surely they should be for the judgment of the Chancellor of the day and not enshrined in an international treaty. Does my right hon. Friend agree that deficits in virtually all the Community countries are well above 3 per cent. at the moment? Can he envisage what it will mean for those countries to try to come down to 3 per cent. in a time of recession? Does he know that the Prime Minister of Belgium resigned two days ago because of a budget to reduce Belgium's deficit from 6 point something per cent. to 3 per cent? The measure could not get through, and he had to resign.

Is my right hon. Friend also aware that my right hon. and learned Friend the Leader of the Opposition recently said:

"If all member states of the EC tried to satisfy the 3 per cent. target by the end of 1996, . . . the combined effect on total EC output would be a reduction of over 2 per cent."

In other words, the attempt to get down to 3 per cent. by 1996 will cause another recession. Is that not crazy and a betrayal of everything that our party has ever stood for?

Mr. Shore: My hon. Friend does well to remind us of the international dimension. If European countries that are clearly not conforming to the guidelines set themselves on a deflationary course of converging upon those targets, it would cause terrible damage not only to those countries and their employment, but to the international trading and economic community. It could be done terrible damage, and we could conceivably find ourselves in a 1929-31 situation.

Mr. Wilkinson: Is not the Maastricht process a grotesque double whammy—the ERM and the monetary discipline required to remain within the parities necessitated by the mechanism? Countries such as Spain have unemployment of about 20 per cent. and at the same time a whopping budget deficit. Were the budget deficit criteria to be implemented, the effect would be absolutely catastrophic. It would be like the slump of the early 1930s.

Mr. Shore: That is true. Another illustration of that is the fate of the socialist Government in France, with 3 million unemployed by conforming to a Frankfurt policy, leading to high interest rates and strong deflationary pressures. After 10 years of socialist government, something more was expected than 3 million

[Mr. Shore]

unemployed. Incidentally, that figure existed throughout those 10 years, because France's folly was to join the ERM in 1979 and to give up those easy adjustments in the first few years, when the ERM became increasingly hard and rigid—with the results that we now know.

Another important point relates to the process of the identification of punishment under article 104c. Of course there are considerations, and judgments must be made, but we should have no doubt about the penalties.

Paragraph 9 of article 104c states:

"If a Member State persists in failing to put into practice the recommendations of the Council, the Council may decide to give notice to the Member State to take, within a specified time limit, measures for the deficit reduction which is judged necessary by the Council in order to remedy the situation.

In such a case, the Council may request the Member State concerned to submit reports in accordance with a specific timetable".

In other words, "We'll give you a couple of years to change. We want to see a new Red Book, with very different figures from those that we see now."

Sir Trevor Skeet (Bedfordshire, North): The right hon. Gentleman makes a very good point, but paragraphs 9 and 11 are knocked out by the protocol. As to the avoidance of budget deficits, one should refer to article 109e(4):

"In the second stage, Member States shall endeavour to avoid excessive government deficits."

The statement in article 104c(1) that

"Member States shall avoid excessive government deficits"

only applies to stage 3, where the other provisions are knocked out.

Mr. Shore: There is that difference. I understand that avoidance is not mandatory under stage 2, but a member state is supposed to make the effort and to give evidence of it. If it does not, the Commission will monitor the member state anyway, to ascertain how far short it has fallen.

The most coercive part is article 104c(11):

"As long as a Member State fails to comply with a decision taken in accordance with paragraph 9"——

which I read——

"the Council may decide to apply or, as the case may be, intensify one or more of the following measures:

—to require the Member State concerned to publish additional information, to be specified by the Council, before issuing bonds and securities;

—to invite the European Investment Bank to reconsider its lending policy towards the Member State concerned.

—to require the Member State concerned to make a non-interest-bearing deposit of an appropriate size with the Community until the excessive deficit has, in the view of the Council, been corrected.

—to impose fines of an appropriate size."

Dr. Godman: I am sorry to keep interrupting my right hon. Friend, but these are critical questions that need to be answered in a tough scrutiny of the implications of paragraph 11, and, in the absence of a Law Officer, I need his guidance.

Can my right hon. Friend confirm that, if a state is being judged by the Council and the imposition of a fine is possible, the Minister from that state will be excluded from the Council's deliberations? In other words, will the recalcitrant state be denied representation at a meeting which may or may not decide to fine it?

2.15 am

Mr. Shore: Presumably, the Minister from the delinquent state will be called in to explain why he has not conformed to the guidelines laid down by the Council. Having given his explanation, he will be asked to leave the room so that a vote can be taken in which he will not participate.

Dr. Godman: With respect to my right hon. Friend, we are talking about a meeting of the Council. How can the Council exclude the Minister from its deliberations without infringing other articles of the treaty?

Mr. Shore: That is an interesting question, and I cannot really answer it——

Mr. Dorrell *rose*——

Mr. Shore: —but the Minister is going to help.

Mr. Dorrell: As the hon. Member for Greenock and Port Glasgow (Dr. Godman) rightly says, we are talking about a meeting of the Council. The member state whose record is under scrutiny will be represented in the normal way, and the Minister can contribute to the discussion; the only change is that the Minister will not be able to take part in the qualified majority vote.

Mr. Shore: The Council can, if it wishes, use an incredible series of powers to impose penalties on a recalcitrant member state that exceeds the so-called deficit.

Mr. Dorrell: I think that I misled the House in a minor way when I used the phrase "qualified majority". I should have referred to

"two thirds of the votes of its members weighted in accordance with article 148(2), excluding the votes of the representative of the Member State concerned."

Mr. Shore: I am grateful for that information, but it does not change the position much.

Here, then, is a British Minister representing a state that has offended against some economic theory that has no basis in any serious economic analysis of what is a proper and appropriate public sector borrowing requirement, but is nevertheless written into the treaty. That state is treated —to use a phrase employed by one of my hon. Friends —like a rate-capped local authority. We are talking about a massive, indeed humiliating, transfer of power and self-government to European institutions. I do not understand how any Chancellor of the Exchequer, or any shadow Chancellor, could tolerate it for a moment. One of the reasons why we shall press the matter to a vote is that this is no probing amendment, but one that goes to the heart of British politics.

Several hon. Members *rose*——

Mr. Shore: It is splendid to see such energy, but I want to say a little about economic policy relating to matters other than deficits.

Mr. Spearing: On that point, if the proposals are accepted, can my right hon. Friend think of any purpose in having general elections in future? Will it matter tuppence who is the Chancellor of the Exchequer, whether it is a Conservative, Labour or even a Liberal Chancellor, because decisions will be taken elsewhere?

Mr. Shore: That is a serious question, and, in conjunction with the issues that we discussed in our debate

on the previous group of amendments, it requires a serious answer. Are we to have any major controls left over the conduct of our own economic policy? I find it amazing that we should be trapped into a late-night debate on such a crucial matter, which affects the welfare, prosperity and future of our country, without even the possibility of studying *Hansard* between debates.

Mr. Cryer: In effect, my right hon. Friend is describing what would happen if a Labour Minister of a duly elected Government went to Brussels and returned to tell pensioners and patients of the national health service that there will have to be cuts, that there will be no investment in the national health service, and that there can be no assurance that there will be an adequate number of nurses or hospitals, because we lost the vote and the final decision was taken by other people. Can my right hon. Friend imagine a more wretched, humbling and appalling position for a Labour Chancellor to be in? Moreover, people will ask, "Weren't you part of the Labour party which agreed to the treaty as it went through Parliament?"

Mr. Shore: I do not think that we can use words too strong to condemn these provisions. We may argue among ourselves about whether we see a future wholly in Europe and so on. Some people are wildly keen federalists, and I can understand and even respect their position, but I do not understand how anyone can agree to these terms. Not only do I not understand; I have contempt for people who recommend that the British Parliament and people should have these restraints imposed on them. It is outrageous.

Other powers are also being taken away, not only control of public deficits and national debt ratios to GDP. Economic policy in general is to be taken over. After our previous debate, I am not sure how much economic policy will be left. Article 103 states:

"Member States shall regard their economic policies as a matter of common concern",

which is perhaps not too awful a statement. But it continues:

"The Council shall, acting by a qualified majority on a recommendation from the Commission, formulate a draft for the broad guidelines of the economic policies of the Member States and of the Community".

What is covered by that? The answer is economic policies. It presumably covers anything dealt with by the Department of Trade and Industry and what was once the Department of Energy.

Mr. Rowlands: Paragraph after paragraph of article 103 contains references to new powers being given to the Commission. The idea has been presented to us that, through subsidiarity, the Commission would be pushed out of the nooks and crannies of our lives. Is not the Commission prepared to give up those nooks and crannies because it is to gain new powers to go into every economic nook and cranny of our society? That is what article 103 is all about.

Mr. Shore: My hon. Friend is right. If I were a Brussels Commissioner, I should willingly give up powers over the nooks and crannies, the small change of regulating conditions in English zoos, for example, in exchange for the powers of control over the whole British economy.

Mr. Bill Walker: Does the right hon. Gentleman share my fear that, if we foolishly allowed this country to be committed to this aspect of this ghastly treaty, we should be encouraging the growth of a black economy, as has happened in other parts of the world? Where the economic circumstances have produced chaos, which Governments have been unable to control, the black economy has thrived. The British people are enterprising, and that would certainly be the outcome of that sort of nonsense.

Mr. Shore: The results would be extremely serious—a total loss of faith in representative government and alienation from laws and policies imposed upon the British people by alien institutions in Europe. All that would be there. People would indeed feel massively betrayed.

I shall finish with my point about the Commission and the Council. Article 103(4) says:

"Where it is established, under the procedure . . . that the economic policies of a Member State are not consistent with the broad guidelines referred to".

That means, "if a nation states wishes to pursue a certain kind of policy". Nation states might still do that; there are still some differences left between political parties, and one party in power might pursue a policy marginally different from that pursued by another. If a nation state's policies are

"not consistent with the broad guidelines",

or if they

"risk jeopardizing the proper functioning of economic and monetary union, the Council may, acting by a qualified majority on a recommendation from the Commission, make the necessary recommendations to the Member State concerned. The Council may, acting by a qualified majority on a proposal from the Commission, decide to make its recommendations public."

There we are. The nation state will be put in the stocks and the international community will be invited to throw rotten fruit at us until we are allowed out.

Mr. Spearing: I wholeheartedly endorse my right hon. Friend's powerful argument. Is he aware that I have it on good authority that, even before the passage of the treaty, there has been a request from somewhere within the bosom of the Community for Governments to submit a programme for convergence? Various Governments have had to respond to that request.

I do not think that the request has been made public, and I do not know whether the Government intend to make their response public, but when the Financial Secretary replies tonight—or rather, when he makes what I hope will be his opening speech—perhaps he will tell us whether such a request has already been received, and if so, whether it has been made public in this country, whether the Government will respond to it, and how we are to hear about it. Surely what my right hon. Friend says may result from the treaty is already upon us: people are presupposing a request that may come afterwards.

Mr. Shore: I think that that matter will be explored again in the next debate, if we are so foolish as to rush on and try to take in stages 1, 2 and 3 of the approach to economic and monetary union, which will be the subject of the third economic debate. It would be wrong to go on to that debate without having had time to consider what has been said in the first two economic debates.

Mr. Wilkinson: Does the right hon. Gentleman agree that article 103(4), which he mentioned, contains at least an implicit risk that pressure may be put on the United Kingdom to waive its opt-out, and that our Parliament will be expected to agree before we move to stage 3 of the EMU? The article says that, if a nation's policies

"risk jeopardizing the proper functioning of economic and monetary union, the Council may, acting by a qualified

[Mr. Wilkinson]

majority on a recommendation from the Commission, make the necessary recommendations to the Member State concerned."

In other words, if we are still laggards towards the end of the 1990s, notwithstanding the views of this Parliament we may come under serious pressure from the Council to move to stage 3 of the EMU.

Mr. Shore: Indeed. There are several powers—for example, those allowing criticism to be made public—which, although they fall just short of the extreme penalties in stage 3, would be greatly damaging to any country, especially in relation to markets, currencies and matters of confidence. The availability of the weapon of publicity and criticism is bound to be an important factor in stages 1 and 2, before we reach the final stage.

We have discussed today the two crucial powers of the British Parliament over the British economy that remain now that we have lost the power to control our trade and have transferred many other decisions to the European Community. I refer to the two powers that are crucial to macro-economic management—control over one's interest and exchange rate, and the power to decide one's own public sector borrowing requirement and the whole stance of one's budget. If we surrender both those powers in the middle of the night, we shall have done badly by the British people.

2.30 am

Mr. Nicholas Winterton: I am delighted to follow the right hon. Member for Bethnal Green and Stepney (Mr. Shore), who has done the Committee and the House a great service by both his speeches today. The example that the right hon. Gentleman and some of his right hon. and hon. Friends, together with my hon. Friends, have set, represents the modest safeguard that we still possess in honouring our democratic procedures in the country and the House of Commons. As the Committee knows, immense pressure has been brought to bear upon those hon. Members, of whichever party, to minimise their opposition to the unnecessary, obsolete and irrelevant treaty on which we are spending so much time. It is an immense pleasure to follow the right hon. Gentleman, whose leadership on this matter I have always respected.

I read with interest an article by one Anatole Kaletsky in *The Times* of 18 March. I hope that the Committee will allow me to quote briefly from that article, which follows through the argument that the right hon. Member for Bethnal Green and Stepney has presented to us—especially in the latter part of his speech, which related to economic policy. The article states:

"The astounding figure of £50 billion for the public sector borrowing requirement was the clearest possible reminder of how badly the economy has been managed in the past, and of what a crippling burden the whole country must bear"—

at this point, the article is slightly critical of the Treasury—

"to keep a handful of complacent Treasury officials in their ivory tower at Great George Street. But even more alarming evidence of the Treasury's grip on the Major Government came in the budget "Red Book", showing tax revenues and economic projections for five years ahead."

The right hon. Member for Bethnal Green and Stepney referred more than once to the Red Book.

The article continues:

"These figures reveal that Mr. Lamont's tax increases of £10·5 billion from 1995 onwards will be nowhere near sufficient to plug the gap in public finances, if the Treasury's present expectations about the economy are fulfilled. In fact, if the economy grows from 1994 onwards at the Treasury's assumed average rate of 2·75 per cent. a year, Britain will still have a Government deficit"—

I believe that the right hon. Member for Bethnal Green and Stepney mentioned this—

"of 4·75 per cent. of GDP in the last year of the present parliament."

I hope that my hon. Friends on the Front Bench will bear that in mind.

"Even after Mr. Lamont's new exactions, Britain would in 1996 be guilty of a 'gross fiscal error' as defined at Maastricht. Thus, if *Mr. Major ever succeeded in getting his treaty* ratified, Britain would face great pressure to increase taxes at that time by another £11 billion annually to meet the Maastricht criteria and fulfil Mr. Major's longing to be at 'the heart of Europe'."

Mr. William Powell (Corby): I am grateful to my Friend for drawing to the attention of the Committee important material that has been overlooked by the Chancellor of the Exchequer. It is clear from my hon. Friend's remarks, if they are true, that the Government have embarked on an economic policy, underpinned in the Budget, that is massively out of line with what is required today. We need a policy for more vigorous growth, enabling the figures which my hon. Friend quoted to become irrelevant.

Mr. Winterton: I am not sure whether my close and hon. Friend, a Member whom I greatly admire, is trying to be helpful to me and my argument or to the occupants of the Treasury Bench. I endorse his view. If only the Chancellor realised what was going on at the grass roots his Budget would have been different because we need, above all, an expansion of the economy and the stimulation of economic growth.

I do not want to start a debate about the objectives of the Manufacturing and Construction Industries Alliance, which I launched here a few weeks ago. That alliance has the objectives that my hon. Friend the Member for Corby (Mr. Powell) outlined. But if my hon. Friend supports Maastricht—I believe he has in the past—he will not be able to achieve what he wants because, as the right hon. Member for Bethnal Green and Stepney forefully said, everything we are discussing will restrict growth and create higher unemployment, so creating a vicious circle.

As I pointed out in an intervention, a million jobs are costing the British Government £8 billion, so our present deficit could pale into insignificance, particularly when we consider a previous debate and the establishment of a European central bank, staffed and adminstered by unelected people to whom the Government of the day could not make representations.

The Minister, when replying briefly and inadequately to that debate, said that hon. Members could make their views known to the Government, and the officials of the central bank might, if the *Official Report* of the debate were brought to their attention, realise that there was concern. But what influence would an hon. Member here have with those officials in the European central bank whose salaries would make ours look like petty cash and who would disregard almost entirely the views of the properly elected Members of this Parliament?

Dr. Godman: I remind the hon. Gentleman of the role that the central bank will play in the scheme of things. At the start of the third stage, the monetary committee, which

will play a powerful role in the disciplining of states, will be replaced by an economic and financial committee to which the central bank will have a right of appointment. the central bank will be fully involved, having membership of the successor body to the monetary committee.

Mr. Winterton: The hon. Gentleman, who has intervened several times in the debate with great effect, has made another good point. I entirely endorse every word that he uttered.

Mr. Gill: Is my hon. Friend basing his exposition on a technical understanding of the economic matters involved or on his superb common sense?

Mr. Winterton: It is interesting that we are getting absolutely no reaction from the Government Front Bench. It may be that, because I have some knowledge of manufacturing industry and what is required, throughout the debate I have adopted a practical, responsible, sensible and earthy approach to the economic difficulties which the country faces.

Mr. Cryer: As the hon. Gentleman is pursuing that analogy in his illustration of this party's position on this group of amendments—and before we reach the Single European Act in this stage of integration—may I tell him that, when a Committee upstairs was dealing with an order which allowed garments to be marked with the source of manufacture, the then Minister in the Conservative Government, Mrs. Oppenheim, said clearly that we should not at any stage suggest that the order was designed to protect manufacturing industry because the Commission would be listening to our remarks in Committee in order to take action against the order if it was a trade barrier? The order was designed only to help consumers. That was before we reached the solemn stage of dealing with this treaty. If that was the argument of Ministers 10 years ago, what position have we now reached?

Mr. Winterton: I can only agree with what the hon. Gentleman says. He enables me to mention a parliamentary question to the President of the Board of Trade which I tabled only a few days ago. Another objective of the Manufacturing and Construction Industries Alliance, which I hope will assist in the regeneration of the manufacturing base of the United Kingdom, was to get the Government to identify areas of potential for import substitution.

Sir Teddy Taylor: It is illegal.

Mr. Winterton: Indeed. My hon. Friend has immediately latched on to the unfortunate, sad, disappointing and depressing reply which I received from the President of the Board of Trade. The Minister said that the Government could not do that because it would be considered an impediment to free trade. My hon. Friend the Member for Southend, East (Sir T. Taylor) says that it could be defined as a Euro-crime.

Is it wrong that the Government, in seeking to build up our economy as part of their economic policy—this group of amendments is about economic policy and deficits—and with the intention of reducing the trade deficit and, as a result, the Government deficit on their current account, would be prevented by the European Community from identifying areas of manufacturing capacity to regenerate the manufacturing base of the United Kingdom?

I cannot believe that that should in any event be described as a Euro-crime. It would be offensive to this country, as it seeks to build up its economy, to be restricted in doing so by the European Community. The position would be made worse if we ratified the Maastricht treaty.

The overwhelming reason for the length and depth of the United Kingdom recession has been the policy—sadly, of my Government—of shadowing the deutschmark and then joining the European exchange rate mechanism. Many Conservative Members, as well as Opposition right hon. and hon. Members, urged that we should not join the ERM. The Government ignored us, and even entered at a rate that was always outrageously irresponsible and could never have been maintained. We know what happened.

2.45 am

Mr. Skinner: Will the hon. Gentleman give way?

Mr. Winterton: I am happy to give way to the hon. Member for Bolsover (Mr. Skinner), who is an immense parliamentarian, whatever people may think of his views.

Mr. Skinner: The hon. Gentleman is trying to increase my majority in Bolsover.

The hon. Gentleman said that people like himself were against entering the ERM. It was the same on this side of the House. I remember the manifesto meeting of the Labour party before the last general election. It ought to be placed on record that my right hon. Friend the Member for Chesterfield (Mr. Benn) and I moved an amendment to the Labour manifesto that we should not take part in the ERM and a Labour Government should withdraw from it. We lost that vote by 37 votes to two at a joint meeting of the shadow Cabinet and the NEC. All the marshmallows and pseudo-lefts and all the other rag, tag and bobtails went along with it. What happened? Within a few months the whole thing had collapsed. People on our Front Bench still talked about possibly returning to the ERM. It is like a dog returning to its vomit.

Mr. Winterton: I accept much of what the hon. Member for Bolsover has just said, if not the tone of it. I have a sizeable majority in Macclesfield, as he does in Bolsover. I can only say to those on the Treasury Bench that perhaps some who are considered minorities are right. It is only a pity that the Government do not listen to those with some experience and those who have been consistent in the views that they have expressed.

My hon. Friend the Financial Secretary will know that the United Kingdom was first into recession and has, overall, been much harder hit than any other OECD country. No other OECD economy has contracted over two years as Britain has done. Other economies have done so much more slowly. They are slowing down, but they are still growing. That includes one of the important markets for the United Kingdom. I refer, of course, to the United States of America. Far be it from Britain to be dominated by Europe and look to Europe for its future. I believe that Britain should look to north America and the Pacific rim, where the real wealth is being created and economic growth is a major feature.

Mr. Gill: Is it not wrong that we should do almost 60 per cent. of our trade with only 6 per cent. of the world's population and only 40 per cent. of our trade with 94 per cent. of the world's population? Would any business man

[Mr. Gill]

regard that as a balanced debtors list? Would he not seek to expand his business and open more accounts with more people?

Mr. Winterton: As I come from a small business background, my answer to my hon. Friend, who also has a career as a successful business man, is in the affirmative. He would expect it to be in the affirmative.

Unfortunately, the Government are severely influenced by the Treasury, and far too few people in the Treasury have any real experience of industry and making money. They merely spend other people's money.

I quote from a leader published on 4 March 1993 in *The Daily Telegraph*, a paper not unknown to be favourable to the Government:

"The Government has had no coherent economic policy since Black Wednesday. It is this vacuum at the heart of Government which produces the caution and scepticism which so annoy Mr. Major."

I quote that not to be helpful to my party or Treasury Ministers, but to be hopeful for the debate in the House of Commons.

I am sick and tired of the Government being totally committed to Europe and oblivious to what is going on elsewhere in the world. If they realised that there was a bigger and better world outside Europe, we should start to get some economic leadership and the British economy would begin to recover.

Mr. Wilkinson: I am sorry to interrupt my hon. Friend in full flow, but he refers to a void at the heart of British economic policy. Is not that void the great question mark over whether we will re-enter the ERM? Until the Government publicly eschew that option and say that we will not re-enter, uncertainty and lack of confidence will persist. We have been burnt once and thousands of people have been put out of work quite unnecessarily. Were that to happen again, it would be quite unforgivable.

Mr. Winterton: I entirely endorse the views of my hon. Friend, who anticipated the remarks I was about to make.

Sir Teddy Taylor: Does my hon. Friend agree that such uncertainty does not exist? Has he seen the "European Special" issued by Conservative MEPs to every constituency office, in which it is made abundantly clear that the Government intend to allow sterling to return to the ERM? So there is no doubt about it. Not only does the treaty indicate that we have to, but the MEPs' paper which is about to be published—and they are to move into central office at Smith square—makes it abundantly clear.

The Conservative manifesto said that we were going to move into the narrow band of the ERM. Does my hon. Friend agree that my hon. Friend the Member for Ruislip-Northwood (Mr. Wilkinson) was in danger of misleading the Committee by saying that there was some doubt? Is it not abundantly clear that we are going back into the ERM? There is no doubt about it whatsoever, and it will be another great disaster for jobs.

Mr. Winterton: As yet, I am not able to speak for the Government. I am not being immodest when I say that there are some who believe that I might make a better job on the Treasury Bench than some of those who occupy it now.

Mr. Cash: Just in case my hon. Friend should be in any doubt whatsoever about the Government's position, I hope that, in common with other hon. Members, he noted that, when my hon. Friend the Member for Southend, East (Mr. Taylor) made his point about that scurrilous piece of paper from the European People's party, the Minister nodded his head in agreement and is now nodding again, so there is no doubt that the Government intend to take us back into the exchange rate mechanism.

Mr. Winterton: Having sat through many hours of the debate today, my hon. Friend the Minister indicated that there was an option to re-enter the ERM, but, not seeking to be unfair to my hon. Friend or to my right hon. Friend the Prime Minister, let me say that they have made it clear that we will not go back into the European exchange rate mechanism until the Government believe that it is right to do so. By that, they imply that it would be in the interests of this country to do so.

Before I give way to my hon. Friend on the Front Bench, may I say to my hon. Friend the Member for Southend, East that it is absolutely scandalous that the money which the Conservative party raises has gone to produce this ridiculously nonsensical, irresponsible, irrelevant and obsolete document from the Euro-MPs who are members of the Conservative party.

Mr. Cash: The European People's party. It is nothing to do with us.

Mr. Winterton: Or the European People's party, which, I am afraid, undoubtedly receives money from the United Kingdom's contribution to the European committee. But I do not think, Mr. Lofthouse, that you wish us to go into that matter.

Several hon. Members *rose*——

Mr. Winterton: Please would my hon. Friends contain themselves? I see my hon. Friend the Financial Secretary pensive and pregnant with anticipation of the question that he is going to put to me.

Mr. Dorrell: I am grateful to my hon. Friend, but, rather than have my views attributed to me and then have some of my hon. Friends say that I was indicating assent to their formulation of the Government's policy, perhaps I may be allowed to confirm what I said two or three hours ago, which is that the Government's policy in relation to the exchange rate mechanism is to return to it when we consider it to be in this country's interest to do so.

Mr. Winterton: I entirely disagree with the policy of going back in, but I hope that my hon. Friend will accept that I interpreted what he said some three hours ago fairly accurately in my response to my hon. Friend the Member for Southend, East.

Mr. Bill Walker *rose*——

Mr. Winterton: I shall give way in just a moment——

Mr. Austin Mitchell *rose*——

Mr. Winterton: I am delighted to give way to the hon. Member for Great Grimsby (Mr. Mitchell), a fellow officer of the all-party media group, not least because I am attracted by his tie.

Mr. Mitchell: The position that the Minister has just given us is a much closer advance to membership than the

position when we came out, which was that we would not go back until the fundamental fault lines of the ERM had been repaired.

Mr. Winterton: I know that this sounds repetitive, but again I can only agree with everything that the hon. Gentleman has just said. Certainly, when we came out, it was my understanding of the Government's position that we would not go back in until the whole thing had been reviewed and restructured. We have seen it in the sort of drip, drip, drip syndrome that we have become accustomed to from this Government. We have been told that certain things will not happen, but, in case they do happen at some time in the future, we are building up the structure to enable them to happen.

Mr. Bill Walker: Does my hon. Friend, with his business background, agree with me that one of the problems of making business decisions is trying to forecast the position in six or 12 months' time? Part of the problem of decision-making, in which I have often been involved, is having to make a judgment based on what one thinks will be the future economic and political circumstances. It is particularly important when one is interested in overseas markets, something in which companies are interested. Therefore, a statement to the effect that we will go back into the ERM when the Government judge that the circumstances are right is much worse than a clear-cut statement to the effect that we will join and these are the circumstances under which we will join, clearly laid out —and we have not had that—or, alternatively, a statement to the effect that we will not join at all. Either of these allows decisions to be made.

Mr. Winterton: My hon. Friend, in yet another excellent intervention, has made a point that I trust the Treasury Bench will note. Those of us who are in business and have to take decisions for which we are accountable in every sense of the word need decisions, and I say to my hon. Friend the Financial Secretary that one of the reasons why I am strongly opposed to this protocol on the excessive deficit procedure is that a country might well need to have much more than 3 per cent. of gross domestic product as a deficit for a limited period in order to achieve a certain objective.

It is the same in business—one can borrow heavily. I advocate borrowing heavily only when one expects to get the money back with a profit that will enable one to pay back the debt. My hon. Friend's comments are extremely important.

Mr. Cash: My hon. Friend may not know that an interesting paper was prepared—it seems by Treasury officials—entitled, "Sterling in the ERM: Lessons from the September 1992 Crisis". It happened to arrive in my post in a brown envelope and is otherwise known as a leaked document. My hon. Friend may find it interesting to know that, with respect to the manner in which those things are supposed to be dealt with, the document states:

"The results of these discussions should be communicated by the officials concerned to Finance Ministers. Special meetings of Finance Ministers are best avoided since they attract such public attention. Secure video conference facilities would enable Finance Ministers to talk to each other without meeting."

There is much more, as I shall explain to the Committee when I have an opportunity to speak. It is a remarkable inside document on what really goes on and what Ministers are up to.

Mr. Winterton: I hope that my hon. Friend will be prepared to make that document available to his colleagues and to let it lie on the Table, although perhaps the Chair would not consider it to be a state paper. It appears that it may come from some official source and it may also indicate official advice to Ministers from qualified people within a Government Department, and it is therefore relevant for it to be drawn to the attention of the Committee.

Dr. Godman: Given that we small band of men and women are engaged upon the parliamentary task of scrutinising the documents, line by line, I wonder whether the hon. Gentleman can help me. Can a member state, bedevilled by severe economic difficulties, seek a derogation from the provisions of article 104c?

Mr. Winterton: Like the hon. Gentleman, I am not a lawyer. On many occasions during the debate he has said that it would be most helpful to the deliberations of the Committee if a Law Officer, such as the Attorney-General, were here to assist us with the sort of question that he has asked me as a Government Back Bencher.

Sir Teddy Taylor: The answer is no.

3 am

Mr. Winterton: Exactly. My hon. Friend has anticipated my response. The answer to that question would be no. Any derogation would have to be granted before the treaty is ratified and signed, so the country suffering exceptional economic difficulties could not seek a derogation. I presume that under the protocol on the excessive deficit procedure, and other procedures that go with it, an explanation could be provided to that errant member country, and perhaps a less severe penalty would be imposed. I am being gracious and courteous towards the rather repressive and oppressive procedures that are laid down and that inhibit growth and the freedom of Governments to deal with the problems of their economy.

It is not in the Government's interests to emphasise that the plight of the United Kingdom is worse than that of any other country, or to point the finger of blame at the ERM. We all know that the ERM is to blame, but high interest rates to keep our exchange rates in line with those of Germany have wreaked havoc on business. As I have intimated in interventions, they also account for 1 million of the more than 3 million people who are unemployed. It is as simple as that. As we are talking also about deficits, I repeat that, in this respect, the Government's European policy is costing this country £8 billion.

Sir Teddy Taylor: My hon. Friend has obviously studied this matter very carefully. Perhaps he could clarify something that I do not understand. If a member state, under article 104c, is instructed to increase taxes very substantially because of an excessive PSBR, and if the result is more unemployment and an even greater PSBR, is that state automatically fined for following instructions?

Mr. Winterton: This is one of the points made very dramatically and forcefully by the right hon. Member for Bethnal Green and Stepney.

Sir Teddy Taylor: What is the answer?

Mr. Winterton: The answer is that I assume that such a state would be fined.

Sir Teddy Taylor: For doing what it had been told?

Mr. Winterton: Indeed—for creating a deficit even greater than the one that was the cause of its being hauled before the monitor in the first place.

Mr. Wilkinson: In the most unfortunate absence of the Attorney-General, can my hon. Friend tell us what the outcome would be if a member state were fined for not keeping within the protocol's criteria on budget deficit and national debt? Refusal to pay the fine would seem to be the sensible course. Why should the misery of the people concerned be compounded?

Mr. Winterton: If this country were to follow the example of many members of the European Community —France, Italy, Holland, Belgium and even Germany—it would ignore most of the directives and regulations that are unhelpful. Those countries accept such directives and regulations but never implement them; and by the time the Commission catches up, it is too late, and the benefit has been gained.

As my hon. Friends have said, the Government want to return to the ERM, despite its dramatically damaging cost.

Mr. Cash: I can confirm what my hon. Friend has said. The document from which I have already quoted, which was published—"published" is the wrong word; it was written—on 23 December 1992, concludes:

"Sterling should re-enter the ERM when the following conditions have been met: German interest rates have come down; the Bundesbank in particular accepts the new parity as realistic . . . Sterling should re-enter with a narrow band."

In other words, the advice that is being given includes clear commitment. My hon. Friend may find that these conclusions are of some assistance.

Mr. Winterton: My hon. Friend, not for the first time, has anticipated the point of what is almost my next sentence. The Maastricht treaty, whose ratification we are considering, will commit the United Kingdom to returning to the ERM under the second stage of European monetary union. We could be committed to doing that from 1 January next—nine or 10 months away. We would be returning to the horror of that cage—indeed, the ERM —that caused so much trouble in this country, and at least one million job losses.

The Conservative Government believe that they have an opt-out of the third stage of EMU, and can decide later whether or not to join the single currency.

Mr. Cryer: On a point of order, Mr. Lofthouse. I apologise to the hon. Gentleman, whose speech I am enjoying—he will no doubt have the opportunity to resume his speech—but I beg to move, That strangers do withdraw.

Notice being taken that strangers were present, the FIRST DEPUTY CHAIRMAN, *pursuant to Standing Order No. 143 (Withdrawal of strangers from House), put forthwith the Question,* That strangers do withdraw:—

The Committee proceeded to a Division—

The First Deputy Chairman of Ways and Means (Mr. Geoffrey Lofthouse): I understand that we are having difficulty over the Doorkeepers, many of whom will be needed later in the morning. The Doors to my immediate left and my immediate right are locked, so hon. Members will have to use the other Doors.

The Committee having divided: Ayes 0, Noes 183.

Division No. 206] **[3.10 am**

AYES

Nil

Tellers for the Ayes:
Mr. Bob Cryer and
Mr. Dennis Skinner.

NOES

Ainsworth, Peter *(East Surrey)*
Aitken, Jonathan
Alexander, Richard
Amess, David
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Arnold, Sir Thomas *(Hazel Grv)*
Atkinson, Peter *(Hexham)*
Baker, Nicholas *(Dorset North)*
Baldry, Tony
Banks, Matthew *(Southport)*
Barnes, Harry
Bates, Michael
Beresford, Sir Paul
Booth, Hartley
Boswell, Tim
Bottomley, Peter *(Eltham)*
Bowden, Andrew
Bowis, John
Brandreth, Gyles
Brazier, Julian
Bright, Graham
Brooke, Rt Hon Peter
Browning, Mrs. Angela
Burt, Alistair
Carlisle, Kenneth *(Lincoln)*
Carrington, Matthew
Channon, Rt Hon Paul
Chapman, Sydney
Churchill, Mr
Clarke, Rt Hon Kenneth *(Rushcliff)*
Clifton-Brown, Geoffrey
Coe, Sebastian
Congdon, David
Coombs, Simon *(Swindon)*
Cope, Rt Hon Sir John
Couchman, James
Curry, David *(Skipton & Ripon)*
Davis, David *(Boothferry)*
Davis, Terry *(B'ham, H'dge H'l)*
Day, Stephen
Deva, Nirj Joseph
Dorrell, Stephen
Douglas-Hamilton, Lord James
Dover, Den
Duncan, Alan
Duncan-Smith, Iain
Dunn, Bob
Elletson, Harold
Emery, Rt Hon Sir Peter
Evans, Jonathan *(Brecon)*
Evans, Nigel *(Ribble Valley)*
Evans, Roger *(Monmouth)*
Evennett, David
Faber, David
Fabricant, Michael
Fenner, Dame Peggy
Fishburn, Dudley
Forsyth, Michael *(Stirling)*
Forth, Eric
Fox, Dr Liam *(Woodspring)*
Gale, Roger
Gallie, Phil
Garel-Jones, Rt Hon Tristan
Gillan, Cheryl
Godman, Dr Norman A.
Goodson-Wickes, Dr Charles
Gorst, John
Greenway, John *(Ryedale)*
Grylls, Sir Michael
Gummer, Rt Hon John Selwyn
Hague, William
Hamilton, Rt Hon Archie *(Epsom)*
Hampson, Dr Keith
Hanley, Jeremy
Harris, David
Hawkins, Nick
Hayes, Jerry
Heald, Oliver
Heathcoat-Amory, David
Hendry, Charles
Hill, James *(Southampton Test)*
Hordern, Rt Hon Sir Peter
Howarth, Alan *(Strat'rd-on-A)*
Hunt, Rt Hon David *(Wirral W)*
Hunt, Sir John *(Ravensbourne)*
Hunter, Andrew
Jack, Michael
Jones, Gwilym *(Cardiff N)*
Jopling, Rt Hon Michael
Kellett-Bowman, Dame Elaine
Kennedy, Charles *(Ross,C&S)*
Key, Robert
Kilfedder, Sir James
Kirkhope, Timothy
Kirkwood, Archy
Knight, Mrs Angela *(Erewash)*
Knight, Greg *(Derby N)*
Knox, David
Kynoch, George *(Kincardine)*
Lait, Mrs Jacqui
Legg, Barry
Leigh, Edward
Lester, Jim *(Broxtowe)*
Lidington, David
Lightbown, David
Luff, Peter
Lyell, Rt Hon Sir Nicholas
MacGregor, Rt Hon John
MacKay, Andrew
Maclean, David
McLoughlin, Patrick
Maitland, Lady Olga
Malone, Gerald
Mans, Keith
Martin, David *(Portsmouth S)*
Mawhinney, Dr Brian
Merchant, Piers
Milligan, Stephen
Mitchell, Andrew *(Gedling)*
Monro, Sir Hector
Moss, Malcolm
Nelson, Anthony
Neubert, Sir Michael
Newton, Rt Hon Tony
Nicholls, Patrick
Nicholson, Emma *(Devon West)*
Norris, Steve
Oppenheim, Phillip
Page, Richard
Paice, James
Patnick, Irvine

Pattie, Rt Hon Sir Geoffrey
Pickles, Eric
Porter, Barry *(Wirral S)*
Portillo, Rt Hon Michael
Powell, William *(Corby)*
Rathbone, Tim
Redwood, John
Renton, Rt Hon Tim
Richards, Rod
Robathan, Andrew
Roberts, Rt Hon Sir Wyn
Robertson, Raymond *(Ab'd'n S)*
Robinson, Mark *(Somerton)*
Rowe, Andrew *(Mid Kent)*
Ryder, Rt Hon Richard
Sackville, Tom
Shaw, David *(Dover)*
Shepherd, Colin *(Hereford)*
Smith, Tim *(Beaconsfield)*
Spencer, Sir Derek
Spicer, Sir James *(W Dorset)*
Spink, Dr Robert
Sproat, Iain
Stanley, Rt Hon Sir John
Stephen, Michael
Stewart, Allan
Streeter, Gary
Sykes, John
Temple-Morris, Peter
Thomason, Roy
Thompson, Patrick *(Norwich N)*
Thornton, Sir Malcolm
Thurnham, Peter
Townsend, Cyril D. *(Bexl'yh'th)*
Tracey, Richard
Trotter, Neville
Twinn, Dr Ian
Viggers, Peter
Walden, George
Waller, Gary
Wardle, Charles *(Bexhill)*
Waterson, Nigel
Wells, Bowen
Wheeler, Rt Hon Sir John
Whitney, Ray
Whittingdale, John
Widdecombe, Ann
Willetts, David
Wolfson, Mark
Yeo, Tim
Young, Sir George *(Acton)*

Tellers for the Noes:
Mr. Timothy Wood and
Mr. Robert G. Hughes.

Question accordingly negatived.

Dr. Godman: On a point of order, Mr. Lofthouse. Given the reduced number of doorkeepers on duty, will you confirm that if there are to be more Divisions throughout the night, the doors that remain locked are those over your right shoulder, and those over my left shoulder?

The First Deputy Chairman: Yes, I can confirm that.

Mr. Nicholas Winterton: When my contribution to the important debate on this group of amendments was interrupted some minutes ago, I was advising the Committee that the Government believe that they have an opt-out from stage 3 of European monetary union and can decide later whether or not to join the single currency. I remind the Committee that under article 109m of the treaty of Rome, the Commission or another member state can take the United Kingdom to the European Court of Justice for not behaving "in the common interest". I submit, therefore, that opt-outs are probably not worth the paper they are written on. We should not base support for the Maastricht treaty on an opt-out that is as yet untested in the European Court.

It was mentioned in an earlier debate—but this has a major bearing on Government economic policy—that under the treaty we are likely to surrender certain rights to the European central bank. They include our ability to control interest and exchange rates, to issue bank notes, control foreign reserves, and—particularly relevant to this group of amendments—to control the level of Government deficit. Government spending and policies would therefore be handed over to six unelected bankers in Germany—I am not sure yet whether the central bank will be in Bonn or Frankfurt. As the right hon. Member for Bethnal Green and Stepney made clear, they will have an eight-year tenure and can only serve one tenure. As they can serve only one tenure, the bankers will not care whether they please or displease.

We know, because we have been told, that those individuals can be removed by the European Court of Justice only on a technicality, not for getting their policies wrong. Here in the Westminster Parliament, if a Government get their policies wrong and lose the support of the people, they can be turned out after four or five years. That does not apply to these distinguished individuals, these highly remunerated individuals, these individuals who ultimately need not be accountable for their policies, whatever problems they create for the countries that comprise the European Community.

Mr. Cash: My hon. Friend may be glad to know that, referring to the central bank's governors, this remarkable document states:

> "Since there will always be a trade-off between domestic macro-economic management and exchange rate policy, this aim is perhaps utopian."

Even this extraordinary document admits that the basis on which the decisions are made is utopian: in other words, the authors do not even believe in it themselves.

Mr. Winterton: I believe that the author of "Utopia" was Sir Thomas More. There is a plaque commemorating him in Westminster Hall. Perhaps we are fortunate to be as close to Utopia in this country as we will ever be. I would not want that Utopia to be in any way diluted by a system in which all our affairs were controlled by the European central bank, whether based in Frankfurt or in Bonn.

Around such a bank, as I think we are all aware from the excellent speeches made so far, will be an immensely powerful group of people whom I have already described. For example, according to the statistics that I have before me, under Maastricht control the convertible currency reserves of all member states, which totalled £1,761 billion at the end of 1991, will inevitably become subject to fund management by the new European central bank.

Banking and currency businesses will take thousands of jobs away from an organisation not so very far from the Palace of Westminster—the City of London. Yes, this new set-up—this new central bank of Europe, or European central bank—could well deprive London and its financial centre of thousands of jobs. The City of London originally grew up around the Bank of England. As the Bank of England becomes a branch of the European central bank, perhaps rather a second-rate branch—it is all here in the treaty—so the City of London, which is important to the country and its economy, will contract. With Maastricht, we are committed to a re-run of the past three years—to a slowing and then a shrinking of our economy.

My interest in industry leads me to the subject of convergence. The requirement in the treaty for convergence is one of the most important policies affecting industry in this country, and Britain will be committed to it irrespective of the opt-outs—or whatever they were—negotiated by my right hon. Friend the Prime Minister. As the Committee will know, convergence consists of financing the industries of less well-developed European countries so that they can compete with our own. In other words—I think that this has been said before by hon. Members who are concerned about the treaty—Maastricht will set up an industrial equivalent of the common agricultural policy.

How many hon. Members who are present at this early hour of the morning are aware that many of our traditional industries have already faced severe competition from some of the new members of the European Community? I refer in particular to Portugal and Spain. The paper and board industry, with which I have been

[Mr. Winterton]

closely involved for many years, has lost not only through companies collapsing but through thousands of jobs going to Spain, in particular, and to a lesser extent to Portugal because of the assistance that those countries receive from various structural and improvement funds, to which we are the second largest contributor. We are positively contributing to transfer of jobs from the United Kingdom to other EC countries.

3.30 am

Mr. Wilkinson: My hon. Friend is making a crucial point. The British public would be horrified, and I hope that his speech will percolate through. Are there not first three EC countries with which we have a balance of payments surplus—Ireland, Spain and Greece? We no longer have one with Portugal. If the transfer of funds under the Maastricht process continues, there will not be one member of the European Community with which the United Kingdom has a balance of payments surplus.

Mr. Winterton: My hon. Friend is absolutely right, and I entirely endorse his view. If the people of this country realised what the Government were doing in their name, they would be extremely angry and would respond appropriately when the opportunity arose. It is vital that the United Kingdom does not accept the proposals.

My hon. Friend the Member for Southend, East is not in his place at the moment, but he is extremely well informed about the common agricultural policy. It is notorious for its cost and its waste. As many hon. Members are aware, it costs £1,000 a year for every four-person household in Britain. It is depleted by fraud and inefficiency, and only about 50 per cent. of every £1 reaches the farmers for whom it is intended. As I have said, the budget which is drained by the CAP is a budget to which the United Kingdom is the second biggest contributor.

I now touch on an issue to which I trust that the House will turn its attention later today if the business managers permit it. In March this year, *The Guardian*—a newspaper that I read although I do not always agree with it—pointed out that the United Kingdom pays France enough money for electric power to keep the equivalent of six British coal pits in operation. Six mines, in addition to those which we hope will be reprieved by the President of the Board of Trade later today, could be kept open, but we pay the money to France instead and put our miners out of work.

Convergence under the Maastricht treaty will mean the United Kingdom paying more money, hand over first, to industries in Spain, Portugal, Greece and Ireland. A number of hon. Members—no doubt including some of those facing me across the Chamber—might believe that that is a good thing. In the past year or two, I motored through Spain on my way to a holiday in Portugal. I was appalled by the number of road projects for which those countries have received funding from the European Community, making them more attractive and competitive than the United Kingdom. The people of this country do not want or support that. I believe that if they knew that it was going on to that extent they would register their firm opposition with the Government.

Mr. Charles Kennedy (Ross, Cromarty and Skye): Will the hon. Gentleman give way?

Mr. Winterton: I am delighted to give way to the president of the Liberal Democrats, with whom, despite our many differences, I share considerable common ground.

Mr. Kennedy: I am grateful to the hon. Gentleman for giving way, but he is systematically slashing to bits those of us who are attempting to contribute to the debate before we even intervene. I do not know to which road projects he specifically referred, but I suggest that countries such as Spain may appear to have more road infrastructure projects supported by EC funding because, unlike this country, they do not systematically and persistently abuse the concept of additionality for European regional development fund cash.

Mr. Winterton: I am not sure whether I have the information readily to hand to be able to answer the hon. Gentleman's question fully, as normally I would wish to do, but I can tell him that the United Kingdom, perhaps stupidly, is one of the most honourable countries in the Community and implements any regulation or directive that the Government accept, even if they have accepted it unwillingly. We cross all the t's, dot all the i's and put full stops at the end of all the sentences. We are as communautaire, as honourable, as any country in the Community. Indeed, in my view we are considerably more honourable than most.

I am not sure what sort of response to his question the hon. Member for Ross, Cromarty and Skye (Mr. Kennedy) expected from me.

Mr. Kennedy *rose*——

Mr. Winterton: I give way to the hon. Gentleman again, if he insists.

Mr. Kennedy: How could the hon. Gentleman know what kind of reply I wanted? I did not expect the reply that he gave but, equally, he will not have expected me to agree with the one that I thought that he would give. I did not want to agree with that in the first place.

Mr. Winterton: The hon. Gentleman is always most courteous and most charming, and it is difficult to disagree with him in an aggressive way. He seems to agree with the response that I actually did give him, although I could not reply to the specific question that he asked.

It has not been mentioned much in our debates that convergence is a critical cost upon the people and the industry of this country. Some people argue that, if Britain finances the development of other EC countries they will then become customers of Britain's manufacturing companies and take our goods. The falsity of that idea is shown by the trade figures to which my hon. Friend the Member for Ruislip-Northwood (Mr. Wilkinson) has already alluded. The only EC countries with which the United Kingdom has a favourable balance of trade are two of the three poorest nations. That does not suggest that, as the Government may say, the more money we pour into other countries and the better we make them, the more business we shall do with them. The record shows that that does not happen.

Because of my total commitment to the role of manufacturing industry in the economy of this country, I again ask the Government why, if they believe in spending money to invest in industry, they do not invest in United Kingdom industry. I ask that with a great deal of venom,

and I repeat what I said earlier in my short contribution to the debate—that when I sought to concentrate the mind of a responsible Department, the Department of Trade and Industry, on areas in which we might achieve import substitution and a regeneration of sectors of this country's manufacturing base, I got from the Minister for Industry the unhelpful response that the Department could not possibly do that because it would contravene the treaty of Rome, and the Commission would come down on us like a ton of bricks. What a load of wimps they are. Is it not about time that we stood up for the interests of manufacturing industry and jobs in the United Kingdom?

My hon. Friend the Financial Secretary has been sitting on the Front Bench for rather too long. I am amazed that he has not been relieved, as I believe that merits——

Mr. Cash: Does my hon. Friend agree that one of the tragedies of the Government's policy on the trade matters to which he is referring is that we are running a multi-billion pound deficit with the European Community? We are in an absolutely ridiculous situation. We are receiving orders from unelected officials and subscribing to a Euro-framework—which, good though it may be in theory, needs to be sorted—while at the same time running that massive deficit.

Mr. Winterton: Yes, and our deficit with Europe has been increasing ever since we joined. I have long believed that the United Kingdom should look to the four corners of the world for trade and customers and should not be blinded by Europe or concentrate all its efforts on the European Community. One day, we shall learn that the European Community is only a small part of the overall trading world. We should look to north America, where the economy is growing rather faster than almost anywhere in Europe. I believe that there are rich pickings to be had if only we would turn our eyes in that direction.

I pay tribute to the Government for one or two of the measures that they introduced in the Budget—not least the increase in the moneys available under Export Credits Guarantee Department schemes and the more competitive premiums now available to industry. That will undoubtedly enable the United Kingdom to bid for very important contracts in the far east, Indonesia and elsewhere, where there are, I repeat, very rich pickings as regards employment and manufacturing.

Mr. Stephen Day (Cheadle): My hon. Friend and I were heavily involved in trying to secure for British Aerospace the deal that it has recently secured with Taiwan Aerospace. My hon. Friend knows the great importance of British Aerospace both to our constituents and to the United Kingdom in general. He will also, I believe, have received from British Aerospace—I shall be surprised if he has not—a letter asking Parliament to ratify the Maastricht treaty immediately because the company feels that it is of major importance to it. Will my hon. Friend address that point, as he gives me the impression that he believes that there is some conflict of interest—a belief which British Aerospace, one of the major employers, does not seem to share?

Mr. Winterton: My hon. Friend tempts me to start my speech again, but I know that you, Mr. Lofthouse, would not wish me to go back over the brief comments that I have made so far. If my hon. Friend had read one of those distinguished, more serious newspapers on Sunday—I refer to *The Sunday Telegraph*, although I believe that the story also appeared elsewhere—he would be aware that a certain amount of disinformation and misinformation is being peddled—*[Interruption.]* I shall come to inward investment in a moment. A great deal of disinformation is being peddled about the support of industry for the Maastricht treaty. The Institute of Directors, which is surely fairly representative of big business, is strongly opposed to the Maastrich treaty, for a number of the reasons that I have spelt out to the Committee during my speech.

I know from my knowledge of many members of the CBI that they, too, oppose Maastricht, as do many small business men. But with the political patronage available to Government, certain people who head major companies and who in the past, by tradition, have automatically been rewarded with honours, have done what they perceive is expected of them. I refer without malice, for example, to the chairman of ICI, who was a signatory with other leading business men—the Arnold Weinstocks of this world, the leaders of British Aerospace and others. I am not sure that they are committed to Maastricht in a meaningful way. Indeed, I am not sure that any of them have read the Maastricht treaty, together with or separately from the Single Act and the treaty of Rome, although all three must be read to understand the position fully.

Mr. Wilkinson: Is it not a fact that major aerospace companies, such as British Aerospace, have collaborated over the years with European and other partners, as Boeing co-operates with the Japanese, the Italians and many others, on purely commercial and technical grounds? They find the partners who best suit their commercial and technical requirements. It has nothing to do with Maastricht.

3.45 am

Mr. Winterton: I agree absolutely with my hon. Friend who, speaking from the heart and the head—because few in the Committee know as much about certain sectors of industry, including aerospace, as he does—puts it in a nutshell.

My hon. Friend the Member for Cheadle (Mr. Day) drew my attention to certain senior executives of British Aerospace. I could introduce him to many executives who take a totally contrary view over the ratification of Maastricht. But does our ratification of it make the slightest difference to the excellent arrangement that British Aerospace has entered into with the Taiwan Aircraft Corporation in a joint venture for the design, manufacture, marketing and sale of their regional jet aircraft? It does not.

As I anticipate a third partner for British Aerospace in that joint venture, does my hon. Friend the Member for Cheadle believe that if that partner does not come from the European Community, that third partner's participation will be affected by whether or not we ratify the Maastricht treaty? Being a close neighbour to my constituency, I am sure he will reply that it will have no bearing whatever.

Dr. Godman: The hon. Gentleman referred to our shrinking manufacturing base. He will be aware of industries which utilise wide-ranging skills. For them, we are almost at the point of no return. For example, P & O recently ordered two cruise liners, not from a United

[Dr. Godman]

Kingdom yard but from German and Italian yards. Not one British merchant yard bid for those two lucrative contracts. The European Commission is denying our warship yards the right to bid competitively for such merchant contracts, and I fear that, within 10 years, we may not possess the skills to enable us to build such advanced vessels.

Mr. Winterton: The hon. Gentleman has drawn that and similar matters to the attention of hon. Members on previous occasions. He raises a valid and important point. Sadly, the Government—this applies to Governments of both parties—have sold our manufacturing base short and have failed to support it in various forums. The sort of matter which the hon. Member for Greenock and Port Glasgow has drawn to my attention is valid because, once that skill has left our shores, it will never be replaced. As the hon. Gentleman is from that part of the country, he knows that that skill has been a huge earner of money for the United Kingdom and a huge employer of labour in the past.

Mr. Cash: I do not wish in any way to preempt anything that my hon. Friend may say in his excellent speech. I refer to the Confederation of British Industry, the Institute of Directors and, indeed, the Federation of Small Businesses. The Federation of Small Businesses has not been mentioned in this debate—I addressed its annual conference in Bournemouth recently. About 60,000 members have endorsed the call that I and many others have made for a referendum. Does my hon. Friend agree that the absolutely extraordinary report of the Confederation of British Industry demonstrates that there are no substantial grounds whatever for these continual smears and allegations that failure to ratify the Maastricht treaty will affect inward investment into the United Kingdom in any material way?

The Confederation of British Industry sent the report to Members of Parliament and peers. The report gave a totally misleading impression, which is remarkable. Does my hon. Friend agree that the report sets out what will happen if we do not ratify the Maastricht treaty? For example, a major computer manufacturer in the United States says:

"A United Kingdom decision to stay out of the ERM would not affect our decision on United Kingdom investment. In so far as possible, UK policies on Maastricht, a two-tier Europe and withdrawal from the EC and investment decisions would not be affected."

That is typical.

Mr. Winterton: I am happy to answer by saying yes and yes to my hon. Friend's questions. I believe that the Confederation of British Industry received a nod and a wink and that the specific briefing document was sent out at the request of certain political friends, who may have been in Government. Subsequent to the issue of the report, many members of the CBI have said that they do not agree with many of the comments in it.

My hon. Friend the Member for Stafford (Mr. Cash) has anticipated another area to which I wish to refer—Maastricht and the single market. That is important with regard to our economic policy and has a direct bearing on the Government's deficit. It is not said often enough or forcefully enough that Maastricht has next to nothing to do with the single market.

At one time, we were repeatedly told that the single market could not come into force unless the treaty was ratified. Maastricht has not been ratified, and the single market has been with us since 1 January. The single market has been with us since 1 January, even though—dare I say it—Germany has not ratified the treaty because of a technicality. I am not sure when Germany will ratify the treaty. The point that we will remain in the single market even if we do not ratify the treaty should be made time and again to our trading partners, especially those outside the European Community.

I suspect that those well-informed gentlemen in the top echelons of Centrepoint—I refer to the CBI—have deliberately misunderstood this, believing that the single market will collapse and our membership of the single market will end if we do not ratify the treaty.

Sir Ivan Lawrence: My hon. Friend is making a most impressive speech, and is using some material which is obviously well informed. He made the point before about British business men. They believe that signing up for Maastricht will save their businesses. They believe, because they have been told it and they have not read the treaty and do not understand anything about what it means, that they would have to leave the Common Market if the treaty was not ratified. They are told that time and time again.

I was in Copenhagan last week. People there who said no in the referendum because they believed that it was not in the interests of Denmark to sign up to Maastricht are now being told left, right and centre that, if the treaty is not ratified, they will be out of the European Economic Community and all their businesses will collapse. Whoever one asks says exactly the same thing—that they will be left out of Europe if they do not sign up. Something has to be done to bring an element of honesty back into government and business so that that particular myth is killed.

My hon. Friend may be coming shortly to the views of the chief executive of Jardine Matheson, who wrote a letter to the *The Times* and telephoned around leading business men. He found that most of them believed that the future was not in the signing of Maastricht.

Mr. Winterton: Representations have been made to me by Jardine Matheson, but as my hon. and learned Friend has given the information to the House, I know that you would say that I was being repetitive, Mr. Lofthouse, if I repeated it to the Committee. My hon. and learned Friend's request for honesty should be answered by the Government and the CBI and all the other organisations which have peddled inaccurate and biased information, for whatever reason.

Before I come to the next issue, I return to the Budget. Again, it is relevant to economic policy and the deficit. The deficit is particularly relevant to the matter that I wish to raise. The Government have decided to extend value added tax to heat and light. I wonder why they chose to do that. Was it to reduce the deficit? That was the explanation provided by the Chancellor and other Ministers. Perhaps, Mr. Lofthouse, you will say that I am being too suspicious. Perhaps I am not trusting enough of my colleagues on the Treasury Bench. Did they extend VAT to bring the tax structure and the base of value added tax in Britain more in line with the rest of the EC?

I wonder what further measures my right hon. Friend the Chancellor will announce to the House in the years

that lie ahead. He has extended VAT to heat and light. I did not support that, and I will not support it unless he provides certain assurances to me that the vulnerable groups, whom we all know about, are fully and adequately covered.

Mr. Barry Porter (Wirral, South): I can think of better things to do at 4 o'clock in the morning. I would not mind if we were discussing what is before the Committee, but in the past half hour I have heard a broad onslaught on the treaty of Rome, the Single European Act and the general wickedness of the European Community. It is not possible for you to bring the speeches into order, Mr. Lofthouse, so that they deal with the Maastricht treaty and nothing else?

The First Deputy Chairman: Order. That is a matter for the Chair. However, on occasions my patience has become somewhat exhausted because the hon. Member for Macclesfield (Mr. Winterton) has ventured into industrial policy, whereas the amendments deal with economic policy. If the hon. Gentleman would bear that in mind, I would be extremely grateful.

Mr. Winterton: Of course I fully accept the view that you have just expressed, Mr. Lofthouse, and as a member of the Chairmen's Panel I accept without question the ruling of the occupant of the Chair. You have always been impeccably fair whenever I have taken part in any debate in the Chamber. However, if industrial policy and the importance of manufacturing are not inextricably entwined with economic policy, I do not know——

The First Deputy Chairman: Order. As the hon. Gentleman is fully aware, there has been a separate debate on industrial policy.

4 am

Mr. Winterton: Sadly, on that occasion I did not succeed in catching your eye because, yet again, the Government sought to short-circuit debate in the House on a vital constitutional issue and I was unable to make a speech. I do not wish to get out of order, Mr. Lofthouse, or to tempt you to rise to your feet again, but the issues that I have touched upon are relevant to economic policies and deficits.

If my hon. Friend the Member for Wirral, South (Mr. Porter) doubts my reference to value added tax on heat and light, he will know that the Chancellor apparently introduced that policy to reduce the Government deficit. He may have done it partly for that reason, but I am suspicious that he has done it to bring the base of taxation in Britain closer to that of the European Community and I am strongly opposed to that.

Once again, I am referring to the deficit and my hon. Friend the Member for Wirral, South is tempting me, provoking me and forcing me to go further. Having introduced that measure, we are putting a number of vulnerable groups into grave financial difficulty. As a result, the Government will have further to increase the deficit in order to increase the pension and raise by the appropriate amount state income-related benefits and income support.

Mr. Bill Walker: Is not my hon. Friend saying that the redeeming feature was that it was our Chancellor who took the decision to adjust the deficit or do whatever he wished with it? The amendments are about whether or not the House, the Chancellor or any future Chancellor will have the opportunity to do just that. That is what the debate is all about.

Mr. Winterton: My hon. Friend is correct in that we wish the House to have the authority to decide economic policy in all the areas that I said would be handed over to the European central bank, for example, if the Maastricht treaty is ratified, and inevitably other measures that are in the pipeline would follow.

Let me now move on to Maastricht—*[Interruption.]* Perhaps my hon. Friends are inexperienced in theatrical delivery and did not take account of the pause. I was about to move on to Maastricht and inward investment, which is closely tied up with economic policy.

Inward investment into Britain comes from a number of sources such as the United States and Japan. As my hon. Friend the Minister is inclined to talk, lecture and ram down our throats in economic and other debates in the House, we have been an extremely successful recipient of inward investment. This has been a notable ingredient of our economic success, particularly during the 1980s.

I would like to give a number of reasons for that investment. I pay tribute to the United Kingdom Government, a Conservative Government, for their sympathetic and positive attitude to inward investment. Also, dare I say it—and in no way seeking to upset the nationalists, who are not here, although we have with us the president of the Liberal Democrat party—the English language is one of the reasons why we get inward investment. English is especially important for the Japanese whose second language it is. Another reason is the culture of this country.

Sir Ivan Lawrence: My hon. Friend and the Committee might like to know that two weeks ago I asked a Japanese ambassador if our not signing Maastricht would mean the withdrawal of the Japanese investment in Toyota, which is just outside my constituency. He said that, provided that not signing Maastricht did not mean that Britain would come out of the European Community, there would certainly be no withdrawal of investment, thereby making two points. The first was that their investment is in Britain because we are in the European Community. The second and sinister point, which links up to the point that I made when last I intervened in my hon. Friend's speech, was that there is still the idea going round that if we do not sign Maastricht we will be out of the European Community. That idea must be killed.

Mr. Winterton: My hon. and learned Friend makes the point extremely well, so much so that if ever I need a lawyer he will certainly be my man because he expresses the case so positively, so forcefully and so accurately.

Sir Trevor Skeet: Perhaps I can endorse what has just been said, in alignment with my hon. Friend's own speech. Mr. George, the incoming Governor of the Bank of England, is reported as follows in the *Financial Times* of 3 March 1993:

"He told a seminar organised by British Invisibles, the export promotion body for services, that the City's position depended on the completion of the single market rather than monetary integration."

That, I think, is conclusive.

Mr. Winterton: I can only say that I am eternally grateful to my hon. Friend the Member for Bedfordshire, North (Sir T. Skeet), whose knowledge of industry and

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certain sectors important to our economy is well respected. The point that he has made is a good one—and far be it from me to argue with the future Governor of the Bank of England. I entirely endorse the view that he has expressed.

Another reason why this country is so attractive for inward investment—I pay tribute to many hon. Members on the Opposition Benches, not necessarily on the Government Benches—is that we have a highly trained and highly productive work force. Given the opportunity to work, they work, and work very well. I suspect that my hon. and learned Friend the Member for Burton (Sir I. Lawrence) may seek to intervene again because I have had this out of the mouths of business men from Japan. They believe that our work force are even better than their work force, and they are very happy to come here for that reason. They are skilled, they are hard-working, they are committed——

Mr. Day: And released from the shackles of socialism.

Mr. Winterton: I will not enter into a party political debate, even though I am tempted to do so, because on this I am sure that I carry both sides of the Committee with me.

Again, they want to come to this country because of our strategic position and because we have a relatively good and improving infrastructure and communications.

I make this challenge on economic policy: think of the improvements created for industry and industrial efficiency, if only the Government would spend the £3 billion that we contribute to the European Community on this country's infrastructure. Think how many tens of thousands, or perhaps hundreds of thousands, it would put back to work, especially in the hard-pressed construction and allied industries.

Our membership of the European Community and the single market is important, but the ratification of Maastricht is of no importance.

Mr. Barry Porter: What are we doing here then?

Mr. Winterton: My hon. Friend is tempting me again. What is the Committee doing spending so much time on this confounded, irrelevant and unnecessary debate on the Maastricht treaty and the Eruopean Communities (Amendment) Bill? He also has the good sense to come from the north-west of England, albeit from the other side of what was the county of Cheshire, on the Wirral, and if only he would make the strong representations to the Government that I have suggested, perhaps this whole charade and farce would be brought to an end.

For all the reasons that I have described, the United Kingdom is recognised as a centre for inward investment by the Japanese. My hon. and learned Friend the Member for Burton referred to the huge investment by Toyota close to his constituency.

Dr. Godman *rose*——

Mr. Winterton: Yet again, I am happy to give way to an informed Opposition Member.

Dr. Godman: The Japanese are not the only investors who are ready to acknowledge the high qualities displayed by our work forces. I met senior directors of IBM recently, in the immediate aftermath of the bad news that they recently had to announce. They assured me that the plant at Spango valley in Greenock was among the best in IBM worldwide, and that it would always receive the support of the headquarters in America. They spoke very highly of the work force on the lower Clyde.

Mr. Winterton: The hon. Gentleman never misses an opportunity to advance the interests of his constituency and the interests and success of Scotland, which is such a vital part of the United Kingdom. I can only entirely agree with him.

Mr. Bill Walker: IBM had been in Scotland for a long time.

Mr. Winterton: My hon. Friend the Member for Tayside, North (Mr. Walker) agrees with the hon. Member for Greenock and Port Glasgow.

For all the reasons that I have given, the United Kingdom is recognised by the Japanese as a free-trading nation, with a distinguished and long tradition and an open attitude to world trade, which is epitomised by the City of London. For that reason, one is so saddened that the City has joined—for whatever reasons—the disinformation about business being almost entirely in favour of the ratification of the Maastricht treaty.

Our country attracts inward investment, but the same is not true of our major European Community partners, in particular France and Germany, for reasons that are well known to Conservative Members. It is unlikely, however, that inward investment will return in the immediate future to the levels of the 1980s, which were a build-up from a very low base of inward investment.

Japan is a very powerful country. Bearing in mind the strictures of my hon. Friend the Minister in the previous debate—if you will allow me about 15 seconds, Mr. Lofthouse—about the importance of an independent bank, the most economically successful country in the world has been, and still is, Japan, which has a central bank—the Bank of Japan—which is extremely dependent. It is not independent but extremely accountable to the Japanese Government. All the nonsense that Ministers talk about the vital role of an independent European central bank is similar to much of what they say.

Sadly, the Japanese now have a shortage of capital, and that is likely to continue for some time. They have had to withdraw some of their overseas investments and to cut back their banking and securities operations. Indeed, even those in the United Kingdom have had to be reduced. However, Japan is still a major investor in this country. As my hon. and learned Friend the Member for Burton has said, it has absolutely no intention of withdrawing its huge investment. Indeed, that investment will be added to. The only stipulated important criterion is that the United Kingdom should stay in the European Community. No Conservative Member suggests for one moment that we should come out.

Sir Teddy Taylor: What?

4.15 am

Mr. Winterton: I have never been able to speak with confidence on behalf of my hon. Friend the Member for Southend, East, although one of his luncheon clubs, at his suggestion, has asked me to speak in his constituency. I am very happy to have accepted the invitation, and I look forward to visiting Southend, East, where I know I shall come across a very large number of people who believe

that Maastricht is a total waste of time and should be shelved for good—if not, as some of my hon. Friends might say, just for the foreseeable future.

Sir Teddy Taylor: We want a credible case for staying in the EC. No such argument has been heard by the people to whom my hon. Friend refers. What we are facing up to now is nonsense, and what has happened under the Single European Act and the treaty of Rome has turned out to be a disaster for Britain and for democracy.

The First Deputy Chairman: Order. This group of amendments is not about coming out of the EC.

Mr. Winterton: Nor is it about going to speak in Southend, East, but I wanted to mention that visit in passing.

The fact that these amendments are not about coming out of the EC is important from the point of view of reassuring those countries that make considerable and important investments in the United Kingdom. Neither the United States nor Japan, despite their domestic difficulties, has withdrawn manufacturing businesses from this country. I only wish that our Government had as positive an attitude towards manufacturing as have many overseas investors. It is unlikely that either the United States or Japan will ever remove any manufacturing capacity from the United Kingdom. The very good reason, which will appeal to Conservative Members and—I say to the hon. Member for Liverpool, Walton (Mr. Kilfoyle) —to Opposition Members, I believe, is that their businesses here are highly profitable. Professor Williams' report to the CBI confirms this: most of the investment has already been made, and substantial follow-on investment from Japan is still to come but may be delayed because of the financial squeeze in that country.

Mr. Bill Walker: Does my hon. Friend agree that part of the deficit problem that the United Kingdom faces is accounted for by the fact that, for decades, we have been reducing substantially our ability to generate sufficient wealth to meet the expenditure that the Government have undertaken and added to? This situation has been brought about in part by the fact that the Japanese have been able to sell to the United Kingdom goods worth more than £7,000 million, whereas, as the most recent figures show, we sell goods worth just over £2,000 million to Japan. The Japanese have been able to penetrate the United Kingdom market and the market in the rest of the European Community. Thus Japan, which is not a member of the Community, has improved its deficit situation.

Mr. Winterton: I can only say that my hon. Friend the Member for Tayside, North makes an interesting and valid point. He has said that the Japanese are prepared to invest here because of the huge market to which that gives them access—perhaps the European Community has not had as much access to the Japanese market as the Japanese have had to the European market. It is to this country that the Japanese have wanted to come to locate their manufacturing.

The report of Professor Williams to the CBI continues in a manner that is relevant to our debate. It states:

"Only a small number would see this"—

the non-ratification of the Maastricht treaty—

"as having any major effect on their investment"—

those that come to this country with inward investment——

"provided it did not lead to withdrawal or exclusion from the single market."

It is for that reason that I have grave concerns about the briefing document put out by the CBI to which my hon. Friend the Member for Stafford referred.

The argument so often advanced by Ministers of a two-speed Europe that will be to the disadvantage of the United Kingdom as we would no longer be at the heart of Europe is specious. Under the second and third stages to the run-up to the European central bank—the heart of Maastricht—countries will be able to unify their economies completely only when they have satisfied four convergent criteria. The latest date for the start of the European central bank is 1999, but it could start with only two member states as its members.

Mr. Michael Spicer: I appreciate that the debate is not about coming out of the Common Market, but does my hon. Friend accept that there is no single EEC country with a higher standard of living per capita income than any single country of the European Free Trade Association, including Austria and Finland—except Luxembourg? Does not that show that there is some sort of life to be had on the margins of Europe?

Mr. Winterton: My hon. Friend is correct to draw the Committee's attention to the fact that being a member of Europe is not necessarily a recipe for a successful and good-quality life. However, the currency and economy of Austria are quite closely linked to the deutschmark. I say that as one who has a skiing holiday there every year, as well as many friends there—we have a home quite close to the German border. Perhaps the Austrians gain some benefit from their German bedfellow—the German republic. My hon. Friend made a valid point in respect of the other EFTA countries, not least Sweden—although, like most other countries, Sweden currently has an economic problem.

It could be that, initially, only two member states will be members of the European central bank. It is likely that, thereafter, for a time there may be five, then there could be seven or 10. We could have a five-speed Europe, a seven-speed Europe or a 10-speed Europe. Therefore, to talk about a two-speed Europe is specious and dishonest.

The United Kingdom cannot be excluded from the single market or any decision about the future of the single market. Whatever happens to Maastricht, our participation in, and membership of, the single market—and that of our partners in Europe and the single market—is a matter of international law. To say that we could be damaged and that our membership of the Community and our involvement in the single market would be affected is nonsense.

Secondly, after Germany, we are the largest single contributor to the EC budget. I fully support the expansion of the European Community—if it was merely a trading unit and a free trade area, which is what most of our people voted for in the early 1970s. I note that the Opposition's main spokesman in the debate, the hon. Member for Newcastle upon Tyne, East (Mr. Brown), nods in assent. He believes what I believe, that a majority of our people thought that that was what they were voting for in the 1975 referendum. I am surprised that the Opposition are not now in favour of a referendum, because when they were in government they passed legislation for the 1975 referendum. The people of this country know rather more than the Government are

[Mr. Winterton]

prepared to give them credit for, although at that time they thought that they were joining a trading partnership. However, there was far more to it in the small print of the treaty of Rome.

I have said that we are the second largest contributor to the EC budget. We are also running a massive trade deficit with our EC partners. I have made many speeches all over the country outlining my reasons for opposing the Maastricht treaty and any further step along the path to a federal, centralist state. I repeat what I said in those speeches: that the countries of mainland Europe need us far more than we need them, for the financial reasons that I have spelt out.

Mr. Day: Will my hon. Friend give way?

Mr. Winterton: I am happy to give way once more before I sit down.

Mr. Day: My hon. Friend said why he thinks that the Maastricht treaty is a threat, especially to industry. He also said that he was totally opposed to a centralised, bureaucratic Europe, as are most hon. Members and certainly Conservative Members. Why does he think that Europe has developed in that way? Why is Britain reactive rather than proactive? Could it be because Britain has never been positive about its membership of Europe and gives the impression of having one foot in and one foot out? Some of my hon. Friends give the impression that they do not want to have even one foot in.

The First Deputy Chairman: Order. We are departing from the subject of the debate, which is economic policy.

Mr. Winterton: I hope that you will not blame me, Mr. Lofthouse, for my hon. Friend's intervention. That would be unfair and I have the greatest admiration for you in the Chair. My hon. Friend tempts me to say that I would rather have one foot in the grave than two. Some people, and especially the members of the Government, wish that I had both feet in the grave, but they will have to do better than they have been doing so far to bring that about. You have been extremely patient, Mr. Lofthouse, and tolerant of my brief contribution to the debate on these important amendments.

My right hon. Friend the Prime Minister has said that we will remain at the heart of Europe. Even without Maastricht, Europe wants us and our influence is greatly appreciated. Wherever I have travelled in Europe as a holidaymaker rather than as a Member of Parliament or with Select Committees or other groups, I have found that the people of the country that we are visiting are always immensely impressed by the United Kingdom and its parliamentary system. Does my hon. Friend the Member for Cheadle not believe that this country's culture is slightly different from those of France, Germany, Belgium and Holland?

Mr. Charles Kennedy: Of course it is.

Mr. Winterton: For that reason——

The Chairman: Order. As the hon. Gentleman knows, we have had a debate on culture.

Mr. Winterton: You, Mr. Lofthouse, were of course right to call me to order.

The United Kingdom has a unique, positive and responsible contribution to make to the European Community. We have done so and can continue to do so —and we do not need the Maastricht treaty to enable us to do it.

Dr. Godman: On a point of order, Mr. Lofthouse. I have been sitting in the Chamber since 9.30 pm, and it occurs to me that the central heating has been switched off, because it is very cold. I wonder whether the temperature is below a tolerable level. It has certainly cooled down quite dramatically—which is purely coincidental with the forceful and brilliant speech of the hon. Member for Macclesfield (Mr. Winterton) lasting upwards of an hour.

The First Deputy Chairman: I noticed that some heat had been generated over the past couple of hours, but as to the temperature in the Chamber, those responsible will no doubt have taken note.

4.30 am

Mr. Winnick: It is scandalous that we should be debating these matters at 4.30 am. There was no justification for the Government to proceed after 10 o'clock, and they could not have carried the business motion without the support of the Liberal Democrats. The Jopling report, which will be debated in due course, argues that the House should rarely sit later than 10 pm.

To debate these vital constitutional questions, whether one is for or against them, in the early hours of the morning is quite wrong. It makes a mockery of the Government's commitment to proper and adequate debate. Clearly, they want—so far as they are able—to get most of the economic issues out of the way. I have registered my protest.

The hon. Member for Macclesfield (Mr. Winterton) gave us an overview of the amendments and new clauses under consideration. I say straight away that I am not in favour of the Maastricht treaty. I will remain in order and address immediately article 104c and related matters, but I do not want to give the impression that, if it were not for article 104c, I would favour the treaty. I am against it. I am against the transfer of sovereignty in such a way.

I am not in favour of Britain leaving the European Community, whatever the pros and cons. After 20 years of membership, I think that it has become accepted that there would be many more problems and headaches in leaving the Community than remaining in it. Since the 1975 referendum, I have never argued that we should leave it. There is no question in my mind but that we should remain a member of the Community.

Dr. Godman: Does my hon. Friend agree that, whether one is pro-Community or a critic of it, because there is no promise of a referendum, each and every right hon. and hon. Member owes it to his or her constituents to scrutinise the Bill in as tough-minded and rigorous a way as possible? Surely that is the case.

Mr. Winnick: That is certainly the case. I live in the real world, and I am under no illusion but that the Government will get their way one way or another and that the Bill will be passed in due course. However, the problem will not go away for the Government, or even for my party. Given that there is such a division of opinion and dissatisfaction in the country, the treaty will remain an issue of great controversy. It is sheer nonsense to imagine that it will no

longer remain so once Parliament approves the Bill. The debate will continue. I certainly will not change my mind as a result of the Bill's passage; it would be very odd if I did.

I have said that I would remain opposed to the treaty even without article 104c, but I am even more opposed to the deflationary flavour that characterises so much of it —and, in particular, characterises the article, the clauses and the amendments that we are now discussing. I hope that every hon. Member—not just those who are present now—will read article 104c, if they have not already done so. It uses two and a quarter columns to set out the way in which member states should avoid excessive Government deficits, and goes on to explain the procedures that will be involved when a member state is considered to have exceeded the permitted deficit. We know the related protocol, which clearly states that the deficit should be no more than 3 per cent. of GDP.

Earlier, I asked the Library to check the present position. The Library responded in the efficient and courteous way in which it usually deals with Members' queries. I am informed that a United Kingdom deficit of 8·2 per cent. is forecast for 1993. Achieving the convergence required by the 3 per cent. figure would require a £33 billion cut in public spending, unless taxes were increased.

Unlike some Conservative Members, I have little confidence in the Government's commitment to public spending. Over the years, they have carried out a number of cuts with which Opposition Members have strongly disagreed. But if there was ever an incentive for a Conservative Government with no great love of public expenditure to make further reductions in basic services, surely it is article 104c of the Maastricht treaty. Let me point out to Opposition Front Benchers in particular that, however critical we were of the Government's cuts in public spending, as long as convergence was being secured the Government would have an alibi.

It is not just a question of when the treaty will come into force. The emphasis will be on trying to achieve economic convergence before it comes into force, and before the third stage. That is part of the emphasis in article 104c. It does not merely refer to economic and monetary union as such; measures will need to be taken, and member states will be encouraged to take those measures before the third stage is reached, whether or not the United Kingdom decides to go ahead with EMU in 1996.

I know that those on the Opposition Front Bench will say, "We are not committed to the 3 per cent. figure." That may well be so, and I shall listen carefully to what my hon. Friend the Member for Oxford, East (Mr. Smith) has to say; but the treaty is the treaty, and no remarks from either Front Bench can change its nature. Article 104c directly contradicts all that the labour movement has fought and campaigned for ever since it came into existence, and I find it inconceivable that we could support a treaty that contains such an article. It is of course true that, if a member state exceeds the 3 per cent. limit, there is no immediate fine or punishment. It is not part of my case that stern disciplinary measures will be taken at once if a member state goes over the limit. I concede that point, but article 104c outlines the steps that will be taken to ensure that a member state is kept in line.

The requirements will mean that a member state must go to the Commission and the Council and explain precisely what is being done to reduce the deficit. That is a very humiliating experience for an independent country. If we believe that certain measures are necessary in our overall interest, but the Commission decides that they are creating a deficit above the permitted level, we shall have to explain our position. Do those who support the treaty believe that we should have to do that?

When we have a Labour Government, do we want Labour Ministers to go first to the Commission and then to the Council of Ministers to explain, as far as they can, why the deficit has gone above the permitted limit and what action is to be taken? Is that the role of an independent country? Those who argue that the treaty is not as bad as we paint it must explain how and why they support such a measure.

Mr. Betts: I do not understand why such a scenario should concern my hon. Friend. Is he objecting to countries in the European Community trying to work together on economic policy and to one country discussing with others why it is pursuing certain policies, what its objectives are and how they match those of the whole Community? I see nothing wrong with such a process.

Mr. Winnick: I should have been surprised by my hon. Friend's response even if the proposal were not so deflationary. Why should we have to defend and justify our position in the way he outlined? Why should a country which has retained its independence for so many centuries have to virtually grovel and explain why it was necessary to exceed the permitted limit? Have we reached a stage where the practices and policies of the other member states are so superior to ours, and our practices of parliamentary government and democracy so inferior, that we have to do what my hon. Friend suggests?

Mr. Cash: Does the hon. Gentleman agree that, basically, we are being put through this humiliating and absurd procedure because it is within the framework of what is intended to be a united states of Europe? Are not people literally deceiving themselves and the British public continuously, in the belief that we shall somehow gain some advantage from the miserable negotiation that led to the pathetic treaty? The European People's party, to which my party is now apparently married, is the prime advocate of a united states of Europe. That is the truth of what is happening.

Mr. Winnick: I entirely agree, and no one should think otherwise. The other countries involved in the negotiations found it odd that the British dislike the word "federal", so they decided to humour us by leaving it out. Anyone who believes that the process is not leading to a federal Europe lives in a dream world. The hon. Gentleman is absolutely right. I would have more respect for those who are in favour of the treaty if they would say so openly. However much I disagree with the right hon. Member for Old Bexley and Sidcup (Sir E. Heath), he at least knows where he stands. He is for a federal Europe.

The right hon. Gentleman supports the article because he believes that it is a necessary ingredient in securing the sort of federal arrangements that he wants. Indeed, when he was challenged by my hon. Friend the Member for Newham, South (Mr. Spearing) to say whether a single currency would mean a single Government, the right hon. Gentleman nodded. He was perfectly happy with that idea. He would argue that he is a deeply patriotic individual, and I have no reason to say otherwise; we all know about

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his military service during the war. He believes that the treaty is the best way in which Britain's role in Europe can be set. But I fundamentally disagree with the right hon. Gentleman. I do not want us to be part and parcel of a federal Europe. The hon. Member for Stafford (Mr. Cash) could not be more right; all the preconditions are there for the road that will ultimately be taken.

4.45 am

Dr. Godman: My hon. Friend said that a country, a member state, could be forced to grovel at a meeting of the Council. May I point out to him that it is not a country but a Government that would be in that position. If a Government are criticised and censured in public during an election year, the Council's intervention could have a decisive effect on the outcome of the election. The Council could play an important role in censuring Governments in public under article 104c(8), especially in an election year. The Council is an extremely exclusive club; is that criticism likely to be administered during an election year?

Mr. Winnick: It is possible to argue that if, during the 18 months leading up to a general election, a Government decided to adopt certain measures that might help them to be re-elected, and that involved more public spending, what my hon. Friend suggests could happen.

However, when I said that a country could be in a humiliating position, with its Ministers having to grovel, I meant, of course, that those Ministers and that Government would represent the people of this country. I do not believe that there is any mandate for us so to abandon our economic sovereignty in the manner outlined in the articles.

I am working on the assumption that Governments would be reluctant to raise taxation anything like enough to cover a deficit such as the present United Kingdom deficit, and that would mean not less unemployment but more. I have great respect for my hon. Friend the Member for Sheffield, Attercliffe (Mr. Betts). He and I usually agree, but this is one issue on which we disagree. None the less, I know that my hon. Friend is no less committed than I to trying to end, or at least substantially to reduce, the curse of mass unemployment, I shall refer to my hon. Friend's maiden speech now, and I hope I am not embarrasing him by doing so, because this is the second time that I have mentioned that speech; the other was at a party meeting.

In that speech, my hon. Friend said that he was entering the House at the age of 42—an age at which so many of his constituents were not only unemployed, but had probably given up hope of ever being able to work again. My hon. Friend is fortunate, as we all are, to be able to continue in employment. But if we in the Labour party are not concerned about unemployment, what could we possibly be concerned about? I do not question the commitment of our Front-Bench spokesmen to ending or substantially reducing mass unemployment, but how can we argue with any real conviction in favour of measures to try to reduce unemployment and end the curse affecting so many people in Britain and throughout the European Community while at the same time agreeing to measures that would involve a substantial cut in public spending? I do not understand it.

I have already said that Britain is likely to have a deficit of 8·2 per cent. To get anywhere near the 3 per cent. limit, we should need billions and billions of pounds' less of public spending. That is why I believe that we should be very critical indeed.

My right hon. Friend the Member for Chesterfield (Mr. Benn) argued that, if people have no recourse, as they may not if the treaty is ratified, they may riot. I do not know whether they will riot or not; circumstances differ. [HON. MEMBERS: "Nonsense."] What I do know is that, if the House of Commons loses its authority on such fundamental issues, it will be perfectly understandable if people conclude that voting makes very little difference and that the House of Commons makes little difference.

At the moment, when people are dissatisfied, they write to their Member of Parliament. Of course, they work on the assumption that, especially if their Member of Parliament is an Opposition Member, not much will come of it, but at least they know that we will do our utmost and that, ultimately, if the Government who are in office want to act, they can do so: power resides here in the House of Commons. It will not reside here if the treaty comes into force.

Mr. Bill Walker: The hon. Gentleman has been in the House some time. He will have witnessed the feeling among hon. Members on both sides of the House who represent peripheral parts of the United Kingdom, especially Northern Ireland and Scotland, that the House does not fully understand the aspirations of the people in those parts of the United Kingdom. The hon. Gentleman should consider what implications there would be for the unity of the United Kingdom if those people felt that Parliament had no purpose because it had lost all control of finances. Does the hon. Gentleman really believe that that would not lead to some kind of unrest outside?

Mr. Winnick: The hon. Gentleman is right to suggest that people already feel that Whitehall, the Government and the rest are rather remote from their ordinary lives. One of the purposes of writing to a Member of Parliament is that that Member of Parliament then writes to the Minister: there is a reply setting the position out in detail, which one sends on to one's constituents. In other cases, of course, one brings the battle to the House.

I do not want to be provoked, but I am rather concerned because my hon. Friend the Member for Liverpool, Walton (Mr. Kilfoyle) said a moment ago from a seated position that I was talking nonsense. If I am talking nonsense and my hon. Friend is disagreeing that such powers will be taken away, perhaps my hon. Friend would care to intervene and explain why he thinks I am talking nonsense. Has he read article 104c? Why does he conclude that my thesis—that the House and therefore the country would lose tremendous economic power that would be transferred elsewhere—is wrong?

Mr. Peter Kilfoyle (Liverpool, Walton): The utter nonsense to which I was referring was the suggestion that there would be riots in the street over Maastricht. I have no evidence of that, and neither has anyone else in the Committee. That is the utter nonsense to which my hon. Friend refers.

Mr. Winnick: I am glad that I provoked my hon. Friend into intervening. He misunderstood me. *[Interruption.]* I do not know what sarcastic comment my hon. Friend

wishes to make, but perhaps he will be courteous enough to listen to my reply. I hope that we can conduct this debate in a courteous manner. I have respect for my hon. Friend, as I had respect for his predecessor, with whom I also sometimes disagreed.

It is not part of my argument that people will riot over what we are debating, and if I did not make my position clear, I apologise. I am simply saying—my right hon. Friend the Member for Chesterfield said it with greater emphasis—that, if the treaty comes into force and power is transferred, as it will be, and people find that the House of Commons cannot deal with issues, a certain situation may arise. We must consider what view people will take if there is much concern over mass unemployment and so on. I do not want rioting to occur.

I have always defended some of the scenes that take place in this Chamber. People often ask why there is so much noise at Prime Minister's Question Time and on other big occasions. Far better, I say, that the outlet for the noise should be here than on the streets. When there is controversy—over, say, the poll tax—the divide is great, there will be scenes that some people do not like but which do not bother me. But I assure my hon. Friend that I am not suggesting that people are rioting or even that they are writing letters about what we are debating. I am pleased to have resolved any misunderstanding that may have existed.

Mr. Cash: Is the hon. Gentleman aware that we could be in grave danger of underestimating the consequences of what might happen if this massive arrangement for convergence were brought into effect? Already people in France are rioting over the lamb question, and there is the fishing situation. Difficulties have arisen in Italy and there are problems in Rostock and Frankfurt. The problems in Russia are getting more worrying, and there is Bosnia, Kosovo and so on.

All will be exacerbated by an implosion of the arrangements for economic and monetary union, which will disintegrate just as the exchange rate mechanism has disintegrated. With voluntary euthanasia by national parliaments and, as the hon. Gentleman says, without any means of redress, people will have no base point to which to refer. They will not be able to vote people out, and they will certainly not be able to turn out the bankers.

The First Deputy Chairman: Order. Perhaps we can have more about finance and less about riots.

Mr. Winnick: Rather than pursue a course of action that will not help to resolve the problems of Europe, we should be spending our time, at Community level, dealing with the problems of Europe, inside and outside the European Community.

Mr. Nicholas Winterton: Does the hon. Gentleman agree that, if people lose the ability to influence matters and decisions close to them, affecting their everyday lives, because of the inability of this place, through its economic policies, to respond to people's aspirations and expectations, then in due course, following the build-up of frustration, the sort of situation to which reference has been made—of people going on to the streets—could occur?

While the hon. Gentleman may not be receiving letters about the treaty, I am receiving at least a dozen a day, 99·9 per cent. in favour of the anti-Maastricht stance that I have taken. They come not just from my constituency but from all parts of Britain.

Mr. Winnick: Those are valid points, which go to the core of the article and the protocol which we are debating. What are the roles and functions of the House of Commons? Certainly, it is an outlet for grievances. It is a way in which constituents can express their concerns and we can echo those concerns, as we do daily at every opportunity.

Above all else, the function of the House of Commons is the supply of money. All the battles which took place for the supremacy of the House of Commons against the sovereign and so on were, to a large extent, involved in that issue. If the treaty goes ahead and steps are taken before the third stage—whether we go for economic convergence or not—what will be the function of the House of Commons? However much we may wish to pursue policies —even if the Government of the day take the view that such policies are desirable—if the Government know that they will go over the spending limit and, in so doing, be brought before the Commission and the Council, it is clear that they must take the view that they cannot do what they may wish to do and what they may consider desirable.

Although we are debating the deficit and so on, the core of the matter is the future of the House of Commons and Parliament. I do not wish to say that the House of Commons will have no functions and will virtually close down if the treaty is ratified. To exaggerate the position would be bad enough.

If the powers to decide how the money is spent, what polices are pursued and so on are removed, what are we left with? Effectively, we will be left with the same powers as those of an existing county council. That would be a great disservice not only to ourselves—after all, we are but the servants of our constituents—but to the people of the United Kingdom who, over centuries, struggled to obtain the sort of parliamentary democracy which we have and which I greatly value. I hope that other hon. Members also value it.

As my remarks were not meant to be lengthy, I shall conclude with two points. Unemployment is perhaps one of the most important and crucial issues at present. The hon. Member for East Lindsey (Sir P. Tapsell) referred to the 1944 White Paper on employment. It is interesting to note the last speech of Lord Merlyn-Rees in the House of Commons, which was excellent. It was one of the best speeches he ever made. Anyone who did not listen to it should read it. He specifically referred to the need to go back to the values of the 1944 White Paper on employment and the emphasis which existed just before the war ended, and said that the curse of pre-war unemployment should not return to the United Kingdom, which it has now done.

If one takes the view that we should return to as near full employment as possible, the remarks of Labour Members and the criticisms of some Conservative Members would be of little value if policies along the lines which we are debating were pursued. Such policies would make it virtually impossible to go back to what was intended in 1944 and what was carried out for some 25 or 30 years.

Therefore, it would be wrong to look on article 104c as a technical, academic matter which is not of great importance and which we are using for mischief. The policies that we want to see to end mass unemployment,

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provide necessary spending on health and welfare and ensure that the people most in need in our country get their right due are related to this issue.

5 am

The Liberal spokesman, the hon. Member for Ross, Cromarty and Skye (Mr. Kennedy), obviously takes a different view. If he is so critical—as I know he is—of mass unemployment, he should recognise that he is defending a policy which would make it so much more difficult, if not impossible, to end the curse of unemployment in Britain.

I regret that we are debating the Bill at this hour. I have mentioned that before, so I shall not repeat it simply because there has been a change of occupant of the Chair. It is disgraceful that such matters should be debated at 5 o'clock in the morning. I hope that I shall not be seen as unduly critical of other hon. Members on both sides of the House—I am not criticising one side in particular—when I say that it is unfortunate that they have not taken a greater interest in the debate.

I know that Labour Members' commitment to the policies about which I have spoken is no less than mine. They have campaigned in their working and political lives no less than I have done. But in so far as they may be sympathetic to Maastricht and all that goes with it, they should recognise that so much of what they want to see done for the British people, will be undermined if the treaty goes ahead.

The hon. Member for Stafford (Mr. Cash) said in an intervention at the beginning of my speech that the treaty was a substantial step towards a federal Europe. I agreed. It is a step towards a united states of Europe. Those who are in favour of that, including Ministers, have not the honesty openly to declare what they want. In a federal Europe, we would lose even more political and economic independence than we would lose under the Maastricht treaty.

When I look back on my life, I value my working life because I have had the honour and privilege to be a Member of Parliament, however much people disagree with some of my remarks and however much I may cause upset. I hope that it will continue for many years to come. The House of Commons has achieved powers and privileges over the centuries. The House of Commons is the forum of the country. It gives me no pleasure to be in the House of Commons at a time when so much of what we have achieved over the centuries is being undermined by a treaty which I most ardently believe to be against the interests of Britain.

Mr. Dorrell: When he moved his amendment, the right hon. Member for Bethnal Green and Stepney (Mr. Shore) made it clear that this group of amendments dealt with the other side of the coin from the group immediately before. The former group addressed the institutional arrangements that would be necessary for the conduct of monetary policy if there was a single currency in the member states and in Britain.

This group of amendments deals with the arrangements for the conduct of fiscal policy in the context of the introduction of a single currency. As I said in the last debate, it follows as night follows day that, if there is a single currency, it is necessary to have a single monetary authority. Therefore, it must follow that the authority is divorced at least to some degree from the member states of the Community.

There is unanimity among Members of all parties that, even if there is a single currency managed by a monetary authority and divorced from the member states, the fiscal side of economic policy making should remain the responsibility of member states.

The purpose of the right hon. Gentleman's amendments is to remove from the treaty the qualifications on the responsibility for fiscal policy which rests on the individual member states. Under the terms of the treaty, the main responsibility for fiscal policy, even at stage 3 of monetary union, rests with the member states. It is, however, a responsibility that is qualified both in article 104c and in the protocol that is supported by the article.

The debate on the effect of the article has proceeded on very much the same basis as the debate on the implications of introducing a single currency. It has been based on a similar leap of logic, because it has tended to concentrate on the implications for sovereignty and for the power of the House of the full effect of article 104c as it would apply if a single currency were introduced and we moved to stage 3.

It is therefore necessary to restate the proposition that Britain has given no commitment to move to stage 3 of economic and monetary union as defined in the treaty. We have given no undertaking to introduce a single currency. The House will have to address another time the question whether we would accept the full force of all the paragraphs of article 104c. It is not a question that we have to address later tonight.

Mr. Cash: Will my hon. Friend explain something that so far no Minister has sought to explain or, I believe, can explain? There is another protocol immediately adjacent to the stage 3 protocol—I am glad that the Minister is looking it up as I shall quote parts of it verbatim—that states that we shall not exercise the veto in respect of other member states' movement towards stage 3, that it will be irreversible and irrevocable and that we, as a member state, have agreed to it.

Does my hon. Friend agree that if we have agreed that we will be at the heart of Europe but that we will not prevent other member states from going ahead with stage 3 we are locking ourselves into an arrangement that necessarily presumes that we will go down that route? The decision that the protocol refers to as our so-called opt-out is no more than a fig leaf. It is a clever fig leaf, but it will not kid us.

Mr. Dorrell: I do not accept my hon. Friend's proposition. He seems to be confusing a treaty obligation set out in a protocol not to obstruct the development of monetary union on the part of other member states with a rhetorical flourish used by my right hon. Friend the Prime Minister to describe his frame of mind in approaching European policy. The frame of mind of my right hon. Friend the Prime Minister is of considerable interest and importance to me and, I would hope, to my hon. Friend, but it does not constitute a treaty obligation.

The treaty obligations are set out in the document to which my hon. Friend and I have access, and the protocol on the United Kingdom set out on pages 114-15 of the treaty states clearly:

"The United Kingdom shall notify the Council whether it intends to move to the third stage".

It also sets out clearly in the context of that protocol what the implications would be if we decided not to move to stage 3 of monetary union.

Mr. Cash: The Minister must reply to my point about the protocol of transition to the third stage of economic and monetary union. If, as a member state, we are a high contracting party and, together with the other member states, we declare the irreversible character of the Community's movement to the third stage of economic and monetary union stating that it is irreversible and irrevocable, surely my hon. Friend is bound to admit that we as a member state have said that we would go down that route.

Mr. Dorrell: With respect to my hon. Friend, that is a rather different point. He was quoting the phrase that our right hon. Friend the Prime Minister has used about his desire to pursue a policy based on the proposition that we should be at the heart of Europe. That is a rhetorical flourish not found anywhere in the treaty.

5.15 am

As regards the question of the irreversible character of the Community's movement to the third stage of economic and monetary union by signing the new treaty provisions on economic and monetary union, the treaty provisions in this document set out a total package, and part of the package is the following protocol on the position of the United Kingdom. The protocol makes it abundantly clear, in words that do not, frankly, require a professional lawyer to interpret them, that the United Kingdom has preserved for itself a freedom to join or not to join a single currency, that decision to be made by the United Kingdom in accordance with arrangements that we make for ourselves and which are set out in the Bill which the Committee is considering.

Mr. Malcolm Chisholm (Edinburgh, Leith): I accept what the Minister is saying about stage 3. Strictly speaking, he is saying what is stated in the words of the treaty, and I accept that because I am interested in looking in detail at the words of the treaty. The question that I want to ask him is about stage 2. Are the Government fully committed to implementing——

The Chairman: Order. The hon. Gentleman is anticipating. He specifically said that he wished to ask a question about stage 2, and the next debate is about stages 2 and 3. I imagined that he would be trying to catch my eye in the next debate. Perhaps he would like to rephrase his question.

Mr. Chisholm: I am talking about budget deficits because in stage 2 there is an undertaking to get budget deficits down, and most of article 104c actually refers to stage 2. Are the Government committed to all the parts of article 104c, apart from paragraphs 1, 9 and 11? A related question would be about the exchange rate fluctuation: are the Government committed to getting back into the ERM at the narrow bands in stage 2? That is what I am interested in.

Mr. Dorrell: The question about exchange rate fluctuations is a question on convergence criteria and the effect of convergence, which really arises in the next group of amendments. As regards the hon. Gentleman's straight question—whether we acknowledge that article 104c, with the exception of paragraphs 1, 9 and 11, applies to us in the course of the stage 2—the answer is that we do accept it. Article 104c.1 is substituted in stage 2 by the provision in article 109e.4, which is that, during the second stage of the progress to economic and monetary union as defined by the treaty,

> "Member States shall endeavour to avoid excessive government deficits."

The introduction of the word "endeavour" makes the obligation at stage 2 significantly different from the obligation in stage 3.

I want to describe percisely our obligations in stage 2. There is a lead obligation to endeavour to avoid excessive budgets deficits and during stage 2, as the hon. Gentleman quite rightly pointed out, the teeth, when it comes to making the obligations in article 104c compulsorily applicable, are drawn, because the teeth of article 104c are to be found in paragraphs 9 and 11 of the article. The other paragraphs of the article interpret the meaning of the phrase "excessive government deficits", and the obligation that we accept in stage 2 of the progress to economic and monetary union, as defined by the treaty, is an obligation to endeavour to avoid those deficits.

Mr. Winnick: As the Minister states, the appropriate paragraph reads

> "Member States shall endeavour to avoid excessive government deficits"

in the transitional stage.

Is it the Government's wish, as far as possible, to bring the deficit to 3 per cent. in the period between ratification of the treaty and 1996? If so, what are the implications for public expenditure cuts?

Mr. Dorrell: I shall discuss the impact of the reference values in a moment. Government policy is in line with the treaty obligation which we wish the House to bless and which we wish to sign up to—to endeavour to avoid excessive budget deficits. I will describe how the reference values inform that commitment.

Sir Teddy Taylor: So that we may know exactly what Government policy is, if the Council makes a recommendation under paragraph 7 of article 104c, naming a time limit, would the Government endeavour to seek to achieve that budget deficit within the given time? It is important for people to know the Government's intention. We accept that they are not legally bound by paragraphs 9 and 11, but if the Council recommended that Britain do something specific with the budget deficit within a specified time, would the Government seek to achieve it? It would be helpful if the Minister were to answer that question.

Mr. Dorrell: If the Government found themselves in receipt of an opinion issued under paragraph 7, we would seek to avoid excessive budget deficits, not primarily because of the opinion received under the paragraph but because we think that the policy commitment is sensible in its own terms, for reasons that I shall describe. I will return to that theme because it is relevant to discussion of the treaty of Maastricht and to the great majority of what a Treasury Minister spends his life doing.

I do not accept the argument advanced by the hon. Member for Walsall, North (Mr. Winnick) that a choice must be made between the delivery of social objectives and the avoidance of excessive budget deficits. The two

[Mr. Dorrell]

propositions go hand in hand and, for reasons outwith the treaty of Maastricht, it is Government policy to seek to avoid excessive budget deficits.

Mr. Nicholas Winterton: I am aware that my hon. Friend has certain business experience. He has just mentioned his responsibilities at the Treasury, but may I direct my question to him as a business man? Can he not foresee a number of occasions when a business and perhaps the Government, of which he is a member, might need a budget deficit in excess of the 3 per cent. of gross domestic product specified in the treaty and the Bill; but find that they are restricted? We might rightly need that deficit for a good purpose.

Mr. Dorrell: Yes, I can envisage such circumstances, for example, in 1993-94 when we shall want to be in excess of the reference level values. To suggest that there is some automatic level beyond which we cannot under any circumstances go is a misrepresentation of the treaty, and I will deal with that when I discuss the effect of reference values within it.

In stage 2, we undertake the commitment to endeavour to avoid excessive budget deficits. We are not subject to sanctions in the forms provided for in paragraphs 9 and 11 and, therefore, it is true to say that we have accepted a treaty obligation which, to some extent, diminishes our national responsibility for fiscal policy. None the less, it remains true that responsibility for fiscal policy rests with the member state and, furthermore, in the exercise of that responsibility, the state or the United Kingdom Government and institutions cannot be liable to any sanction arising from the treaty.

If, as a matter of political choice, within the terms of the treaty and of the Bill, the Government, with the consent of the House of Commons by way of an Act of Parliament, as is provided for in the Bill, were to decide to move to the third stage of economic and monetary union, the nature of the obligations taken on with regard to excessive budget deficits would, of course, change. If we go down this road —the issue is obviously one that the House of Commons will consider when deciding whether to do so—our treaty obligation will change. It will cease to be an obligation to endeavour to avoid excessive budget deficits—as a former Whip, I am very familiar with the words "best endeavours"—and will become an obligation, set out in paragraph 1 of article 104c, to avoid excessive deficits. Furthermore, the sanctions provided for in paragraphs 9 and 11 will apply to the United Kingdom.

There is no denying that that is a clear limit, defined by the treaty, on the proposition that fiscal policy will remain the responsibility of member states. In a moment, I will explore the precise nature of that limit, but it clearly is a limit defined in a treaty. I do not, however, accept for one moment the development of that proposition put forward by hon. Members who say that because the national responsibility of member states for fiscal policy is qualified, there is no meaningful responsibility left with the member states. There is a qualification, but it is not true to say that responsibility has shifted. The qualification is defined by treaty, under which responsibility clearly remains with the member states.

Dr. Godman: May we take it that, while some of the United Kingdom's immunity against the imposition of sanctions by way of paragraph 11 survives, the United Kingdom will not sit in judgment on a state that is being examined because of its failure to adhere to these regulations? Will the United Kingdom take part in the disciplining of another member state when, or if, it loses or gives up its immunity?

Mr. Dorrell: As I said in an earlier intervention, my understanding is that when the Council is reaching decisions about those questions, it meets as the Council of Ministers, and not as any special body, and that all its members, whether or not they are in stage 3, are entitled to participate within the terms of the article. I am sure that if that information is incorrect I shall be appropriately advised so that I may inform the Committee.

Mr. Nicholas Winterton: Is not my hon. Friend accepting that if and when we go to stage 3 the Government of the United Kingdom will be put into a straitjacket—and I mean a straitjacket—as the only possible action, if we perceive a budget deficit beyond the 3 per cent., will be to raise taxation? In fact, the Government will not be able, in stage 3, to do what the Chancellor has done this year. Is this the sort of decision that my hon. Friend believes is right for the country?

Mr. Dorrell: I am about to explore the precise nature of the obligations that we would be assuming. It is the Government's objective to avoid excessive Government deficits—I hope that I share that commitment with my hon. Friend the Member for Macclesfield (Mr. Winterton).

When he introduced the debate, the right hon. Member for Bethnal Green and Stepney correctly drew attention to the fact that the provisions of article 104c do not provide for automatic application of limits, either to budget deficits or to the relationship between gross Government debt and GDP. The reference values set out in the treaty are not commitments. The treaty's commitment is to avoid an excessive budget deficit.

5.30 am

Article 104c.3 clearly sets out the consequence of a failure to fulfil a reference value. It is not to declare that an individual member state is in default of its treaty obligations. The result of an individual member state's failure to satisfy the reference values is set out in paragraph 3, where it states:

"If a Member State does not fulfil the requirements under one or both of these criteria, the Commission shall prepare a report."

That is the beginning and the end of the precise consequences of failure to satisfy a reference value. The paragraph goes on to discuss the issues that the report prepared by the Commission has to cover if a report is occasioned by the failure of a member state to satisfy the reference criteria.

Ms Abbott: Much has been made of the specific concrete sanctions in article 104c, but long before fines and votes were encountered, would not the very fact that a negative report had been prepared and possibly published lead to the country involved starting to lose access to the capital markets and capital flows? Rather than focusing on the end of the road, would it not be better to focus on the beginning of the road, where a country that was not hitting its deficit targets would be in a position similar to those countries that receive a bad report from the International

Monetary Fund? The IMF does not have to impose concrete sanctions; the minute the international capital markets are aware that a country is failing its IMF tests, capital flows, whether from multinational institutions or commercial banks, cease to enter that country. We can harp on about the sanctions to the exclusion of looking at what would happen naturally in the market if a country were perceived to be failing its tests, whether at the second or third stage.

The Chairman: That was a very long intervention.

Mr. Dorrell: The hon. Member for Hackney, North and Stoke Newington (Ms Abbott) makes a good point. The truth is that, whatever the treaty of Maastricht says, the financial markets watch the performance, not merely of member states of the Community, but every member of the United Nations. The criteria set out in the treaty are well known to any operator in the sovereign lending market.

The mistake of so much comment on the treaty obligation is to assume that, merely because the Commission is under an obligation to prepare a report, the Commission will necessarily come to the conclusion that failure to deliver one reference value constitutes an excessive budget deficit. There is no basis for that assumption.

Article 104c.3 makes it clear that, in preparing the report, the Commission has to look at the values that are measured in order to assess reference values—deficits and gross Government debt. But paragraph 3 also states that the Commission must have regard to the relationship between the deficit and Government investment, and it must also have regard—this is the key answer to my hon. Friend the Member for Macclesfield and to one of the issues raised by the right hon. Member for Bethnal Green and Stepney—to

"the medium term economic and budgetary position of the Member State."

The hon. Member for Sheffield, Attercliffe (Mr. Betts) got that exactly right. That provision not merely allows but requires the Commission to take account of the trade cycle in assessing whether a member state is running an excessive budget deficit.

The treaty recognises that budget deficits will fluctuate according to the state of the trade cycle. The key criterion is none of this mechanistic stuff but the words "an excessive budget deficit". In assessing that, the Commission and, on the basis of its report, the Council must look at the economic position in which a country finds itself. These are guides and there is nothing automatic about the conclusions to which they lead.

Mr. Chisholm: This matter is at the heart of the debate on budget deficits and it is important to examine article 104c 3. The last two lines of that are central to the reinterpretation of this part of the treaty. My right hon. Friend the Member for Bethnal Green and Stepney (Mr. Shore) dealt with Government investment and said that, as it was only 2 per cent. of GDP, it was not very relevant to the argument. The key words in the article are

"the medium term economic and budgetary position".

The Minister and my hon. Friend the Member for Sheffield, Attercliffe (Mr. Betts) are interpreting those words in a Keynesian way as if they refer to cycles and mean that sometimes we can have budget deficits and sometimes we cannot. But the thrust of the treaty is anti-Keynesian and does not mean that. It merely says that a year or two will be given to get the budget deficit down to 3 per cent. and then it must be kept there. It is not about Keynesian reflation and troughs and peaks and so on.

Mr. Dorrell: I will later discuss the supposed divide between Keynesians and monetarists. I sometimes wonder which side of that argument Keynes would have been on if he were alive.

I should like to deal with another question posed by the right hon. Member for Bethnal Green and Stepney. He asked whether the decisions of the Council, which are provided for in paragraphs 9 and 11 of article 104c are appealable to any Community institution. They are appealable in the normal way under article 173 of the treaty of Rome, which states:

"The Court of Justice shall review the legality of acts of the Council and the Commission other than recommendations or opinions."

The provisions of paragraphs 9 and 11 are neither opinions nor recommendations and are therefore subject to review on the initiative of the affected member state.

Any hon. Member is legitimately entitled to ask why the provisions for confining the fiscal responsibility of a member state are in the treaty. I hope to give a clear answer to that question. Once again, I must ask the Committee to recognise that the provisions, when they have teeth, apply only in the context of a single-currency system. Those who will not accept under any circumstances a single currency clearly do not have a basis for engaging in the argument, because to be against a single currency means that one is against all the paraphernalia that goes with it. The provisions are part of that paraphernalia.

In the context of a single currency in the member states, every member state has a clear interest in avoiding excessive official borrowing because that would influence financial conditions in every member state. If some member states engage in such borrowing, it would lead to a distortion of capital markets and it is not difficult to see circumstances in which that distortion might lead to market turbulence which would damage the interests of every member state.

It would in a sense introduce into the single currency area decision-making process precisely the market pressures to which the hon. Member for Hackney, North and Stoke Newington referred. We do not want the position where market operators can conclude that sovereign borrowers within a single currency area have collectively become a bad risk. If we enter that world, the countries within a single currency region would collectively run a serious risk of damaging their interests as a result of market turbulence.

Mr. Bill Walker: I admire the intellectual way in which my hon. Friend is answering the debate. Is he saying that, if we accept a single currency and we cannot borrow and cannot print money, we will still have financial control?

Mr. Dorrell: If we chose—and I emphasise that point—to go for a single currency, we would have satisfied ourselves that the arrangements for managing it were adequate. We would also accept the obligation placed on ourselves—as on every other country within the single currency area—to limit official borrowing to avoid the market turbulence and damage to our collective interests that would flow if that restraint did not exist.

Mr. Shore: Is it the Minister's view that, when stage 3 is reached, it would be more damaging to Britain—if it had an excess deficit like that of the coming year—to upset the smooth running of the system, or would it be in our interests simply to accept the reasons for our excess deficit, and that it would be far too harmful to reduce it, even if that had the effect of ruffling the surface of the single currency?

Mr. Dorrell: Earlier, there was some discussion of confidence in our own abilities. If we reached the conclusion—and the Government have done so—that in the circumstances of 1993-94 an 8 per cent. budget deficit was not excessive, we would have done so on our own authority. In the belief that that stood up as a rational analysis, we would be able to persuade the Commission and the Council of the truth of that. That is the importance of recognising that reference values are not absolute limits. The only result that will flow from breaking a reference value will be an obligation on the Commission to produce a report.

As to whether there is a deflationary bias, the hon. Member for Walsall, North said that the system is contrary to everything for which Labour has always campaigned. The Committee must ask what is contrary to everything for which Labour has campaigned. It is not a 3 per cent. deficit or a 6 per cent. debt to GDP—it is excessive budget deficits. Although I might want, on a partisan platform, to represent Labour as pursuing a voluntary policy of pursuing excessive deficits, I cannot believe that Labour Members want, out of their own mouths, that policy ascribed to them as being the ambition of 100 years of political activity.

Mr. Winnick: I certainly did not want to give the impression that the labour movement, or the Labour party, was started with the aim of achieving as high a deficit as possible; that has never been our position. My argument is that at times—such as the present time—a deficit far higher than 3 per cent. may well be necessary if we are to reduce mass unemployment substantially, and to implement health and welfare policies. We should not have to apologise for such a deficit; certainly, we should not have to grovel to a foreign body. I was complaining about that, rather than suggesting that a high deficit was necessary or desirable at all times.

Mr. Dorrell: Clearly we could continue to argue about the issue for some time; and no doubt we shall do so, in the context of the Finance Bill.

5.45 am

Mr. Legg: Will my hon. Friend give way?

Mr. Dorrell: No. I want to end my speech.

I am not in favour of excessive budget deficits. I favour restraint for its own sake, because I believe that it is the best way of delivering growth and improving living standards. I also recognise that, if this country opted for a single currency at some future date, a necessary part of the collective obligation of operating such a currency would be not to allow excessive official borrowing by any of the participants. For both those reasons, I do not support the amendments.

Dr. Godman: On a point of order, Mr. Morris. I do not wish to detain the Committee, but before he sat down the Minister promised that he would answer a question that I had asked him. He has not honoured that promise. I should be content if he said that he would write to me.

Mr. Dorrell: Further to that point of order, Mr. Morris. I should be grateful if I could write to the hon. Gentleman.

The Chairman: I am delighted that bonhomie has prevailed at this early hour.

Mr. Andrew Smith: I must take up the Financial Secretary's remark about being tempted to misrepresent Labour's position on deficits. I hope that, now that he has made that confession, he will take the earliest opportunity to correct a gross misrepresentation of our position that was repeated not just immediately before and during the general election, but in the Budget debate over the past few days. It was suggested that we were committed to £35 billion of extra expenditure.

I strongly agree with hon. Members on both sides of the House that it is appalling that we should debate such important matters in the middle of the night. Whatever view hon. Members may take of the treaty, the Bill or deficits, the House cannot do proper justice to such issues after more than 12 hours of debate. We know that the Liberal Democrats, as well as the Government, are responsible for this; the public will draw their own conclusions.

Mr. Michael Spicer: Far be it from me to defend the Liberal Democrats, but in casting aspersions on them the hon. Gentleman must accept that his own party polled considerably under strength in the vote concerned.

Mr. Smith: That certainly is not true. *[Interruption.]* I understand that the majority was 17, and that 17 Liberals voted with the Government.

I do not think that the Minister has really addressed the points that have been raised, especially those raised by Labour Members. He seemed to be trying to convince the House that the Bill and the treaty did not need to be reinterpreted to operate satisfactorily; I wish to make the opposite case.

We have never claimed—and I would not do so now—that the treaty or the Bill was perfect. We had to judge the package as a whole, as did the Labour party conference which decided:

"Conference believes that the Maastricht Treaty, while not perfect, is the best agreement that can currently be achieved."

Mr. Spearing: I have made the point several times but not, I think, in public, that the very judgment to which my hon. Friend refers surely depends on our three important financial debates. Many of us will have concluded that although, as the Labour party judged, the Maastricht treaty offers the best terms available, they are not good enough. My hon. Friend and his immediate colleagues have not paid sufficient attention to that issue; if they did, they would realise that the terms are not good enough and that we should not support the treaty.

Mr. Smith: I will endeavour to convince my hon. Friend otherwise, although in view of what I know about his long-held position and the arguments that he advances in support of it, which I genuinely respect, I am not overly optimistic about my ability to do so.

Several important issues arise from the question of the deficit, as mentioned by my right hon. Friend the member for Bethnal Green and Stepney (Mr. Shore) and my hon.

Friend the Member for Walsall, North (Mr. Winnick). We must make it clear that the criteria set out in the treaty are not blanket requirements but triggers, aspects of economic performance to be evaulated in determining how far the economies of the various member states have converged prior to the establishment of economic and monetary union and, in part, as one set of considerations to evaluate comparative economic performance after such a union. They are not cast in stone, and we have made it clear several times that it is not acceptable for them to be interpreted in a mechanistic or inflexible way.

As has been said, the articles applying the criteria explicity require them to take account of wider economic considerations. For example, the article on Government deficits requires the Commission to take account of the extent of Government investment expenditure. My right hon. Friend the Member for Bethnal Green and Stepney referred to that point. He began by saying that because investment expenditures were, I think, about 2 per cent. of gross domestic product, they were not too significant. However, in relation to a target within the treaty of 3 per cent. for the overall deficit, the extent of that 2 per cent. room for manoeuvre and whether or not one has it—I argue that we should—makes a considerable difference.

Mr. Shore: Perhaps the Minister could advise us on this matter. Are we talking about a 3 per cent. guideline plus the public investment programme? I believe that that is highly unlikely.

Mr. Smith: The treaty establishes a 3 per cent. guideline, but says that account must be taken of Government investment expenditure as well as the medium-term budgetary position, with which I shall deal in a moment. I suggest that there is an ambiguity, which should be exploited in the interests of flexibility.

Mr. Nicholas Winterton: The hon. Gentleman is replying to the debate rationally and reasonably. If I put a hypothetical case to him, will he consider it? If we had proceeded to stage 3——

The Chairman: Order. Interventions have been getting longer since I have been in the Chair. Interventions are traditionally very short, and I hope that this one will be short.

Mr. Winterton: I am sorry, Mr. Morris, but I had hardly got to my feet.

The Chairman: There would be little point in my intervening after the hon. Gentleman had spoken at excessive length, so I invite him to make a short intervention.

Mr. Winterton: Of course, Mr. Morris. I greatly admire your dexterity in such matters.

Bearing in mind the restrictions that are apparently laid down in the legislation, will the hon. Member for Oxford, East (Mr. Smith) tell me what action he believes that the Government would be able to take if we were at stage 3 and had a budget deficit of £50 billion, and the Commission hauled us over the coals and found our explanation unacceptable?

Mr. Andrew Smith: If a Labour Government were in office we would have implemented our proposals for growth and expanding employment, so the GDP would be high enough to bear the level of borrowing within the criteria, interpreted with flexibility appropriate to the circumstances on which we would also have insisted.

I was saying that the criteria require the wider issues to be taken into account, including the medium-term economic and budgetary position of the member state.

Ms Abbott: We are now back to the familiar line of argument from Labour Front-Bench spokesmen—that the text of the treaty does not mean what it appears to mean. If the criteria are as flexible as my hon. Friend with the collusion of Ministers, argues, when the German Bundestag ratified Maastricht last year why did it pass a specific resolution on EMU saying:

"The stability criteria for the move to stage 3 of EMU will be narrowly and strictly defined . . . the German Bundestag will oppose any attempt to evade the stability criteria that were agreed in Maastricht"?

Is my hon. Friend not whistling in the wind? Does not the flexibility exist only in the imagination of Front-Bench spokesmen?

The Chairman: Order. One question is enough.

Mr. Smith: I would always be happy to take more than one question from my hon. Friend.

Dr. Godman: On a point of order, Mr. Morris. I seek your advice. Is it not the practice that interventions in Committee must be both brief and concise? I seek your advice, because I was of the opinion—

The Chairman: Order. The answer to the hon. Gentleman's question is yes.

Mr. Smith: My hon. Friend the Member for Hackney, North and Stoke Newington (Mr. Abbott) referred to the words of the treaty and suggested that I was trying to deviate from the text. The relevant part of the text says:

"The report of the Commission shall also take into account whether the government deficit exceeds government investment expenditure, and take into account all other relevant factors, including the medium term economic and budgetary position of the Member State."

I am talking about the way in which we should argue with our colleagues in Europe that those words should interpreted.

My hon. Friend is right to say that there are people in Europe, including some people in the German Parliament, who may wish to take a different view. I suggest that we should ally ourselves with those who are pressing for a flexible interpretation, as opposed to some of the arguments that I have heard in the debate, which would cement us into acceptance of a narrow definition which would not be in the interests of the Labour movement, or of this country.

To return to the thread of my argument, the third key point about the criteria is one about which we have not heard much in the debate so far. It is that the protocol on convergence criteria specifically requires the Council of Ministers to adopt appropriate provisions to lay down the details of the criteria, which will then replace those set out in the protocol. So the opportunity is there for member states to make it clear, as we urge the British Government to do, that the criteria should not be defined or deployed to implement monetarist policies or to inhibit economic recovery in the member states.

We have long advocated the course that the Government should advocate—the course that they should have advocated when they held the Community

[Mr. Smith]

presidency: that convergence should include the measures for employment, industry, investment and the environment which are essential for economic recovery in this country and in the rest of Europe. There is a powerful injunction on them to do that in article 102a, which states:

"Member States shall conduct their economic policies with a view to contributing to the achievement of the objectives of the Community, as defined in Article 2".

6 am

Mr. Spearing: Does my hon. Friend agree that the proof of the pudding is in the eating? Earlier, I asked a question about the current request to nations to report on their convergence programme. I believe that such a request has come to Her Majesty's Government. I understand that, in that request—even before the treaty—the wide interpretation that my hon. Friend advocates has not been placed on the provisions. Should not we ascertain from the Government the request that they have received and the reply that they have given, so that we can test the proposition that my hon. Friend puts to the Committee?

Mr. Smith: My hon. Friend is right that the treaty contains a provision for a report on convergence to be submitted. It would clearly be inappropriate for the Government to submit such a report before the Bill giving effect to the treaty had been approved by the House. I am sure that if the Government have submitted one, or are working on it, the Minister will intervene to tell us the exact position. If the Bill and the treaty are implemented, such a report will presumably be submitted.

I was referring to the need for more flexible interpretation of the criteria in the interests of economic recovery not merely in this country but throughout Europe. Reference was made earlier to the comments of my right hon. and learned Friend the Leader of the Opposition. I will quote from my right hon. and learned Friend's speech in Paris on 15 January. It is important to make the Labour party's position on these issues clear, and there is no better way of doing that. My right hon. and learned Friend said in that speech:

"It would also, I believe, be misguided for the European Community as a whole to make the same mistake of seeking arbitrarily to curb public deficits at a time when the European economy is poised on the verge of recession. There is clearly a danger that this may occur if the fiscal deficit rules of the Maastricht Treaty are rigidly interpreted. An excessively strict application of the protocol which specifies a target of 3 per cent. for government deficits would compound the existing financial squeeze which has been caused by high interest rates in Germany.

If all member states of the EC tried to satisfy the 3 per cent. target by the end of 1996, for example . . . the combined effect on total EC output would be a reduction of over 2 per cent. This is obviously absurd and simply not feasible for a majority of member states of the Community. I would argue very strongly that the 3 per cent. rule must exclude all deficit-funded capital investment and take full account of the state of the economic cycle in each member state and in particular trends in unemployment.

The Community will need to clarify these points if it is to avoid adding a fiscal choke to the monetary grip that has already sharply reduced growth in the European economy."

I put it to the Committee that there could be no clearer, firmer or more persuasive statement of the Labour party's position. We are opposed to a deflationary impact of the criteria and to an inflexible or mechanistic interpretation of them.

Mr. Hain: I warmly welcome my hon. Friend's reference to the Labour party's official policy as expounded by its leader. Is there not a difficulty in interpreting the flexibility of the convergence criteria, however? All the countries are locked together seeking to achieve the criteria required by the treaty. No country wants to achieve what is required and then find that another country is being let off the hook. The countries are forced, in a sense, to follow each other in achieving the aim. If they do not, there is no level playing field. The difficulty with establishing the criteria in the way in which the treaty establishes them is that the countries are placing pressure on each other to achieve them, and that, if some do not, others will start to complain. That is why it is difficult to interpret the criteria flexibly.

Mr. Smith: I agree with my hon. Friend. He is saying that it is important to have co-ordination for flexibility and recovery and not for inflexibility and deflation. Not just the Labour party in this country is saying that. There has been increasing support in the Commission for the view that I am putting forward. There has also been support in the European Parliament and in other member states. I will give examples. On 17 February, the Commissioner for Economic Affairs, Henning Christophersen, said in Brussels that the interpretation of the criteria involved

"political judgment, and a deficit of more than 3 per cent. would not necessarily infringe the criteria if this was caused by action to tackle a cyclical recession."

On 23 February, the Finance Minister of Belgium was reported to have said:

"It is not to be ruled out that the member states will revise one of the four criteria foreseen by the Maastricht Treaty for entry to the final phase of economic and monetary union, the one relative to the maximum threshold of the budget deficit set at 3 per cent. of the national product."

He was reported as saying that if the rate of growth of the economy remained next year as low as that for the present year, the threshold could be increased to allow EC states to support economic activity.

On 9 March, in relation to the European Parliament debate on unemployment and the annual economic report, Mr Christophersen said it had been established

"that the criteria should not be used in a mechanical way."

On 12 March this year the European Parliament adopted a resolution on the annual economic report calling on the Commission and the Council

"to make it clear that the excessive deficit criterion defined in the Maastricht Treaty must be applied over the economic cycle and that increases in budget deficits resulting from economic recession should not in themselves lead to tax increases or public spending cuts which could damage long-term development and drive the European or national economy further into recession."

I give those examples—there are others—to show how opinion in the rest of Europe, reacting to the scale of the recession, on the verge of which Europe as a whole is poised, is saying that it must be interpreted flexibly and that we need growth and not deflation.

Dr. Godman: Does my hon. Friend agree that effective implementation of article 104c depends heavily on article 109c? What is his view of the structure of the monetary committee? Is it a European Community-wide select committee, or some kind of police force which can decide to investigate the economic management of member states?

Mr. Smith: It will not be an effective police force, as it has only advisory powers, although I agree that they will

be strengthened when the financial committee comes into effect, if progress is made towards economic and monetary union. But I agree with my hon. Friend that much turns on the interpretation placed on article 104c, and I have been developing that argument. I suggest that in common with the growing volume of voices in Europe calling for the flexible interpretation of the provisions, we should conclude that instead of imagining that the convergency criteria are fixed and cannot be changed, we should be arguing that they are capable of a more flexible interpretation. We must continue to stress that it is vital for economic recovery in Europe that that flexibility is secured.

Mr. Leighton: Nobody seems to be bound by those words. The Leader of the Opposition said in his speech in Paris that it could lead to a cut in overall output of more than 2·5 per cent.—in other words, it could lead to another recession—and he added that the position must be clarified. The position has not been clarified. Therefore, we should vote against the provision. My hon. Friend seems to be saying that 3 per cent. does not mean 3 per cent. —that it might mean 5 or 6 per cent. We now have 8·5 per cent. He also says that it is meaningless. It is not meaningless. He knows that we attended a meeting with a representative of Jacques Delors who said that the criteria mean something. They are provided by the Germans, who are not prepared to have their mark made into a Mickey Mouse currency. They want real guarantees for their currency.

Mr. Smith: I was not suggesting that the criteria did not mean anything. Clearly, they mean something.

No one is suggesting that any level of public deficit can be sustained indefinitely. The important question is the relation of the level of public deficit to the position in the economic cycle, how that pans out over the whole of the cycle and how it stands in relation to investment expenditure. Those matters will be clarified at the end of the day through the various Community institutions. The European Parliament will have an influence and, obviously, the Commission will have a voice. Ultimately, the determining factor will be the statements issued by the European Council.

In conjunction with our colleagues in the rest of Europe, we must take every opportunity to argue for a rational interpretation of the criteria which make some growth possible.

Mr. Cash: I can understand the hon. Gentleman's attempt to put some latter-day rationale into his argument. Does he accept that the whole object of the arrangement was to be modelled on the Bundesbank, which had a rigid, determined approach that all of this would somehow achieve price stability? The whole argument has been blown open, as happened with the exchange rate mechanism. People must acknowledge that the arrangement will not work but that somehow we must continue marching with this. Therefore, one comes up with another adaptation to it; we will be flexible. If there is such a tremendous desire to get this through, does the hon. Member for Oxford, East (Mr. Smith) recognise that we have reached the point at which we recognise that the arrangement will not work at all and that we should pack up our bags and take the whole thing back to where it came from?

Mr. Smith: No. The record of past years shows that we are in a weak position, especially when the hon. Gentleman is so contemptuous of what the Bundesbank has achieved. We do not want to emulate it in every respect, but the achievements in Germany in terms of low inflation, generally high employment, growth and living standards deserve to be examined constructively.

Mr. Denzil Davies: My hon. Friend is arguing for a flexible approach to the criteria. As Labour Members are in favour of a single currency because they believe that it is a good thing, is my hon. Friend becoming worried about such flexibility? Would it be better to be inflexible, get the pain over quickly and reach the ideal on a single currency as quickly as possible?

Mr. Smith: Inflexibility in these matters threatens to plunge us into a deep recession which I do not want to see.

How one judges the 3 per cent. depends on the period it covers. There were some references to this earlier. It is important to stress that the treaty commitment and the definitions in the treaty do not refer to the public sector borrowing requirement; they refer to the Government's lending position on the ESA definition. The ESA definition is not the same as the public sector borrowing requirement.

If one takes the record of general net lending borrowing by the Conservative Government from 1979-1991 and applies a 3 per cent. criteria, saying that the Government should have spent 3 per cent. of the gross domestic product, we would have not less but more public expenditure, to the tune of £39 billion over that period. I do not make that point to suggest that the criterion is always easy to live with, even across the medium or longer term, but to illustrate that it depends what period one takes the criterion to apply to.

Mr. Chisholm: With reference to the 1980s, surely the surplus was a result of privatisation and North sea oil. Those were unusual circumstances. The effect across Europe of the 3 per cent. criterion would be massive public expenditure cuts. Are not the two main thrusts of this monetarist treaty zero inflation and the cutting of public expenditure to make Europe have the same level of public expenditure and social provision as the rival economic powers of Japan and America?

6.15 pm

Mr. Smith: The figures that I quoted excluded privatisation receipts because the definition excludes them. I merely used them to illustrate that it depends on the period across which one takes the 3 per cent. to apply.

I argue that we should have deficit finance public expenditure, especially for investment and counter-cyclical purposes. As hon. Members have said, article 104c specifically excludes circumstances in which the excess over the reference value is exceptional and temporary. There is an argument, and we certainly must make it, that action taken to counter a recession is, of its nature, temporary, precisely because of the nature of the cyclical process.

Dr. Godman: Does my hon. Friend agree that article 104c is riddled with ambiguities? For instance, it would appear that the United Kingdom has been granted immunity from the imposition of sanctions. Yet at this

[Dr. Godman]

moment, we do not know whether the United Kingdom Government would be able to sit in judgment on others who are deemed to have broken the rules.

Mr. Smith: My hon. Friend has made several telling contributions to the debate and uncovered areas of legal and procedural uncertainty on precisely such matters. I shall be interested to receive a copy of whatever written reply the Government send him. *[Interruption.]* The Minister has received a note from the Box and is in a position to give us the information now.

Mr. Dorrell: I am advised that in stage 3, the United Kingdom would take part in the assessment under article 104c, but not in the vote on sanctions if it was not a full participant in stage 3.

Mr. Smith: Thank you. I shall draw my remarks to a conclusion now, but I could not do so without referring to the amendments within the group which we on the Opposition Front Bench intend to press to a vote. In this and the preceding debate, we have emphasised how important article 2 is. We have stressed our commitment to work for its full application. I draw the attention of the Committee to new clause 57, which is extremely important in that respect and attempts to address some of the anxieties that my right hon. and hon. Friends have expressed.

New clause 57 seeks to incorporate in the Bill a requirement that—before submitting information to the Commission, either under the provisions of multilateral surveillance as in article 103(3) or under the excessive deficit requirements of article 104c, which we have spent so much time discussing, the House shall consider

"an assessment of the medium term economic and budgetary position in relation to the social, economic and environmental goals set out in Title II, Article 2".

It further requires that this assessment

"shall form the basis of any submission to the Commission under"

these articles. There could be no clearer indication of our intention to link the implementation of the treaty and closer European co-operation to the goals of article 2.

As I have said, it is our intention to press new clause 57 to a vote. It is buttressed by our proposed new clause 2 which would set multilateral surveillance firmly in the context of economic growth, industrial investment, employment and the balance of trade and compare Britain's performance with that of other member states. We also wish to press that new clause to a vote. Amendment No. 19 and others of a similar nature which were tabled as probing amendments will not be pressed to a vote.

I urge the House to make it clear that we do not want the convergence criteria to be applied in a mechanistic or inflexible way, and to signal that we want to insist on their being interpreted to foster and not to frustrate concerted action for sustainable economic growth and jobs. The best way to do that is to vote for the two amendments.

Mr. Charles Kennedy (Ross, Cromarty and Skye): I shall be brief. I agreed entirely with the hon. Member for Oxford, East (Mr. Smith) until his final exhortations about the two new clauses, neither of which commends itself to the Committee. They are both innocuous to the extent that one wonders whether they are a small part of an ulterior exercise. If one examines existing budgetary practice and what is likely to happen in the European Commission, it follows from what has already been agreed that both are likely to be put into practice. Apart from that, there was great good sense in what the hon. Gentleman had to say.

I wish to take a more federal viewpoint than has been heard so far in the debate, touching on what the right hon. Member for Bethnal Green and Stepney (Mr. Shore) said in moving the amendment. What he found so obnoxious in the provisions attached to this part of the Maastricht treaty was, to use the right hon. Gentleman's words, an alien body being able to impose itself on Britain or any other member state. Later in the same speech, he said that he understood and respected those who took a federal viewpoint, though he did not agree with it. That is where the right hon. Gentleman and I part company. We see Europe not as an alien body but as an entity within which we are increasingly integrated, and we want to continue down that track.

Some of the genuine difficulties that have arisen in the progress towards stages 2 and 3—economic and monetary union, a single currency and the deficits—reflect, first, the fact that the political and economic context has changed since the original Delors report and, secondly, that the world and the European Community have moved on politically since the negotiation and agreement of the Maastricht treaty.

Those who are worried about the apparent or perceived inflexibility of some of the articles would be well advised to remember that, ultimately, the European Commission and any other bodies that may flow from this part of the treaty have to be responsive to the real politics with which they are dealing.

The Government have been pointing to several decisions that have been taken in the European courts and elsewhere, which they say are representative of the new mood of subsidiarity across the Community. I have always found a mood of subsidiarity rather difficult and tricky to capture. However, the Government have a fair point in emphasising the fact that, as it is a political organisation, the institutions of the European Community, including the Commission and the central bank, must be seen to be responsive to the unit parts—the individual member states.

That is why, in political terms as well as for reasons of political muscle referred to earlier, there is cause for optimism that the kind of interpretations that some of us have been pointing to during the debate will hold sway. We all have our party axes to grind—or perhaps, our particular viewpoints to exert—in the course of this debate. It is worth looking at what we would all agree is an objective source, the Library of the House. It looked back to the original Delors proposals.

Mr. Spearing: We are not there now.

Mr. Kennedy: No, we have moved on since then.

Mr. Spearing: Yes.

Mr. Kennedy: The hon. Gentleman is quite right. The point is that, since the original Delors proposals, we have moved on, and the position is even better now than it was then, for reasons which I will outline. The original criteria were too inflexible, because they concentrated too heavily on one year's budget outturn. The briefing note from the Library goes on to say:

"Furthermore, in the light of the pressure exerted upon government borrowing because of the slow down in growth of a number—

not just ourselves, but a number—

"of Member States, Commission officials have begun to place more emphasis upon the direction that debt and borrowing levels are moving rather than their absolute levels."

That is an important point to enter into the record—that this is not just some kind of freeze-frame that we are looking at: it is a continuous reel, and it is therefore one which, by definition, will be more flexible than some of the most dire warnings that we have heard expressed in the course of the debate would suggest.

Mr. Spearing: I am grateful to the hon. Gentleman, because it was my sotto voce intervention to which he kindly responded. Has not the argument throughout the evening showed that while, as he says, Commission officials may have moved in that direction, things could move in the other direction, just as the climate of the European Court of Justice has moved? What the hon. Gentleman is saying confirms our fears that this arbitrary and official rigidity could move back, even on his interpretation, and still be within the terms of the treaty.

Mr. Kennedy: As is the case in so many of the debates throughout the process of this piece of legislation, from my own political standpoint, I feel that the hon. Gentleman's point could be best addressed by our being more integrated rather than less, as he would wish to argue. The whole logic of the European case is that, if we want to influence in a favourable way the outcomes and decisions taken at European level——

Mr. Spearing: By officials.

Mr. Kennedy: By officials at the moment, because all the institutions, again from a federal point of view, are not democratic enough. We are going a bit wider there, Mr. Morris, than perhaps we are allowed to in this set of arguments. My whole case would be—I will come to this in the specific context of the parts that we have been debating through the night—that, as a general rule, we are more likely to exert more influence by being more integrated, not by being more stand-offish or semi-detached or whatever phrase might be appropriate to characterise the hon. Gentleman's position.

Dr. Godman: The hon. Gentleman will know that I am not altogether hostile to federalism, but I should like to ask him how the cause of federalism in the European Community is advanced by the implementation of articles 103.3, 104c and 109c. To my mind, the implementation of those articles strengthens the central institutions which have at the moment enormous power, although far from federalist in structure.

6.30 am

Mr. Kennedy: The economists who informed and advised during the Maastricht neogitations were operating against two different backgrounds. One was a set of economic theories that said that countries will try to free-ride over any economic difficulties involving their currencies, that it would be a free-for-all which would bleed the centre, and that no centralised institution can withstand that. The other argument was that one would have to have excessive centralism and downward pressure on all member states.

I appreciate that the hon. Member for Greenock and Port Glasgow (Dr. Godman) feels that there is too much downward pressure, but the achievements of the Maastricht process, if not the happiest of halfway houses, were more of a compromise than would have been the case if one considers the original Delors package, which preceded Maastricht.

Consider our currency union within the United Kingdom. The hon. Member for Tayside, North (Mr. Walker) and I have argued about the applicability of comparing our Union with that envisaged in the Maastricht treaty. Our currency union, for which the Government, the Treasury and the Bank of England are responsible, involves tight, centralised controls, not least over local spending and borrowing. I find it inconsistent that some hon. Members will happily vote for rate capping and all sorts of other controls of local government because of the single currency demands of our currency, yet the milder proposals for union in the treaty cause them such massive offence.

Mr. Bill Walker: The hon. Gentleman is as knowledgeable as I on the objectives of the Act of Union 1707, and the treaty signed at the time. He will know that the economic, monetary and political objectives of that Union were almost identical to the objectives proposed and written into the treaty. The clauses are different, but the objectives are clearly stated and almost identical. I therefore view the treaty as a centralising process—not federal at this stage—which will create much the same circumstances as in our Union with a single currency, a single Chancellor of the Exchequer and single borrowing requirement, all controlled from the centre. The Scots have complained about that for years. I am happy with it, and the hon. Member objects to, but I am not happy for that to be done in Europe.

Mr. Kennedy: The hour is late, and we are almost getting into Scottish political theology. I agree that we have a far too centralised constitutional settlement in the United Kingdom. In trying to draw a comparison between the 1707 Act and the events surrounding it and the Maastricht treaty, the hon. Gentleman overlooks something fundamental—federalism. Whether that word is acceptable, or used in its proper context in this country —or at least in a context that will be understood by our Community partners—it is certainly used in other countries, notably Germany, essentially to mean decentralisation—and I must stress that.

Sir Teddy Taylor *rose*——

Mr. Kennedy: Having lit the blue touch paper, I must give way to a Scot who represents another part of the Union.

Sir Teddy Taylor: While the hon. Member might be right in thinking that the Commission and the Council will be moderate and reasonable in applying the terms of article 104c, does he accept that the wording is such that it could be applied restrictively and oppressively? As we do not know what the Commission or the Council is doing, would not it be far safer to have wording that avoided repressive, restrictive policies, which would simply add to unemployment and misery?

Mr. Kennedy: The constitution of the old Soviet Union promised every freedom under the sun, and, in respect of

[Mr. Kennedy]

Hong Kong, the Basic Law to which the Government of China have put their names guarantees all the things that all Members on both sides of the Committee would advocate. However, experience, suspicion, cynicism and canniness about the former Soviet Union, as well as the Hong Kong settlement to come, make us worry. Others may take a different view, but I do not regard those who operate at Brussels level in the same way as I regarded the old Soviet Government or as I regard the current administration of old men in China. I am more relaxed and more laid back in my interpretation of the words in this part of the article than the hon. Member for Southend, East (Sir T. Taylor).

This applies not least to paragraph 3, which provides that, if there is excessive Government expenditure, leading to an excessive deficit, other relevant factors, including the medium-term economic and budgetary position of the member state, will be taken into account. It seems to me that that is a helpful addition, rather than something about which we should be excessively suspicious or over which we should lose sleep. *[Laughter.]* My words are being laughed at out of context.

Underlying the economic and monetary union mechanism that is built into the treaty is the need, if we are to overcome the suspicions and hostilities that have been expressed by hon. Members on both sides of the Committee, for more building in of European institutions that are felt by the citizens they are intended to serve to be European. As has been seen in the context of other parts of the legislation—we shall return to this matter at later stages—this can be done only by providing a more democratic structure and adopting a much more federal approach. That is the means of addressing these anxieties in the same way as several of the more positive ideals and aspirations of some of us.

Mr. Wood *rose in his place and claimed to move,* That the Question be now put.

Question put, That the Question be now put:—

The Committee divided: Ayes 239, Noes 29.

Division No. 207] **[8.38 am**

AYES

Adley, Robert
Ainsworth, Peter *(East Surrey)*
Aitken, Jonathan
Alexander, Richard
Amess, David
Ancram, Michael
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Arnold, Sir Thomas *(Hazel Grv)*
Ashby, David
Atkinson, Peter *(Hexham)*
Baker, Nicholas *(Dorset North)*
Baldry, Tony
Banks, Matthew *(Southport)*
Banks, Robert *(Harrogate)*
Bates, Michael
Batiste, Spencer
Beresford, Sir Paul
Blackburn, Dr John G.
Booth, Hartley
Boswell, Tim
Bottomley, Peter *(Eltham)*
Bottomley, Rt Hon Virginia
Bowden, Andrew
Bowis, John
Brandreth, Gyles
Brazier, Julian
Bright, Graham
Brooke, Rt Hon Peter
Brown, M. *(Brigg & Cl'thorpes)*
Browning, Mrs. Angela
Bruce, Ian *(S Dorset)*
Burns, Simon
Burt, Alistair
Butterfill, John
Carlisle, Kenneth *(Lincoln)*
Carrington, Matthew
Channon, Rt Hon Paul
Chapman, Sydney
Churchill, Mr
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Coe, Sebastian
Colvin, Michael
Congdon, David
Conway, Derek
Coombs, Anthony *(Wyre For'st)*
Coombs, Simon *(Swindon)*
Cope, Rt Hon Sir John
Couchman, James
Curry, David *(Skipton & Ripon)*
Davis, David *(Boothferry)*
Day, Stephen
Deva, Nirj Joseph
Devlin, Tim
Dorrell, Stephen
Douglas-Hamilton, Lord James
Dover, Den
Duncan, Alan
Dunn, Bob
Durant, Sir Anthony
Elletson, Harold
Emery, Rt Hon Sir Peter
Evans, David *(Welwyn Hatfield)*
Evans, Jonathan *(Brecon)*
Evans, Nigel *(Ribble Valley)*
Evans, Roger *(Monmouth)*
Evennett, David
Faber, David
Fabricant, Michael
Fenner, Dame Peggy
Field, Barry *(Isle of Wight)*
Fishburn, Dudley
Forsyth, Michael *(Stirling)*
Forth, Eric
Foster, Don *(Bath)*
Fox, Dr Liam *(Woodspring)*
Fox, Sir Marcus *(Shipley)*
Freeman, Roger
French, Douglas
Gale, Roger
Gallie, Phil
Garnier, Edward
Gillan, Cheryl
Goodlad, Rt Hon Alastair
Goodson-Wickes, Dr Charles
Gorst, John
Grant, Sir Anthony *(Cambs SW)*
Greenway, Harry *(Ealing N)*
Greenway, John *(Ryedale)*
Grylls, Sir Michael
Gummer, Rt Hon John Selwyn
Hague, William
Hamilton, Rt Hon Archie *(Epsom)*
Hamilton, Neil *(Tatton)*
Hanley, Jeremy
Hargreaves, Andrew
Harris, David
Haselhurst, Alan
Hawkins, Nick
Heald, Oliver
Heathcoat-Amory, David
Hill, James *(Southampton Test)*
Hogg, Rt Hon Douglas *(G'tham)*
Horam, John
Hordern, Rt Hon Sir Peter
Howarth, Alan *(Strat'rd-on-A)*
Howell, Rt Hon David *(G'dford)*
Hughes, Simon *(Southwark)*
Hunt, Rt Hon David *(Wirral W)*
Hunt, Sir John *(Ravensbourne)*
Hunter, Andrew
Jack, Michael
Johnson Smith, Sir Geoffrey
Johnston, Sir Russell
Jones, Gwilym *(Cardiff N)*
Jones, Ieuan Wyn *(Ynys Môn)*
Jopling, Rt Hon Michael
Kellett-Bowman, Dame Elaine
Kennedy, Charles *(Ross,C&S)*
Key, Robert
Kilfedder, Sir James
Kirkhope, Timothy
Kirkwood, Archy
Knight, Mrs Angela *(Erewash)*
Knight, Greg *(Derby N)*
Knox, David
Kynoch, George *(Kincardine)*
Lait, Mrs Jacqui
Leigh, Edward
Lennox-Boyd, Mark
Lester, Jim *(Broxtowe)*
Lidington, David
Lightbown, David
Lilley, Rt Hon Peter
Llwyd, Elfyn
Luff, Peter
Lyell, Rt Hon Sir Nicholas
MacGregor, Rt Hon John
MacKay, Andrew
Maclean, David
McLoughlin, Patrick
Madel, David
Maitland, Lady Olga
Malone, Gerald
Mans, Keith
Marland, Paul
Marshall, John *(Hendon S)*
Marshall, Sir Michael *(Arundel)*
Martin, David *(Portsmouth S)*
Mawhinney, Dr Brian
Mellor, Rt Hon David
Merchant, Piers
Michie, Mrs Ray *(Argyll Bute)*
Milligan, Stephen
Mitchell, Sir David *(Hants NW)*
Monro, Sir Hector
Moss, Malcolm
Needham, Richard
Nelson, Anthony
Neubert, Sir Michael
Newton, Rt Hon Tony
Nicholls, Patrick
Nicholson, David *(Taunton)*
Nicholson, Emma *(Devon West)*
Norris, Steve
Onslow, Rt Hon Sir Cranley
Oppenheim, Phillip
Ottaway, Richard
Page, Richard
Paice, James
Patnick, Irvine
Patten, Rt Hon John
Pattie, Rt Hon Sir Geoffrey
Pickles, Eric
Porter, Barry *(Wirral S)*
Portillo, Rt Hon Michael
Powell, William *(Corby)*
Rathbone, Tim
Redwood, John
Renton, Rt Hon Tim
Richards, Rod
Riddick, Graham
Robathan, Andrew
Roberts, Rt Hon Sir Wyn
Robertson, Raymond *(Ab'd'n S)*
Robinson, Mark *(Somerton)*
Rowe, Andrew *(Mid Kent)*
Rumbold, Rt Hon Dame Angela
Ryder, Rt Hon Richard
Sackville, Tom
Sainsbury, Rt Hon Tim
Scott, Rt Hon Nicholas
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shephard, Rt Hon Gillian
Shepherd, Colin *(Hereford)*
Smith, Tim *(Beaconsfield)*
Soames, Nicholas
Spencer, Sir Derek
Spicer, Sir James *(W Dorset)*
Spink, Dr Robert
Spring, Richard
Sproat, Iain
Stanley, Rt Hon Sir John
Stephen, Michael
Streeter, Gary
Sumberg, David
Sykes, John
Taylor, John M. *(Solihull)*
Temple-Morris, Peter

Thomason, Roy
Thompson, Sir Donald *(C'er V)*
Thornton, Sir Malcolm
Thurnham, Peter
Townsend, Cyril D. *(Bexl'yh'th)*
Tracey, Richard
Tredinnick, David
Twinn, Dr Ian
Vaughan, Sir Gerard
Viggers, Peter
Waldegrave, Rt Hon William
Walden, George
Waller, Gary
Wardle, Charles *(Bexhill)*
Waterson, Nigel
Wells, Bowen
Wheeler, Rt Hon Sir John
Whitney, Ray
Whittingdale, John
Widdecombe, Ann
Wiggin, Sir Jerry
Wigley, Dafydd
Willetts, David
Wolfson, Mark
Wood, Timothy
Yeo, Tim
Young, Sir George *(Acton)*

Tellers for the Ayes:
Mr. Robert Hughes and
Mr. Andrew Mitchell.

NOES

Abbott, Ms Diane
Betts, Clive
Brown, N. *(N'c'tle upon Tyne E)*
Campbell-Savours, D. N.
Chisholm, Malcolm
Cryer, Bob
Cunliffe, Lawrence
Davies, Rt Hon Denzil *(Llanelli)*
Davis, Terry *(B'ham, H'dge H'l)*
Dixon, Don
Foster, Rt Hon Derek
Godman, Dr Norman A.
Gould, Bryan
Grocott, Bruce
Howarth, George *(Knowsley N)*
Livingstone, Ken
McMaster, Gordon
Rooney, Terry
Rowlands, Ted
Shore, Rt Hon Peter
Simpson, Alan
Skinner, Dennis
Smith, Andrew *(Oxford E)*
Smith, Llew *(Blaenau Gwent)*
Spearing, Nigel
Taylor, Sir Teddy *(Southend, E)*
Walker, Bill *(N Tayside)*
Winnick, David
Wray, Jimmy

Tellers for the Noes:
Mr. Ron Leighton and
Mr. Peter Hain.

Question accordingly agreed to.

Question put accordingly, That the amendment be made:—

The Committee divided: Ayes 26, Noes 245.

Division No. 208] **[6.51 am**

AYES

Abbott, Ms Diane
Beggs, Roy
Campbell-Savours, D. N.
Cash, William
Chisholm, Malcolm
Cook, Frank *(Stockton N)*
Cryer, Bob
Cunliffe, Lawrence
Davies, Rt Hon Denzil *(Llanelli)*
Davis, Terry *(B'ham, H'dge H'l)*
Dixon, Don
Godman, Dr Norman A.
Gould, Bryan
Howarth, George *(Knowsley N)*
Jones, Lynne *(B'ham S O)*
Livingstone, Ken
McAllion, John
McMaster, Gordon
Rogers, Allan
Rooney, Terry
Rowlands, Ted
Shore, Rt Hon Peter
Simpson, Alan
Skinner, Dennis
Smith, Llew *(Blaenau Gwent)*
Spearing, Nigel
Winnick, David
Wray, Jimmy

Tellers for the Ayes
Mr. Peter Hain and
Mr. Ron Leighton

NOES

Adley, Robert
Ainsworth, Peter *(East Surrey)*
Aitken, Jonathan
Alexander, Richard
Amess, David
Ancram, Michael
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Arnold, Sir Thomas *(Hazel Grv)*
Ashby, David
Atkinson, Peter *(Hexham)*
Baker, Nicholas *(Dorset North)*
Baldry, Tony
Banks, Matthew *(Southport)*
Banks, Robert *(Harrogate)*
Bates, Michael
Batiste, Spencer
Bellingham, Henry
Beresford, Sir Paul
Blackburn, Dr John G.
Booth, Hartley
Boswell, Tim
Bottomley, Peter *(Eltham)*
Bottomley, Rt Hon Virginia
Bowden, Andrew
Bowis, John
Brandreth, Gyles
Brazier, Julian
Bright, Graham
Brooke, Rt Hon Peter
Brown, M. *(Brigg & Cl'thorpes)*
Browning, Mrs. Angela
Bruce, Ian *(S Dorset)*
Burns, Simon
Burt, Alistair
Butterfill, John
Carlisle, Kenneth *(Lincoln)*
Carrington, Matthew
Channon, Rt Hon Paul
Chapman, Sydney
Churchill, Mr
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Coe, Sebastian
Colvin, Michael
Congdon, David
Conway, Derek
Coombs, Anthony *(Wyre For'st)*
Coombs, Simon *(Swindon)*
Cope, Rt Hon Sir John
Cormack, Patrick
Couchman, James
Curry, David *(Skipton & Ripon)*
Dafis, Cynog
Davis, David *(Boothferry)*
Day, Stephen
Deva, Nirj Joseph
Devlin, Tim
Dorrell, Stephen
Douglas-Hamilton, Lord James
Dover, Den
Duncan, Alan
Dunn, Bob
Durant, Sir Anthony
Elletson, Harold
Emery, Rt Hon Sir Peter
Evans, David *(Welwyn Hatfield)*
Evans, Jonathan *(Brecon)*
Evans, Nigel *(Ribble Valley)*
Evans, Roger *(Monmouth)*
Evennett, David
Faber, David
Fabricant, Michael
Fenner, Dame Peggy
Field, Barry *(Isle of Wight)*
Fishburn, Dudley
Forsyth, Michael *(Stirling)*
Forth, Eric
Foster, Don *(Bath)*
Fox, Dr Liam *(Woodspring)*
Fox, Sir Marcus *(Shipley)*
Freeman, Roger
French, Douglas
Gale, Roger
Gallie, Phil
Garel-Jones, Rt Hon Tristan
Garnier, Edward
Gillan, Cheryl
Goodlad, Rt Hon Alastair
Goodson-Wickes, Dr Charles
Gorst, John
Grant, Sir Anthony *(Cambs SW)*
Greenway, Harry *(Ealing N)*
Greenway, John *(Ryedale)*
Grylls, Sir Michael
Gummer, Rt Hon John Selwyn
Hague, William
Hamilton, Rt Hon Archie *(Epsom)*
Hamilton, Neil *(Tatton)*
Hanley, Jeremy
Hargreaves, Andrew
Harris, David
Haselhurst, Alan
Hawkins, Nick
Heald, Oliver
Heathcoat-Amory, David
Hill, James *(Southampton Test)*
Hogg, Rt Hon Douglas *(G'tham)*
Horam, John
Hordern, Rt Hon Sir Peter
Howarth, Alan *(Strat'rd-on-A)*
Howell, Rt Hon David *(G'dford)*
Hughes Robert G. *(Harrow W)*
Hughes, Simon *(Southwark)*
Hunt, Rt Hon David *(Wirral W)*
Hunt, Sir John *(Ravensbourne)*
Hunter, Andrew
Jack, Michael
Jackson, Robert *(Wantage)*
Johnson Smith, Sir Geoffrey
Johnston, Sir Russell
Jones, Gwilym *(Cardiff N)*
Jones, Ieuan Wyn *(Ynys Môn)*
Jopling, Rt Hon Michael
Kellett-Bowman, Dame Elaine
Kennedy, Charles *(Ross,C&S)*
Key, Robert
Kilfedder, Sir James
Kirkhope, Timothy
Kirkwood, Archy
Knight, Mrs Angela *(Erewash)*
Knight, Greg *(Derby N)*
Knox, David
Kynoch, George *(Kincardine)*
Lait, Mrs Jacqui
Leigh, Edward
Lennox-Boyd, Mark
Lester, Jim *(Broxtowe)*
Lidington, David
Lightbown, David
Lilley, Rt Hon Peter
Lloyd, Peter *(Fareham)*
Llwyd, Elfyn
Luff, Peter
Lyell, Rt Hon Sir Nicholas
MacGregor, Rt Hon John
Maclean, David
McLoughlin, Patrick
Madel, David
Maitland, Lady Olga
Malone, Gerald
Mans, Keith
Marland, Paul
Marshall, John *(Hendon S)*
Marshall, Sir Michael *(Arundel)*
Martin, David *(Portsmouth S)*
Mawhinney, Dr Brian
Mellor, Rt Hon David
Merchant, Piers
Michie, Mrs Ray *(Argyll Bute)*
Milligan, Stephen
Mitchell, Andrew *(Gedling)*
Mitchell, Sir David *(Hants NW)*
Monro, Sir Hector
Moss, Malcolm
Needham, Richard
Nelson, Anthony
Neubert, Sir Michael
Newton, Rt Hon Tony
Nicholls, Patrick
Nicholson, David *(Taunton)*
Nicholson, Emma *(Devon West)*
Norris, Steve
Onslow, Rt Hon Sir Cranley
Oppenheim, Phillip
Ottaway, Richard
Page, Richard
Paice, James
Patten, Rt Hon John
Pattie, Rt Hon Sir Geoffrey
Pickles, Eric
Porter, Barry *(Wirral S)*
Portillo, Rt Hon Michael
Powell, William *(Corby)*
Rathbone, Tim
Redwood, John
Renton, Rt Hon Tim
Richards, Rod
Riddick, Graham
Robathan, Andrew
Roberts, Rt Hon Sir Wyn
Robertson, Raymond *(Ab'd'n S)*
Robinson, Mark *(Somerton)*
Rowe, Andrew *(Mid Kent)*
Rumbold, Rt Hon Dame Angela
Ryder, Rt Hon Richard
Sackville, Tom
Sainsbury, Rt Hon Tim

Scott, Rt Hon Nicholas
Shaw, David (Dover)
Shaw, Sir Giles (Pudsey)
Shephard, Rt Hon Gillian
Shepherd, Colin (Hereford)
Smith, Tim (Beaconsfield)
Soames, Nicholas
Spencer, Sir Derek
Spicer, Sir James (W Dorset)
Spink, Dr Robert
Spring, Richard
Sproat, Iain
Stanley, Rt Hon Sir John
Steen, Anthony
Stephen, Michael
Streeter, Gary
Sumberg, David
Sykes, John
Taylor, John M. (Solihull)
Temple-Morris, Peter
Thomason, Roy
Thompson, Sir Donald (Calder Valley)
Thornton, Sir Malcolm
Thurnham, Peter
Townsend, Cyril D. (Bexleyheath)
Tracey, Richard
Tredinnick, David
Trotter, Neville
Twinn, Dr Ian
Vaughan, Sir Gerard
Viggers, Peter
Waldegrave, Rt Hon William
Walden, George
Waller, Gary
Wardle, Charles (Bexhill)
Waterson, Nigel
Wells, Bowen
Wheeler, Rt Hon Sir John
Whitney, Ray
Widdecombe, Ann
Wiggin, Sir Jerry
Wigley, Dafydd
Willetts, David
Wolfson, Mark
Wood, Timothy
Yeo, Tim
Young, Sir George (Acton)

Tellers for the Noes:
Mr. Irvine Patnick and
Mr. Andrew Mackay.

Question accordingly negatived.

Mr. Spearing: On a point of order, Mr. Morris. The Committee has now been sitting for 14 hours. Would you accept a motion to move progress?

The Chairman: Yes. I shall put that Question now.

Motion made, and Question put, That the Chairman do report progress and ask leave to sit again.

Mr. Cryer: On a point of order, Mr. Morris.

The Chairman: Order. I have accepted a point of order, and have already put the Question.

The Committee proceeded to a Division:—

Mr. Spearing *(seated and covered):* On a point of order, Mr. Morris. I do not like wearing the hat, but I wish to make a serious point, and this is the only way in which I can do so. I asked permission to move to report progress, and you said that you were prepared to accept a motion. Then my hon. Friend the Member for Bradford, South (Mr. Cryer) rose on a point of order. I therefore sat down, because a point of order takes precedence. [HON. MEMBERS: "No."] I was prepared to speak, and I believe that under the Standing Orders of the House, if an occupant of the Chair accepts a motion to report progress and an hon. Member has suggested that he wishes to move it, and to speak to it—I gave you notice of my intentions, because I wished to speak to the motion—the Committee should have an opportunity to debate it, if that is necessary. I wished to speak on the Question that you put, Mr. Morris, and I think that you knew that that was my intention.

The Chairman: I am most grateful to the hon. Gentleman. He is quite right; he gave me notice that he intended to raise the point of order, and that enabled me to check on the Standing Orders and to weigh up the situation. Standing Order 34(1) says:

"If . . . the chairman, shall be of opinion that a dilatory motion is an abuse of the rules of the House, he may forthwith put the question thereupon from the chair, or he may decline to propose the question thereupon to the . . . committee."

I decided to put the Question forthwith. It has been put. It was proposed and it was opposed. Therefore, there is a Division. Therefore, we shall proceed.

Mr. Peter Bottomley *(seated and covered):* On a point of order, Mr. Morris. May I inform you that not only did those who wanted to speak after you had put the motion rise after you had done so, but we are also expecting many more hon. Members to return for a continuation of the debate, and it would be convenient for most of them to find that the debate was continuing?

The Chairman: It is not for me to anticipate who may be coming to the debate. I accepted the motion from the hon. Member for Newham, South (Mr. Spearing).

The Committee having divided: Ayes 35, Noes 244.

Division No. 2[illegible] **[7.05 am**

AYES

Abbott, Ms Diane
Barnes, Harry
Beggs, Roy
Betts, Clive
Campbell-Savours, D. N.
Chisholm, Malcolm
Cook, Frank (Stockton N)
Cryer, Bob
Cunliffe, Lawrence
Davies, Rt Hon Denzil (Llanelli)
Davis, Terry (B'ham, H'dge H'l)
Dixon, Don
Flynn, Paul
Godman, Dr Norman A.
Gould, Bryan
Grocott, Bruce
Hain, Peter
Howarth, George (Knowsley N)
Jones, Lynne (B'ham S O)
McAllion, John
McAvoy, Thomas
McMaster, Gordon
Miller, Andrew
Rogers, Allan
Rooney, Terry
Ross, William (E Londonderry)
Rowlands, Ted
Shore, Rt Hon Peter
Simpson, Alan
Skinner, Dennis
Smith, Andrew (Oxford E)
Smith, Llew (Blaenau Gwent)
Spearing, Nigel
Winnick, David
Wray, Jimmy

Tellers for the Ayes:
Mr. Ron Leighton and
Mr. Ken Livingstone.

NOES

Adley, Robert
Ainsworth, Peter (East Surrey)
Aitken, Jonathan
Alexander, Richard
Amess, David
Ancram, Michael
Arbuthnot, James
Arnold, Jacques (Gravesham)
Arnold, Sir Thomas (Hazel Grv)
Ashby, David
Atkinson, Peter (Hexham)
Baker, Nicholas (Dorset North)
Baldry, Tony
Banks, Matthew (Southport)
Banks, Robert (Harrogate)
Bates, Michael
Batiste, Spencer
Bellingham, Henry
Beresford, Sir Paul
Blackburn, Dr John G.
Booth, Hartley
Boswell, Tim
Bottomley, Peter (Eltham)
Bottomley, Rt Hon Virginia
Bowden, Andrew
Brandreth, Gyles
Brazier, Julian
Bright, Graham
Brooke, Rt Hon Peter
Brown, M. (Brigg & Cl'thorpes)
Browning, Mrs. Angela
Bruce, Ian (S Dorset)
Burns, Simon
Burt, Alistair
Butterfill, John
Carlisle, Kenneth (Lincoln)
Carrington, Matthew
Channon, Rt Hon Paul
Chapman, Sydney
Churchill, Mr
Clarke, Rt Hon Kenneth (Rushcliffe)
Clifton-Brown, Geoffrey
Coe, Sebastian
Colvin, Michael
Congdon, David
Conway, Derek
Coombs, Anthony (Wyre For'st)
Coombs, Simon (Swindon)
Cope, Rt Hon Sir John
Cormack, Patrick
Couchman, James
Curry, David (Skipton & Ripon)
Dafis, Cynog
Davis, David (Boothferry)
Day, Stephen
Deva, Nirj Joseph
Devlin, Tim
Dorrell, Stephen
Douglas-Hamilton, Lord James
Dover, Den
Duncan, Alan
Dunn, Bob
Durant, Sir Anthony
Ellerton, Harold
Emery, Rt Hon Sir Peter
Evans, David (Welwyn Hatfield)
Evans, Jonathan (Brecon)
Evans, Nigel (Ribble Valley)
Evans, Roger (Monmouth)
Evennett, David
Faber, David
Fabricant, Michael
Fenner, Dame Peggy
Field, Barry (Isle of Wight)
Forsyth, Michael (Stirling)
Forth, Eric
Foster, Don (Bath)
Fox, Dr Liam (Woodspring)
Fox, Sir Marcus (Shipley)
Freeman, Roger
French, Douglas
Gale, Roger

Gallie, Phil
Garel-Jones, Rt Hon Tristan
Garnier, Edward
Gillan, Cheryl
Goodlad, Rt Hon Alastair
Goodson-Wickes, Dr Charles
Gorst, John
Grant, Sir Anthony *(Cambs SW)*
Greenway, Harry *(Ealing N)*
Greenway, John *(Ryedale)*
Grylls, Sir Michael
Gummer, Rt Hon John Selwyn
Hague, William
Hamilton, Rt Hon Archie *(Epsom)*
Hamilton, Neil *(Tatton)*
Hanley, Jeremy
Hannam, Sir John
Hargreaves, Andrew
Harris, David
Haselhurst, Alan
Hawkins, Nick
Heald, Oliver
Heathcoat-Amory, David
Hendry, Charles
Higgins, Rt Hon Sir Terence L.
Hill, James *(Southampton Test)*
Hogg, Rt Hon Douglas *(G'tham)*
Horam, John
Hordern, Rt Hon Sir Peter
Howarth, Alan *(Strat'rd-on-A)*
Howell, Rt Hon David *(G'dford)*
Hughes Robert G. *(Harrow W)*
Hughes, Simon *(Southwark)*
Hunt, Rt Hon David *(Wirral W)*
Hunt, Sir John *(Ravensbourne)*
Hunter, Andrew
Jack, Michael
Jackson, Glenda *(H'stead)*
Jackson, Robert *(Wantage)*
Johnson Smith, Sir Geoffrey
Johnston, Sir Russell
Jones, Gwilym *(Cardiff N)*
Jones, Ieuan Wyn *(Ynys Môn)*
Jopling, Rt Hon Michael
Kellett-Bowman, Dame Elaine
Kennedy, Charles *(Ross,C&S)*
Key, Robert
Kilfedder, Sir James
King, Rt Hon Tom
Kirkhope, Timothy
Kirkwood, Archy
Knight, Mrs Angela *(Erewash)*
Knight, Greg *(Derby N)*
Knox, David
Kynoch, George *(Kincardine)*
Lait, Mrs Jacqui
Leigh, Edward
Lennox-Boyd, Mark
Lidington, David
Lightbown, David
Lilley, Rt Hon Peter
Lloyd, Peter *(Fareham)*
Llwyd, Elfyn
Luff, Peter
Lyell, Rt Hon Sir Nicholas
MacGregor, Rt Hon John
Maclean, David
McLoughlin, Patrick
Madel, David
Maitland, Lady Olga
Malone, Gerald
Mans, Keith
Marland, Paul
Marshall, John *(Hendon S)*
Marshall, Sir Michael *(Arundel)*
Martin, David *(Portsmouth S)*
Mawhinney, Dr Brian
Mayhew, Rt Hon Sir Patrick
Mellor, Rt Hon David
Merchant, Piers
Michie, Mrs Ray *(Argyll Bute)*
Mitchell, Andrew *(Gedling)*
Mitchell, Sir David *(Hants NW)*
Monro, Sir Hector
Moss, Malcolm
Needham, Richard
Nelson, Anthony
Neubert, Sir Michael
Newton, Rt Hon Tony
Nicholls, Patrick
Nicholson, David *(Taunton)*
Nicholson, Emma *(Devon West)*
Norris, Steve
Onslow, Rt Hon Sir Cranley
Oppenheim, Phillip
Ottaway, Richard
Page, Richard
Paice, James
Patten, Rt Hon John
Pattie, Rt Hon Sir Geoffrey
Pickles, Eric
Porter, Barry *(Wirral S)*
Portillo, Rt Hon Michael
Powell, William *(Corby)*
Rathbone, Tim
Redwood, John
Renton, Rt Hon Tim
Richards, Rod
Riddick, Graham
Robathan, Andrew
Roberts, Rt Hon Sir Wyn
Robertson, Raymond *(Ab'd'n S)*
Robinson, Mark *(Somerton)*
Rowe, Andrew *(Mid Kent)*
Rumbold, Rt Hon Dame Angela
Ryder, Rt Hon Richard
Sackville, Tom
Sainsbury, Rt Hon Tim
Scott, Rt Hon Nicholas
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shepherd, Colin *(Hereford)*
Smith, Tim *(Beaconsfield)*
Soames, Nicholas
Spencer, Sir Derek
Spicer, Sir James *(W Dorset)*
Spring, Richard
Sproat, Iain
Stanley, Rt Hon Sir John
Steen, Anthony
Stephen, Michael
Streeter, Gary
Sumberg, David
Sykes, John
Taylor, John M. *(Solihull)*
Temple-Morris, Peter
Thomason, Roy
Thompson, Sir Donald *(C'er V)*
Thornton, Sir Malcolm
Thurnham, Peter
Townsend, Cyril D. *(Bexl'yh'th)*
Tracey, Richard
Tredinnick, David
Trotter, Neville
Twinn, Dr Ian
Vaughan, Sir Gerard
Viggers, Peter
Waldegrave, Rt Hon William
Walden, George
Waller, Gary
Wardle, Charles *(Bexhill)*
Waterson, Nigel
Wells, Bowen
Wheeler, Rt Hon Sir John
Whitney, Ray
Widdecombe, Ann
Wiggin, Sir Jerry
Wigley, Dafydd
Willetts, David
Wolfson, Mark
Wood, Timothy
Yeo, Tim
Young, Sir George *(Acton)*

Tellers for the Noes:
Mr. Irvine Patnick and
Mr. Andrew Mackay.

Question accordingly negatived.

Mr. Spearing: On a point of order, Mr. Morris. I wonder whether you can help the Committee and me with two specific matters. The first relates to the use of the article of headgear. There has been some comment oustide this place on the matter. I hope that you will agree that the recent incident shows a legitimate use of something on the head when an hon. Member raises a legitimate point of order during a Division. The Committee might bear that in mind when people criticise procedures which appear arcane but which have some use.

My second point relates to the Standing Order which you helpfully quoted in the exchanges. The Committee realises that any Chairman of any Committee can at any time refuse a motion to report progress when, clearly, that is not an issue on which there can be legitimate points of order. When the use of the word "abuse" is quoted from the Standing Orders, you have the option of taking it forthwith and not permitting a short debate. I am sure that you will rule that such a debate can be relatively short because any hon. Member has the power to move a closure on a debate and for the Chair to accept it, even after 10 minutes, quarter of an hour or half an hour, as the Chair supposes. I hope that you will confirm that that is true.

My main point is the extent to which—*[Interruption.]* I am sure that you will accept that I have asked for three rulings so far. My fourth point relates to the use and interpretation of the word "abuse". It would be a pity if the difficulties which we have just experienced were repeated. I submit that, when the Committee has done eight hours overtime—*[Interruption.]* The choice to do that was in the hands of Her Majesty's Government, not the House of Commons. It is the choice of the Government, not the Committee, to keep us here.

Moreover, the debates have been of mountainous economic and national significance, which the media may not have covered. When the Government keep us here, it is not an abuse of the Committee for there to be a short debate on the Question that we report progress, because clearly the political area that has been covered in that time is great. I hope that you will be able to clarify that matter, Mr. Morris.

The Chairman: I am grateful to the hon. Gentleman. The Committee will know that he has been particularly assiduous in his attendance through the night. Headgear is a matter for the Procedure Committee. The word "abuse" is quoted in the Standing Order, so I have no choice but to use that word. When the hon. Gentleman moved his motion, the Chair had to decide one of three courses of action. The Chair could decide to refuse the motion altogether, to allow a Division only or to allow a debate and a Division. I chose the middle course.

Mr. Cryer: On a point of order, Mr. Morris. In applying the Standing Orders, the Chairman obviously uses his objective assessment. What worries me is that, as I came in and sat down on the Front Bench below the Gangway, I heard distinctly—it was not particularly inaudible—a Tory Whip tell the Liberals that my hon. Friend intended to move to report progress, that the motion would be taken immediately, and that it would be

[Mr. Cryer]

defeated and we would carry on. If that is the case, the source of information must have been yourself. Therefore, the interpretation is that you acted in collusion with the Tory Whips.

The Chairman: Order. To the best of my knowledge, the hon. Gentleman has only recently returned to the Chamber. When the hon. Member for Newham, South (Mr. Spearing) was kind enough to come to the Chair to say that he proposed to raise a point of order and move to report progress, it was my responsibility to the Committee to check the Standing Orders and the options available to me. If any hon. Member came to the Chair and asked me what the options were, I would give them guidance. I take my decision entirely on my own. Those who can recognise what interpretation I may put on it simply show their political acumen.

Mr. Bruce Grocott (The Wrekin): On a point of order, Mr. Morris. The argument is not about any judgment that you made but about the fact that the discussion between you and my hon. Friend the Member for Newham, South (Mr. Spearing)—in which he sought clarification of what would be the response to his suggestion that the Committee should report progress—became known to Conservative Members, and in particular the Government Whips.

The issue is serious. We are well accustomed to the coalition between the Tory party and the Liberals, which worked closely through the night. *[Interruption.]* I know that Conservative Members are tired and overwrought, but they should listen to this. This is a matter for all Members, not just for my hon. Friend the Member for Newham, South, who raised the point. When Members seek the guidance of the Chair, it ought to be assumed that it is a private conversation in which an hon. Member seeks guidance.

I fully understand that it is not easy in the context of a crowded House to hold a private conversation, but clearly the Government Whips knew what action you were likely to take, Mr. Morris. That is not within the normal processes of the House. If it is impossible for Members to seek guidance privately from you because of the nature of the building, some machinery must be found whereby private advice can be received. It is wrong that the Government Whips knew and fully understood the decision that was made. *[Interruption.]* The hon. Member for Dover (Mr. Shaw) is getting excited and uses the word "stupid".

The Chairman: Order. I hope that I can help the hon. Gentleman. The Opposition Chief Whip came to see me in the early hours of this morning and sought guidance. I gave the right hon. Gentleman guidance. I have no control over what happens to the results of the guidance that I give, but the hon. Gentleman sought guidance and I was able to give it. It may well be that that guidance was not the guidance that the Government Whips thought likely, and I suspect that it was not. With respect, it is my job to give guidance on the options open to me and how I see a position.

Several hon. Members *rose*——

The Chairman: Order. I hope that these are new points of order.

7.30 am

Mr. Gould: On a point of order, Mr. Morris. You kindly and correctly set out the options with which you were confronted when my hon. Friend the Member for Newham, South (Mr. Spearing) approached you with the suggestion that he might move to report progress. Hon. Members on all sides of the House understand that that is a matter for your discretion and you have explained the decision that you made. However, you also said—you elaborated that point in your last statement—that if you were approached by any hon. Member, you would discuss the options before you and the likely course——

The Chairman: Order. The hon. Gentleman may come back. I do not discuss the options; I clarify what the options are.

Mr. Gould: I am willing to use that phraseology. You clarify the options available to you.

My hon. Friend the Member for Newham, South will confirm that he was unaware of the option, choice or decision that you were likely to make.

The Chairman: The hon. Member for Newham, South did not come back and ask me.

Mr. Gould: In that case, Mr. Morris, we are again on all fours. We agree that the hon. Member who approached you with a view to moving that motion departed from his conversation with you unaware of the decision that you were likely to take. My question to you, Mr. Morris, is that when you said that any——

The Chairman: Order. All hon. Members depart from me unaware of what decision I shall make. The clarification they receive, if they so ask, is what options are available.

Mr. Gould: Nevertheless, although my hon. Friend the Member for Newham, South was left in that situation, it is a matter of record, unless one disputes the evidence of my hon. Friend the Member for Bradford, South (Mr. Cryer), that other hon. Members appeared to know what your decision was likely to be. When you said that any hon. Member could approach you to ask for a clarification of the options, are we to understand that that includes a Government Whip? Did that happen on that occasion, and was that the way in which a Government Whip appeared to know what your decision would be?

The Chairman: It is perfectly true. The Government Whip sought clarification on the Standing Order and what the options are. That was available to any hon. Member, but nobody knew what decision I was going to make. Nor did any hon. Member earlier in the morning know what decision I was going to make on the clarification I gave the Opposition Chief Whip. What hon. Members appear to judge from that is not for me. Hon. Members know that if there are three options, they have only three possible guesses, and they must make a judgment, based on the way the Committee has proceeded and the attitude I have taken, as to what I am likely to conclude. It is part of the skill of hon. Members in all parts of the House to interpret the situation.

Mr. Rowlands: On a point of order, Mr. Morris. As the Committee might come across this again, I wonder whether we might understand the criteria used to decide whether one debates a motion to report progress. Did you

research the last precedent when the House sat for 14 hours and the Chairman ruled that the report progress motion should not be debated?

The Chairman: The Chair makes a judgment on the particular point at the time it arises. The precedent is in the Standing Order.

Mr. Peter Bottomley: Further to that point of order, Mr. Morris. The House heard you say that you have to act in public on the things that happen in public. The last question about the Chair refusing to accept a motion cannot be relevant, because the motion was accepted, not rejected.

The second point, Mr. Morris, is that, when the hon. Member for Newham, South (Mr. Spearing) sought to move the motion, it was accepted by the Chair. The hon. Member for Newham, South did not rise, and only after the question had been put did the hon. Member for Bradford, South (Mr. Cryer) rise. Surely these points of order are, in effect, trying to delay the proceedings, in the same way as the motion sought to delay the proceedings?

The Chairman: Order. No, they were perfectly fair points of order. If I may say so, I have checked on the rules of the House and on the Standing Orders, and I am working within the Standing Orders. I regret that some hon. Members perhaps do not fully understand the Standing Orders, but that is not the responsibility of the Chair. I have now clarified those Standing Orders. I have clarified the three options that were available to me, and I have decided on this occasion on the middle course. Next time I might decide something different, but that is a matter of judgment for the Chair. I hope, therefore, that the Committee will accept that.

Mr. Rowlands: Further to my point of order, Mr. Morris. Just as Standing Orders are vital to the House, so are precedents. It is therefore not unreasonable for an hon. Member like me to request you to discover for us when was the last time that a Chair, after 14 hours of debate, actually chose not to allow the "report progress" motion to be debated. It is a perfectly reasonable request.

The Chairman: Order. I respectfully suggest to the hon. Gentleman that my job here is to chair the Committee. He can go to the Library and ask that question. *[Interruption.]*

Mr. Denzil Davies: I beg to move amendment No. 81, in page 1, line 9, after "II", insert

'(with the exception of those Articles and Protocols set out in Schedule *[Second stage for achieving economic and monetary union.]*)'

The Chairman: With this, it will be convenient also to discuss the following:

Amendment No. 83, in clause 1, Page 1, line 9, after 'II', insert

'(other than Article 109h)'.

Amendment No. 170, in clause 1, page 1, line 9, after 'II', insert

'(except Article 73e on page 14 of Cm 1934)'.

Amendment No. 171, in clause 1, page 1, line 9, after 'II', insert

'(except Article 73f on page 14 of Cm 1934)'.

Amendment No. 172, in clause 1, page 1, line 9, after 'II', insert

'(except Article 73g on page 14 of Cm 1934)'.

Amendment No. 196, in clause 1, page 1, line 9, after 'II', insert

'(except Article 3a(2) on page 10 of Cm 1934'.

Amendment No. 200, in clause 1, page 1, line 9, after 'II', insert

'(except Article 73g(2) on page 14 of Cm 1934'.

Amendment No. 204, in clause 1, page 1, line 9, after 'II', insert

'(except Article 109e(2(a)) on page 25 of Cm 1934'.

Amendment No. 206, in clause 1, page 1, line 9, after 'II', insert

'(except Article 109e(5) on page 25 of Cm 1934'.

Amendment No. 207, in clause 1, page 1, line 9, after 'II', insert

'(except Article 109(f)'.

Amendment No. 210, in clause 1, page 1, line 9, after 'II', insert

'(except Article 109m(1)'.

Amendment No. 211, in clause 1, page 1, line 9, after 'II' insert

'except Article 109m(2)'.

Amendment No. 319, in clause 1, page 1, line 9, after 'II', insert

'(except Article 3a (3) on page 10 of Cm. 1934).'.

Amendment No. 333, in clause 1, page 1, line 9, after 'II', insert

'(except paragraph 5 of Article 109e on page 25 of Cm. 1934)'.

Amendment No. 363, in clause 1, page 1, line 9, after 'II', insert

'except Article 3(a) Paragraph 3 as referred to in Article G on page 10 of Command Paper number 1934'.

Amendment No. 366, in clause 1, page 1, line 9, after 'II' insert

'except Article 73a as referred to in Article G on page 13 of Command Paper number 1934'.

Amendment No. 367, in clause 1, page 1, line 9, after 'II', insert

'except Article 73b as referred to in Article G on page 13 of Command Paper number 1934'.

Amendment No. 368, in clause 1, page 1, line 9, after 'II', insert

'except Article 73c as referred to in Article G on page 13 of Command Paper number 1934'.

Amendment No. 369, in clause 1, page 1, line 9, after 'II', insert

'except Article 73D as referred to in Article G on page 14 of Command Paper number 1934'.

Amendment No. 370, in clause 1, page 1, line 9, after 'II', insert

'except Article 73H as referred to in Article G on page 15 of Command Paper number 1934'.

Amendment No. 380, in clause 1, page 1, line 9, after 'II', insert

'except Article 109g as referred to in Article G on page 27 of Command Paper number 1934'.

Amendment No. 381, in clause 1, page 1, line 9, after 'II', insert

'except Article 109i as referred to in Article G on pages 27 and 28 of Command Paper number 1934'.

Amendment No. 382, in clause 1, page 1, line 9, after 'II', insert

'except Article 109l as referred to in Article G on pages 29 and 30 of Command Paper number 1934'.

Amendment No. 409, in clause 1, page 1, line 9, after 'II', insert

'(except the Protocol on the Convergence Criteria referred to in Article 109j of the Treaty establishing the European Community on page 112 of Cm 1934).'.

Amendment No. 440, in clause 1, page 1, line 9, after 'II', insert

'(except from "(79)" to "force" on page 58 of Cm. 1934)'.

[The Chairman]

Amendment No. 51, in clause 1, page 1, line 10, after '1992', insert

'but not Article 109c in Title II thereof".

Amendment No. 60, in clause 1, page 1, line 10, after '1992', insert

'but not the Protocol on the statute of the European Monetary Institute.'.

Amendment No. 205, in clause 1, page 1, line 10, after '1992', insert

'except Article 109e of Title VI of Title II thereof'.

Amendment No. 208, in clause 1, page 1, line 10, after '1992', insert

'but not Article 109j of Title VI of Title II thereof'.

Amendment No. 209, in clause 1, page 1, line 10, after '1992', insert

'but not Article 109k(1) of Title VI of Title II thereof'.

Amendment No. 225, in clause 1, page 1, line 10, after '1992', insert

'but not the Protocol on the Transition to the Third Stage of Economic and Monetary Union'.

Amendment No. 400, in clause 1, page 1, line 13, after 'Community', insert

'with the exception of the Protocol on certain provisions relating to the United Kingdom of Great Britain and Northern Ireland on pages 114 to 116 of Cm 1934.'.

Amendment No. 444, in clause 2, page 1, line 19, after 'intends', insert 'not'.

Amendment No. 35, in clause 2, page 1, line 23, at end add

'; but in circumstances where convergence in economic performance as established in Article 109 has been achieved and where other major member states have decided to move to the third stage, the proposal for the United Kingdom to do so shall be placed before Parliament for affirmation.'.

Amendment No. 42, in clause 2, page 1, line 23, at end add

'and the decision in principle so to move has first been approved by a separate Act of Parliament'.

Amendment No. 420, in clause 2, page 1, line 23, at end add

'and unless Her Majesty's Government has reported to Parliament on its proposals for the co-ordination of economic policies, its role in the European Council of Finance Ministers (ECOFIN) in pursuit of the objectives of Article 2 as provided for in Articles 103 and 102a, and the work of the European Monetary Institute in preparation for Economic and Monetry Union.'.

Amendment No. 39, in clause 2, page 1, line 23, at end add

'(2) As from the beginning of the year 1993 the Secretary of State shall—

(a) not less often than once in every six months, lay before Parliament a report stating what, if any, steps are being taken by the United Kingdom with a view to moving to the third stage, and

(b) seek Parliamentary approval for any such steps as are being, or are proposed to be, taken with that objective in view.'.

New clause 56—*Convergence for economic and monetary union: reporting fulfilment*—

'In complying with the requirement to submit information under Article 103(3), Her Majesty's Government shall report annually to Parliament on the extent of its fulfilment of the criteria set out in Article 109j, and shall include within its reports a statement on the implementation of a programme to improve economic performance, including measures for investment and employment measures to realise the objectives of Article 2.'.

Amendment No. 82, new schedule:—

'SECOND STAGE FOR ACHIEVING ECONOMIC AND MONETARY UNION

(1) Article 109e.

(2) Article 109f.

(3) Protocol on the Statute of the European Monetary Institute.'.

Mr. Davies: The amendment mentions "Schedule". In this case the word "Schedule" refers to the second stage of economic and monetary union.

The Second Deputy Chairman of Ways and Means (Dame Janet Fookes): Order. I wish to hear what the hon. Gentleman has to say, but it is impossible if there is too much noise. Will those who are leaving please go quickly and quietly?

Mr. Davies: Amendment No. 81 seeks to strike out the whole of the second stage of economic and monetary union, including the European monetary institute and the protocol related to it. Perhaps I may respectfully remind the Committee that this group of amendments deals with the transitional arrangements, with the second stage and the third stage, so it covers the whole of the process towards the final act of a single currency, if that should happen. Amendment No. 409 seeks to exclude the protocol on the convergence criteria which have to be achieved before a member state can enter stage 3. Amendments Nos. 38 and 381 deal with the balance of payments crisis and the power given to the Commission, within those stages, to control and supervise any action taken by a nation state in respect of that balance of payments crisis.

Although chapter 4 of the treaty of union on page 25 is headed "Transitional Provisions", it deals in the main with the second stage and then with the third stage.

Before I discuss those, perhaps I could clarify the legal position. I should like the Financial Secretary to answer some questions. Despite the fact that he has been up all night, he is bright-eyed and bushy-tailed, and I am sure that he will courteously seek to answer questions on the literal interpretation of the text, which is not easy to understand. I give him warning that I shall have to ask such questions.

I am glad to see the Attorney-General here. During most of the debates he has kept a watching brief. We have not had the benefit of his words, but he has looked wise, as Attorneys-General are apparently supposed to do. I shall try to set out the legal position as I understand it. Some of the amendments may be desirable from the Government's point of view, but they may not be necessary—to use the language of the Foreign Secretary or of the Attorney-General.

Stage 2 of economic and monetary union imposes treaty obligations on us. We have not acquired an opt-in or an opt-out to stage 2, which is a treaty obligation. We are not supposed to refer to the gentlemen in the Box, and I do not know whether they are Foreign Office legal advisers, but I see that they agree with me. I am not sure whether that is worrying.

To return to the Attorney-General's helpful intervention on amendment No. 27, when he said in so many words —I should have thought that it was a fairly simple legal point—that if one has a treaty obligation, one must incorporate it into domestic law. The corollary is that, if one has no treaty obligation, one has nothing to incorporate into domestic law.

According to the Government, amendment No. 27 did not create a treaty obligation, so nothing was put into domestic law; thus, it did not really matter what one put into that law.

Stage 3 does not involve any treaty obligations. The Financial Secretary did not say so in so many words, but I am not criticising him. He does not have the courage of the Minister of State, who rushes into the legal arguments with great enthusiasm. Therefore, any amendments to stage 3 are not fundamental to the treaty. I mention that to Members on the Labour Front Bench, so that if they wish to be courageous on this occasion and to vote on an amendment relating to stage 3, they need not worry, because the treaty will be fine and can still be ratified. I think that the Attorney-General will confirm that that is correct. I want my hon. Friends on the Front Bench to be careful not to vote on stage 2 because it might badly hurt the treaty, which apparently the official Labour party supports.

First, I will deal with stage 2. On page 25, the first paragraph of article 109e states:

"The second stage for achieving economic and monetary union shall begin on 1 January 1994."

There is not much time. The treaty may or may not be ratified by then—who knows? No one knows what will happen in the Danish referendum, or in this House and the other place.

Even if the treaty is ratified by 1 August—let us give the Government some hope—there is not much time for the Financial Secretary, the Foreign Office and the Treasury to get their tackle in order, as we shall be straight into stage 2 of economic and monetary union, which is obligatory. We cannot plead the opt-out or the opt-in.

Article 109e continues by stating that even "Before that date"—presumably the date when every country has ratified—and the second stage "each Member State shall" do certain things. In paragraph 2(a) we are told that each member state shall adopt multiannual programmes. I suppose I know what multiannual programmes are—lots of programmes in one year, I take it. As this is Treasury stuff, I hope that the Financial Secretary will be able to tell us whether we are to embark on these multiannual programmes in the middle of this year. These are very important programmes.

7.45 am

Mr. Rowlands: I see that the Financial Secretary is shaking his head, but the achievement of economic and monetary union must be the purpose of a multiannual programme.

Mr. Davies: I hope that the Financial Secretary was not indicating dissent. We do not know who is watching these debates. We do not know whether the Commission has a magic eye. We have heard in previous debates that member states must be careful, that they are not supposed to interfere with the Commission. Others may say what they like, but Ministers have to be careful. I hope that we shall be told that these multiannual programmes are starting. Otherwise, after the treaty has been ratified, the Government will be breaking one of the first articles. That would be a bad start.

Mr. George Howarth (Knowsley, North): Which one?

Mr. Davies: I shall try to answer my hon. Friend's question, and the Financial Secretary will no doubt provide clarification. In fact, it seems that he is going to do so now.

Mr. Dorrell: The Red Book is a multiannual programme. It was laid before the House on Budget day.

Mr. Davies: That is a multiannual programme, not just an annual programme?

Mr. Dorrell: Yes. A multiannual programme is one that publishes plans in respect of more than one year.

Mr. Davies: Now the Minister tells us. The Chancellor did not tell us, did he? I wondered why he was putting three Finance Bills into one, and three Budgets into one. They cover three years.

Mr. Spearing: Is my right hon. Friend aware that the words "multiannual programme" are used frequently by the European Community? The EC does not do this in relation to just one general matter of public expenditure, to which I think the Financial Secretary referred, but in relation to programme after programme, sometimes for five or six years ahead. It therefore commits expenditure well ahead of the annual budget. That is the way in which not only the multiannual programme but the whole budget commitment works, irrespective of future economic developments. This practice of our friends and neighbours across the channel has not been a major feature of the United Kingdom until recently.

Mr. Livingstone: Cannot the Government give us an explanation? What is the difference between this multiannual programme, about which they seem so happy, and the old five-year plans of Comrade Stalin, which they regarded as an appalling abuse of human rights which led to dictatorship? How can the Government prevent the multiannual programme from becoming a panoply of Stalinism and repression? What is the difference? Is there a difference?

Mr. Davies: My hon. Friend asks a very important question and no doubt the Financial Secretary will answer it. He has certainly given us a new name for the Red Book. "Multiannual programme" sounds much better.

Dr. Godman: I should like to offer a concrete example of the imposition of a multiannual programme by the European Community, not by a national Government. The programme to which I refer concerns the size of the United Kingdom fishing fleet. Several years ago the European Community instructed the United Kingdom Government to reduce the size of its fishing fleet, over a period of three years, by about 20 per cent. in terms of horse power and gross registered tonnage. That instruction came from the European Commission by way of a multiannual programme.

Mr. Davies: I am grateful to my hon. Friend, who is diligent and understands such matters.

Sir Teddy Taylor: Is not the hon. Member for Greenock and Port Glasgow (Dr. Godman) being a little unfair? Does he not appreciate that the European Community multiannual programmes have huge advantages in terms of flexibility over our programmes? The commitments in the Edinburgh budget are worth millions of pounds more than the available resources. A European Community

[Sir Teddy Taylor]

multiannual programme commits a country to spending far more money than it has. If we apply that principle to our resources, expenditure and budget, we can do extremely well. The method was used in 1988 when, because of a multiannual programme and working on a metric year of 10 months, it was possible to spend 20 per cent. more. I hope that the hon. Gentleman will not allow himself to throw out the possible advantages of the much greater degree of flexibility afforded by the EC's multiannual programmes, under which one can spend far more than one has, and nobody seems to complain.

Mr. Davies: Does my hon. Friend the Member for Newham, South (Mr. Spearing) wish to amplify the argument?

Mr. Spearing: The recent exchanges show the value of Committee procedure. Does my right hon. Friend agree that the introduction of commitments ahead of the raising of taxation strikes at the root of the financial power of the house over any Government who determine expenditure year on year? Making a commitment too far ahead—particularly in respect of the European Community—means that money is committed ahead of the economic circumstances and taxation at the time, which means that control over the Executive of the day is lost.

Mr. Davies: My hon. Friend is correct. I know something of the subject because, years ago, I used to have some ministerial responsibility—if that is not stretching it a bit—over the EEC budget. The Treasury was hard on the EEC budget and did not like the spending commitments whereby money was spent in one year and rolled over to the next, because the Treasury could not control the process. The Treasury was, rightly, austere.

No doubt in the laxer financial climate that prevails under the present Government—who create public sector borrowing requirements of up to £50 billion and more—the Treasury has been worn down. I am sure that the Financial Secretary can tell us.

Mr. Dorrell: The right hon. Gentleman is performing a remarkable feat: apparently he is signing up all his right hon. and hon. Friends to the sternest and strictest interpretation of the principle of annuality, which has historically been ascribed to Her Majesty's Treasury. That is something for which the Treasury is usually more criticised in the House than praised. Are we to take it that out of the window will go support for year-end flexibility and for taking a longer-term perspective? A multiannual programme is simply a commitment to look at an economic programme over more than one calendar year —in every other debate in which the subject has arisen in the House that policy has been accepted by both sides of the House as a good thing.

Mr. Davies: The Financial Secretary is perhaps making too much of the matter. I was saying that my hon. Friend the Member for Newham, South and the hon. Member for Southend, East (Sir T. Taylor) have argued that the way in which the EC has developed is different from the way in which the Treasury used to do things when I was a Treasury Minister. I was merely making a neutral statement. Perhaps Treasury Ministers then were pedantic, old-fashioned or wrong—but the Treasury always used to argue strongly against the idea of a carry-over. Obviously it is somethimes necessary to adopt the carry-over policy when dealing with large projects, such as those relating to defence.

However, payments and commitments were constantly being made in relation to the Eurpoean budget and it was sometimes difficult to follow what was happening and to maintain control. The Treasury was sensible to do so then, but we now live in times of laxer control over public expenditure—as was made obvious by the figures that the Chancellor gave us a few weeks ago.

Mr. Tim Renton (Mid-Sussex): I think that the right hon. Gentleman is suffering from a slight shortage of memory. He was in the Treasury when the Chancellor, now Lord Healey, introduced his Budget in 1975 or 1976. In that, as in today's Red Book, there was a carry-forward of anticipated expenditure for a number of years ahead. That led to an expected PSBR of many billions of pounds and caused great concern to those of us in opposition at that time. No doubt at that time the right hon. Gentleman defended the multiannual PSBR, the deficit on planned Government expenditure that was shown up in the Red Book. At heart, the right hon. Gentleman is a sensible man and knows that Governments enter into expenditure programmes that will run for some years. The multiannual programme is simply a forecast of the likely outturn over future years. The right hon. Gentleman must remember that from his years at the Treasury. The Treasury may have been lax in those days, too, when, as far as I remember, he was one of its more spendthrift members.

Mr. Davies: We certainly had many Budgets; it was a kind of multibudget era. But we had only one PSBR each year and we carried very few things forward. The Financial Secretary says that multiannual means carrying forward or rolling forward. At least he has explained what is meant by multiannual programmes.

Mr. Rowlands: The multiannual programme in this article has the specific purpose of achieving economic and monetary union. Does my right hon. Friend agree that one of the major purposes of the Red Book was to achieve economic and monetary union?

Mr. Davies: My hon. Friend is right. I was coming to that issue, because the Red Book is intended to ensure the lasting convergence—not just a one-off convergence—that is necessary for the achievement of economic and monetary union.

The Financial Secretary got into some difficulty, which may have been due to the lateness of the hour, when he was asked by my hon. Friend the Member for Oxford, East (Mr. Smith) what the Prime Minister meant when he told *The Irish Times* that he was in favour of economic and monetary union as it would put us at the heart of Europe and all that. The Financial Secretary wriggled. He said, "Ah, well, of course there are all kinds of economic and monetary union." He nods, but perhaps he is tired. He did not mention the hard ecu, but it was the sort of 13th currency that the Treasury and some guy in the City dreamt up to try to get out of this nonsense. It was a rather clever idea, but, unfortunately, nobody bought it.

There may be all sorts of economic and monetary unions, but this one cannot be interpreted flexibly, whatever else has been interpreted in that way. The Financial Secretary shakes his head again. What other economic and monetary union can it be? If I were debating

some other economic and monetary union I should be called to order. I am debating this one. In effect, it is monetary union because I do not know what economic union means. Monetary union is quite clear. We are told that the Red Book is intended to ensure the lasting convergence that is necessary for the achievement of economic and monetary union.

Mrs. Teresa Gorman (Billericay): I congratulate the right hon. Gentleman on elucidating an issue that seems to have been missed by every hon. Member and certainly by the media. It is that propositions in the Bill have already been adopted into the practices of our budgeting structure. Another little item in the Budget caused some consternation and bamboozlement. It was VAT on fuel. That is the adoption of the concept of harmonisation of VAT because most member states have VAT on fuel and we will have a great deal more put on it before we see the end of that impost.

8 am

Mr. Davies: I had better be careful not to go down that particular road.

The Financial Secretary is studying the text of the treaty carefully, for which I am grateful. The Attorney-General has left—frankly, I do not blame him.

The multiannual programme must have regard to price stability. We are back to that again. The Government are doing all right with price stability at the moment, at 1·5 per cent. or 2 per cent., or 3 per cent. depending on whether it is the underlying rate. Perhaps next year, when the subsequent multiannual programme is published, the Financial Secretary will not be doing so well with price stability. I suspect that the pass has been sold and the Prime Minister realises that the British economic system needs inflation. We will return to that debate another time.

Article 109e states that the multiannual programme exists

"for the achievement of economic and monetary union, in particular with regard to sound public finances".

That is a bit of a joke, with a £50 billion PSBR at 8·2 per cent. of GDP. That particular multiannual programme does not come anywhere near "sound public finances".

I do not think that next year's multiannual programme will do so, either. Will it be different, or does the current programme apply for three years? We have been given some Mickey Mouse figures that are supposed to allow forecasting of the PSBR for next year and the year after. I seem to remember that it was difficult to forecast on Friday the PSBR for Monday, let alone for three years ahead.

Sadly, whatever the Financial Secretary may say about his rolling programmes and the sophistication of public expenditure control—or the lack of it these days—the Government are not doing very well. There will be real problems. My hon. Friend the Member for Oxford, East mentioned flexibility. There is little flexibility in the treaty's provisions. The figure must fall and continue to fall to about 3·5 per cent. before too long—and that requirement must be observed because it is a treaty obligation. It is not an opt-out or opt-in. It must be done now, or at least when the treaty is ratified.

The Government claim that they will meet that obligation. They say, "We are all in favour of bringing down the PSBR. We will have a balanced budget." The figure must fall to 3 per cent. because the stage 2 obligation is to bring it as close to 3 per cent. as they can.

Paragraph 3 states that many of the provisions

"shall apply from the beginning of the second stage."

It is suggested that there is a cut-off point between stages 2 and 3, when we can sit back as though nothing happened at stage 2. The Financial Secretary offered an explanation earlier. Apparently, the House is to be given a marvellous choice—unlike the Messina conference, the British people and the House will have a marvellous choice, some time in the future, on whether they want to take a decision, unfettered and uncluttered by anything that has gone before, to go for a single currency and—dare I say it?—economic and monetary union.

It will not be like that, because stage 2 runs into stage 3—and the transitional provisions run into stage 2. It used to be said of nuclear strategy that it was a seamless web. When Ministers found themselves in difficulty over the nuclear deterrent—I am sure that the right hon. Member for Mid-Sussex (Mr. Renton), as a former Chief Whip and Foreign Office Minister remembers this—the stock phrase was "a seamless web". Well, this is almost a seamless web. By the time we get to stage 3, the web will have spun all around us by stage 2. But I see that the former Chief Whip is itching to intervene.

Mr. Renton: The right hon. Gentleman has egged me on to my feet.

In my interesting days as Chief Whip, or Patronage Secretary, I cannot recall hearing either the Labour party or the Conservative party described as a seamless web. It strikes me as an extraordinarily inapt description. I should have thought that both our parties were more like spiders' webs, full of little traps from which hon. Members appear. Does the right hon. Gentleman regard his party as a seamless web in regard to the issue of the Maastricht treaty? Far from it, I should have thought.

Mr. Davies: The right hon. Gentleman is not on his best form this morning—or perhaps I did not explain properly. I was using the phrase "seamless web" to describe the whole process of the deterrent, from the little shells that nearly blew up Germany to the big ones that blew up the world. The right hon. Gentleman was a disarmament Minister, but I remember being on a television programme with him during the Reykjavik summit: he had not a clue what was going on and nor had I. I am not sure that the right hon. Gentleman learnt very much in the Foreign Office.

Dr. Godman: My right hon. Friend quoted paragraph 3, which states that paragraphs 1, 9, 11 and 14 of article 104c are excluded from the second stage. Does he agree that some powerful sanctions still exist—for example, in paragraph 8 of article 104c—which can be levied against a recalcitrant member state? Cannot a Council censure such a state in public? That could be disastrous, in an election year, for the governing party that is being so censured.

Mr. Davies: Indeed. I was coming to article 104c. My hon. Friend is right: some of the more draconian paragraphs are excluded until stage 3 is reached—paragraphs 1, 9, 11 and 14. Paragraph 3, however, states:

"If a Member State does not fulfil the requirements under one or both of these criteria"—

the ratio criteria, which we have debated—

"the Commission shall prepare a report."

[Mr. Davies]

That is pretty fierce in itself.

"The report of the Commission shall also take into account whether the government deficit exceeds government investment expenditure and take into account all other relevant factors".

That is the starting point. Then, as my hon. Friend the Member for Greenock and Port Glasgow (Dr. Godman) pointed out, if the nation state fails to do certain things, the Commission can publish the report. Under paragraph 12, it is held in terrorem over the head of the member state.

No member state—least of all a member state like Britain, which will probably have a balance of payments problem and whose currency will be rather wobbly—will want to incur such international opprobrium, with all the attendant effects on the international markets, the pound or interest rates. The report would be like an IMF report—the right hon. Member for Mid-Sussex can tease me about that again if he likes. We know the effect that the IMF can have on a nation's status in the currency and financial markets.

Paragraph 4 of chapter 4 states:

"In the second stage, Member States shall endeavour to avoid excessive government deficits."

The Financial Secretary does not even look up. The word used is "endeavour", but the whole area encompasses pressure on the member state to ensure that it avoids excessive deficits.

Mr. Rowlands: Before my right hon. Friend deals with paragraph 4 of article 109e, let us consider the second part of paragraph 3, which lists a series of articles that will apply from the beginning of stage 3. At the beginning of his speech, my right hon. Friend mentioned the formula used by the Law Officers and the Foreign Secretary. They identified the articles and amendments that were necessary and those which were only desirable. They said that one category created rights and obligations. Is it my right hon. Friend's understanding that some of the articles listed in the second part of paragraph 3, relating to stage 3, are not necessary and, therefore, do not create rights and obligations at this stage and are thus only desirable? If so, could not some easily be knocked out of the Bill without preventing ratification?

Mr. Davies: That follows on from what I have tried to argue. The second part of paragraph 3 deals with articles which will apply from the beginning of stage 3. It could be knocked out without affecting ratification of the treaty. That must be right and I am sure that the Financial Secretary agrees.

Mr. Cash: In the same spirit of scrutiny, does the right hon. Gentleman agree that it would be as well to remember that we are talking about a legal requirement? The requirement for member states to "endeavour" to avoid excessive Government deficits under paragraph 4 of article 190e is, to all intents and purposes, no different from the requirement under the so-called opt-out in article 104c, of which much has been made, that member states "shall" avoid excessive Government deficits. The important point is that, if member states do not avoid such deficits, they will be up before the beak.

Mr. Davies: That is right. As the hon. Gentleman knows, the phrase "shall endeavour to avoid" appears in many contractual documents: "the party of the third part shall endeavour to avoid". If it can be shown that the party of the third part has not endeavoured to avoid, damages, fines, or whatever the document specifies, follow. However, we shall endeavour. Every day, the Financial Secretary "endeavours to avoid" at the Treasury. We heard that the Belgian Government had been endeavouring to avoid, although they did not manage it and lost a Prime Minister. They will try again because they will have to. Everyone is endeavouring to avoid.

I disagree with my hon. Friend the Member for Oxford, East, who appears to think that there is flexibility and that we do not have to worry. Everyone will be endeavouring to avoid and will endeavour to reach the 3 per cent. target as fast as they can, especially, and paradoxically, as the economic situation in Europe gets worse. It will drive member states towards economic and monetary union faster because that will be regarded as the panacea—get there quickly and everything will be all right. I suspect that it will work in a different direction.

The Financial Secretary is endeavouring. There will be another Red Book next year and he will ensure that the Commission does not come down on him like a ton of bricks. He will be a good boy and do the best he can.

Mr. Legg: I was interested in the right hon. Gentleman's comments about nation states in Europe wishing to go faster, even though economic circumstances were against them. I recently had a meeting with Pedro Perez, the socialist Economics Minister of Spain, where there is an unemployment rate of 20 per cent. He said that Spain had a convergence programme to get its public sector borrowing requirement down to 1 per cent. He saw the solution to Spain's unemployment problem as the driving down of the deficit. The right hon. Gentleman has hit on a very good point.

Mr. Davies: I wish to move on, but I agree that Governments will try to reach the 3 per cent. target as quickly as they can because they will be under pressure. Now that the ERM has failed to deliver economic and monetary union, because it could not traverse the chasm in one leap—it tried to do it in two leaps but fell down—there will be pressure to arrive at a common currency in another way, like a big bang, and everyone will have to converge as fast as they can. I think that that is what will happen, but it is a matter of opinion.

I shall now move on.

Mr. Hain: In support of that important point, may I remind my right hon. Friend of the statement by the Economics Commissioner, Mr. Henning Christophersen? My right hon. Friend may recall that a few weeks ago there was much speculation about the "impossibilist" convergence criteria. Countries were finding them difficult to meet; in fact, virtually no country was meeting them. Mr. Christophersen quickly jumped in to say that that did not mean that Europe was not still on course:

"We are not talking about a delay in the general process. We are talking about a common time frame."

That was an important confirmation from the EC Commissioner.

Mr. Livingstone: And on the same point, does my right hon. Friend——

The Second Deputy Chairman: Order. We cannot have one intervention upon another.

8.15 am

Mr. Davies: I agree with my hon. Friend the Member for Neath (Mr. Hain). I, too, saw Mr. Christophersen's statement. It was rather a diplomatic statement, because I gather that different views were expressed at the meeting and the Commissioner may have been trying to straddle those different views. I believe that in general there will be an effort to get the process over with as quickly as possible.

Mr. Livingstone: One the same point, in view of what the hon. Member for Milton Keynes, South-West (Mr. Legg) has just said about the attitude of the Spanish Government, does not a clearer idea of what is likely to happen emerge from the first stage of the French election results? The French Government, also misguided, have striven to prepare the French economy for the criteria and have followed every stricture on monetary policy that comes out of Brussels, to try to make France the premier nation in terms of preparation for monetary union. The result has been the destruction of popular support for that Government and their elimination from Parliament. The results have been devastating, the worst showing by any French Government this century, and that is because that Government have complied so faithfully with the criteria. After the best part of a decade and a half in the first stage of the transition towards monetary union—that is what the exchange rate mechanism was all about—popular support has been destroyed, because the scale of pain involved is not sustainable in a democracy.

Mr. Davies: It will be interesting to see what happens in France and whether the Gaullists will try to break the orthodoxy. I should be surprised if they did. I think that the Governments of Europe are all locked into it and that after a while they will not worry too much about their people. Perhaps I am digressing now, but I believe that there is a kind of political class that likes to latch on to that orthodoxy. I should be surprised if the Gaullists did otherwise, but I may be wrong.

May I now move on?

Mr. Gould: May I delay my right hon. Friend for a moment longer? Bearing in mind the powerful point made by the hon. Member for Milton Keynes, South-West about the Spanish experience, the even more powerful point made by my hon. Friend the Member for Brent, East (Mr. Livingstone) about the fate of the French socialist Government, and the fact that one of the few positive arguments for supporting the treaty ever advanced by our hon. Friends is that we must maintain and establish solidarity with our European socialist colleagues, does not my right hon. Friend think that it would be advisable for our hon. Friends at least to note the fate of the French socialist Government and the likely fate of the Spanish socialist Government? Even in terms of the most cynical electoral calculation, would not it be prudent to pause for a moment before blundering forward along the same course?

Mr. Davies: I agree. Indeed, about 30 of us recently went through the Aye Lobby to ask for a pause, but unfortunately I do not know where the rest of the Labour party was. Perhaps other Labour Members were in bed, or perhaps they did not want to pause—that must be the conclusion to draw. I agree that what my hon. Friend has described is a serious matter, not only for the so-called democratic left in Europe but for orthodox parties of the right, too. We are taking economics out of politics, which is a dangerous thing to do. No doubt we can return to that debate.

Article 109e (5) which deals with the Bank of England, says:

"During the second stage, each Member State shall, as appropriate, start the process leading to the independence of its central bank in accordance with Article 108."

That is a legal obligation. The second stage starts on 1 January 1994 and goes on and on until we reach a third stage. Presumably, if we do not reach a third stage, we shall remain in the second stage.

My hon. Friend the Member for Oxford, East questioned the Financial Secretry once or twice on this matter and the Financial Secretary was not entirely clear about it. I think that he said, and I have heard other Ministers say, that we do not have to do anything about the Bank of England until the third stage—until we have opted in, if we decide to opt in. That is as it may be, but something has to be done by a member state, as my hon. Friend the Member for Oxford, East pointed out, to

"start the process leading to the independence of its central bank".

What is meant by the

"independence of its central bank"

is that the statute governing that central bank must be as nearly identical as possible to the statute governing the European central bank, which is also independent. It makes sense that they should be mirror images, like the German länder banks and the Bundesbank. The process has to be started.

The Bank of England Act 1946 did not nationalise the Bank of England. I heard Lord Jay making a number of speeches explaining that Act quite clearly. It merely enabled the Treasury to issue directives to compel the Bank of England to obey. Apart from once, over prices and incomes policy, when those at the Bank went off and paid themselves a lot of money, I do not think that the Bank has ever been threatened or issued with a directive. We were contemplating one in those days, but, in the end, it did not have to happen. So now there are directives held in reserve. If the Governor refuses to put on his top hat, get in his car and come down to No. 10 Downing street and give his advice on interest rates, a directive will be issued.

The Bank of England Act will have to be substantially changed or repealed. The power to issue directives against the Bank of England will have to go. I should be surprised if that could be done by order. I do not see how it can be done except by repealing the Act.

Mr. Dorrell *rose*——

Mr. Davies: I see that the Financial Secretary is ready to intervene. How does he envisage starting the process, which he will have to do in stage 2?

Mr. Dorrell: This country has no obligation under the treaty to move to stage 3. That is a choice which we have left until later. Furthermore, clause 2 provides that we would not be able to exercise our option of moving to stage 2 without a further piece of legislation going through the House. Clearly, as part of that legislative process, we should have to provide for an independent central bank which satisfied the terms of the treaty—if we chose to go to a single currency. We should have to provide arrangements for the Bank of England which satisfied the treaty, if we chose to exercise our option under our protocol. But if we choose not to exercise our option in

[Mr. Dorrell]

order to join a single currency, we are under no obligation under the treaty to change the arrangements for the Bank of England.

Mr. Davies: Is the Financial Secretary saying that he does not start the process under stage 2 until just before the Queen signs the Act?

Mr. Cash: It is idiotic.

Mr. Dorrell: My hon. Friend the Member for Stafford (Mr. Cash) says that it is idiotic. As a statute is required to go through the House to make the changes to the Bank of England that are necessary to satisfy the requirements of the treaty, it seems to me not unreasonable to assume that the House would wish to consider the arrangements for the Bank of England at the same time as it made the choice whether to adopt a single currency. It would put the two things together. *[Interruption.]* With respect to my hon. Friend the Member for Stafford, it is not beyond the wit of man to fix a date on which a measure comes into force somewhat after the date of Royal Assent.

Mr. Davies: The Government will do the two at more or less the same time. We have not been told that before, so now we can move on. Of course, it means that the Government do not believe in an independent Bank of England. The present British set-up is excellent; the Governor gives his advice, and the Prime Minister and Chancellor decide. The French have had a similar system for years, although I do not think that they bother to consult the Governor, who is told of the decision, whatever it is, after it has been taken. By that means, the French have done well—better than the Germans—on inflation. We note with interest that the Government are not rushing to create the great independent central bank, which we shall have to accept if we go for the idea.

Mr. Gould: My right hon. Friend is perhaps being too generous to the Financial Secretary, who said that no step need be taken towards the establishment of an independent central bank unless and until the preconditions for the implementation of stage 3 are acted on. Yet that is contradicted by the words that my right hon. Friend quoted. They provide that under stage 2—the question whether we ever get to stage 3 is irrelevant—each member state shall—it is a mandatory use of language—start the process, leading to the establishment of the independent central bank. So my right hon. Friend was right to ask what steps the Government contemplate to fulfil that obligation. It has nothing to do with stage 3. We may never reach that stage, but that mandatory obligation would be in force as we proceeded through stage 2.

Mr. Davies: I am prepared to give the Financial Secretary the benefit of the doubt. I think he was saying that, for a magical moment, we shall be in stage 2, and then —whoosh—into stage 3. If he was not saying that, my hon. Friend the Member for Dagenham (Mr. Gould) is right.

Mr. Rowlands: If the Financial Secretary believes that this is the right process—that we can legislate for stage 3 when we come to the second piece of legislation—why are we putting so many articles into our domestic legislation now? If that formula is available in that case, why is it not available for other articles in stage 3, so that we can legislate for that stage when we decide to go into it?

Mr. Davies: My hon. Friend makes a good point, which has not so far been answered, except that what the Government are doing is tidy and makes the draftsmen happy. Of course, doing it this way avoids a terrible row, since our European colleagues will not have to accuse us of dragging our feet.

Mr. Legg: Should there be a prolonged period in stage 2 for the United Kingdom, and we have the provision stating that we shall start the process, will the decision to start the process be wholly in our hands? If Britain does not take that step in accordance with the treaty, other parties may apply pressure to get that part of the treaty enforced.

Mr. Davies: From a practical point of view, the answer is yes, something will have to be done. But it will all be done after the treaty has been ratified by joining the ERM —a subject to which I shall return.

Mr. Andrew Smith: The Government want to face in both directions simultaneously. They want to be able to say that the second stage can stretch ahead indefinitely, with the rest of Europe perhaps in stage 3, just as our proceedings today are actually taking place on Wednesday in parliamentary terms, even though Thursday Committees may soon start sitting. On the other hand, we must put every condition in place so that the Government can satisfy other European countries—and some of the Financial Secretary's other friends—that we will be in a position to satisfy the requirements of the treaty. The Government do not want to say which course of action they will take.

8.30 am

Mr. Davies: I will not be tempted too far. All the geniuses are on the Government Front Bench.

I shall refer to another institution. The number of institutions established by the European Community is amazing. There are institutions for all sorts of purposes. Article 109f provides for the European Monetary Institute. The Government's involvement must start at the beginning. The institution must be set up and the Government must be part of it immediately at the start of stage 2—which is 1 January, if everything goes all right. Basically, the EMI will be the shadow central bank. It will take over from the Committee of Governors, which already exists.

The process is clear: we have an obligation under the treaty, and we will obviously take a full part in the EMI. The statute of the EMI is set out in page 104 of the treaty. There are only one or two points to which I should refer. Paragraph 1.3 in article 1 of the protocol says:

> "The Committee of Governors and the European Monetary Co-operation Fund (EMCF) shall be dissolved. All assets and liabilities of the EMCF shall pass automatically to the EMI."

I do not know what the European monetary co-operation fund is. Perhaps the Financial Secretary could tell us what assets the fund has at present, what its liabilities are and what percentage of the assets—or perhaps more importantly, the liabilities—Her Majesty's Government own or for which money is owed. All the assets and liabilities will go to the EMI. Presumably, the fund passes out to the joint ownership of the British Government to some extent and comes under the

ownership of the EMI, which then becomes the central bank. I hope that the Financial Secretary can clarify that matter.

In article 2, we are told the objectives of the EMI:

"The EMI shall contribute to the realization of the conditions necessary for the transition to the third stage of Economic and Monetary Union".

It is not any old economic and monetary union, but the one provided for in the treaty. The Financial Secretary does not know whether we want to join that union.

An institution will be set up, perhaps on 1 January 1994. Its job will be to prepare the way for the central bank. The British Government will have to play their full part. Whatever money or effort it costs, and whether the Financial Secretary likes it or not, the Government will be part of an enterprise which will drive the countries of Europe towards a central bank, a single currency and economic and monetary union.

The article says that the EMI will make

"preparations required for the establishment of the European System of Central Banks (ESCB), and for the conduct of a single monetary policy"—

the Government will be playing a full part at the heart of the institution in Europe—

"and the creation of a single currency in the third stage."

The Financial Secretary or the governors will also oversee the development of the ecu, which will presumably be the single currency.

Mr. Rowlands: The hard ecu.

Mr. Davies: We lost the hard ecu somewhere along the way. I do not know what happened to it. Given the balance of payments deficit and the PSBR, we cannot talk about hard currencies. So to propose a hard ecu is perhaps not a good idea for the Government.

Mr. Legg: A marshmallow ecu.

Mr. Davies: A marshmallow ecu, the hon. Gentleman says.

Article 3 of the protocol says:

"The EMI shall act in accordance with the objectives and principles stated in Article 2 of the Statute of the ESCB."

Then we are told what its primary tasks will be. I will not go through them all.

Mr. Hain: My right hon. Friend mentioned that the EMI would have to act in accordance with the objectives and principles stated in article 2 of the ESCB statute. If my right hon. Friend turns to page 90, he will find that the treaty lays down that the EMI will be directed to achieve price stability in a determined, laser-like fashion, in accordance with article 3a. So we have come full circle. Although supposedly we are not yet in stage 3 and the House will take a free decision to enter it, in practice we are lining ourselves up lock, stock and barrel to worship at the shrine of price stability at all costs and without prejudice to anything else.

Mr. Davies: That is right. As I said at the beginning of my speech, price stability appears in paragraph 2 of the transitional provisions. It appears right through the treaty. As the Financial Secretary accepted in another debate, price stability is close to zero inflation, if not zero inflation. That is what it is all about. We are told in paragraph 4.1 of the protocol that the EMI will

"normally be consulted by the national monetary authorities before they take decisions on the course of monetary policy in the context of the common framework for ex ante co-ordination."

That means that, even under stage 2, the British Government will no longer be free to set their own monetary targets and determine how they control monetary policy. The EMI will be able to come to the Government and say, "We want to look at your monetary targets. How do you do it?" The job of the EMI is to create a common monetary policy for when stage 3 arrives. It will be ready to take over with the M3, M4, M10 or whatever totem pole of monetarism is in fashion when we reach the first stage of EMU.

Mr. Spearing: My right hon. Friend will agree with me that we have dealt with profound issues in the last two debates. Our problem is in describing them to those who are not habitually interested in international banking matters. Does he agree that what he has just described amounts to saying that, in stage 3, we are invited to enter a series of financial and economic straitjackets? However, in stage 2 we are not in the jackets, but we have to act as if we are.

Therefore, when we reach stage 2, we shall be told by whatever Government are in power that we can easily move to stage 3, because we shall not have to act any differently. That is perhaps a rather crude analogy. Is it not approximately the position in which the treaty and the matters referred to by my hon. Friend the Member for Neath (Mr. Hain) put us? Therefore, when the time comes for choice, it will be easier superficially for the Government or any Administration to say that we should enter stage 3 so that we can influence future events.

Mr. Davies: I quoted the last sentence of paragraph 4.1 of the protocol, but, as my hon. Friend has said, some of the sentences are stronger and bolder. One of them talks about strengthening

"the co-ordination of the monetary policies of the Member States with the aim of ensuring price stability;"

Another states that regular consultations must be held on

"the use of monetary policy instruments".

I would not want to stretch the point, but that is getting pretty close to interest rates which are part of monetary control. Towards the end, there is a requirement to

"supervise the technical preparation of ECU bank notes".

I do not know whether that means painting the name on them, but perhaps in Birmingham where they used to print pound notes they will be printing ecus.

The British Government are tied in by treaty obligations to do all those things, yet they have to pretend that, one day in the distant future, a pristine, unfettered, uncluttered decision will be taken to go in or to stay out. The Government are not credible when they say that; we are in pretty deep, and if we do not have the courage to cut this Gordian knot and say that it is all nonsense, we shall not have the courage to do it in five or six years' time, when we are all sitting nicely on our EMIs and other institutions, rushing back and forth from Brussels for splendid meetings. I do not believe that it will happen like that.

Mr. Chisholm: Is it not also the case that all the references to monetary policy must include exchange rate policy? Does not that give the lie to the idea that Ministers are peddling, in order to gain the votes of Conservative Back Benchers, that they will retain the freedom to set the exchange rate during stage 2? Is it not the case that we shall not be able to have a floating exchange rate and that that will be controlled, or at least influenced, by the EMI?

Mr. Davies: Indeed. I shall return to the interesting subject of the ERM. My hon. Friend is quite right.

Article 6.1n, on the European Monetary Institute, talks about a Council regulation 1969/88

"establishing a single facility providing medium-term financial assistance for Member States' balance of payments."

I see the Financial Secretary's eyes lighting up at the chance to get some money out of the Commission to help to cover the Government's huge balance of payments deficit. It was £17 billion this year, and if we have the recovery that the Government want, it will be £20 billion and will continue to rise.

It sounds a bit like the IMF, which was formed to help member states with balance of payments problems. That was its primary task, although I do not know whether that is still the case.

The EMI and the Commission will help out member states with their balance of payments problems, but there will be no free lunch. There will be a multiannual programme which will set out where the cuts should be made and how many hospitals and schools should be closed and whether there should be cuts in social security and welfare payments, which is what they are trying to do in Belgium and Germany, and facing some problems. Taxes will not be cut, as that would not be right, but it will be possible to cut public expenditure. If we want help with the balance of payments, we are going to have to pay the Danegeld.

Article 7 refers rather innocuously to other tasks:

"Once a year, the EMI shall address a report"—

we shall have plenty of institutions and reports going back and forth all the time—

"to the Council on the state of the preparations for the third stage."

That means the state of the preparations of member states, I assume, for the third stage. The report will go to the Council and it will say that the British Government have done nothing at all, apart from issuing a funny little book with a red cover and calling it a multiannual report. It will say that the Financial Secretary is sitting on his backside in the Treasury, doing nothing. And there will be terrible trouble.

But that will not happen, will it? Her Majesty's Treasury is a very law-abiding, responsible and proficient organisation, and we shall be doing our best at the heart of Europe, not like those Italians, dragging their feet, and those terrible Spaniards. We are northern people, Anglo-Saxons, we abide by the law, we do things right, our word is our bond.

Mr. Enright: We are not all Anglo-Saxons; some are Celts.

8.45 am

Mr. Davies: Yes, indeed, some of us are Celts. I was being respectful to my English colleagues who are in a majority in this House.

Nevertheless, we are Anglo-Saxon people, and we have those qualities that Anglo-Saxons are supposed to have, and that means that we will abide by the law. So we will be preparing it, working at it, doing all the things, getting the convergence going; and the report, no doubt, will be quite a good one in that sense. We will get lots of marks for effort. Maybe we will not always get our sums right, and sometimes the figures will be far out, say, on the public sector borrowing requirement, but at least we will be working hard at it, and that again will be the reality.

Article 7 goes on to say,

"These reports shall include an assessment of the progress towards convergence . . . and cover in particular the adaptation of monetary policy instruments"—

back to those monetary policy instruments again; they love them—

"and the preparation of the procedures necessary for carrying out a single monetary policy in the third stage"—

so there will have to be preparation of procedures ready for the third stage—

"as well as the statutory requirement to be fulfilled for national central banks"—

oh yes, missed that—

"as well as the statutory requirements to be fulfilled for national central banks to become an integral part of the ESCB."

The Financial Secretary has not seen that, has he? It is on page 106. He has it.

Mr. Cash: The right hon. Gentleman will recall that section 4 of the Bank of England Act 1946 is the exclusive basis upon which the Chancellor of the Exchequer and therefore the voters of this country are able to give directions to the Governor of the Bank of England. The provision that the hon. Gentleman has just mentioned, in article 7.1 and article 8 of the protocol—which I do not want to pre-empt but which deals with whether the Governor of the Bank of England, in that EMI, can seek or take instructions from the Treasury—blows the whole thing wide open. Not only have they to set up this bank, but they will have to repeal section 4 to make sense of it.

Mr. Davies: I do not know about that, but certainly article 8 mentions—it is the same article about independence as we find in the central bank protocol——

Mr. Dorrell: I think that there is a fundamental misunderstanding. The first sentence of article 8 reads:

"The members of the Council of the EMI"—

the national central bank governors—

"who are the representatives of their institutions shall, with respect to their activities, act according [to] their own responsibilities."

That means according to their existing responsibilities as defined by their existing national law. [HON. MEMBERS: "Read on."] The article then goes on:

"In exercising the powers and performing the tasks and duties conferred upon them by this Treaty and this Statute, the Council of the EMI may not seek or take any instructions from Community institutions or bodies or governments of Member States."

The key point about the second sentence of article 8 is that it is the Council of the EMI as an institution which is not allowed to take instructions. The members of the Council, acting as individual members of the Council, do so on their own responsibility. [HON. MEMBERS: "Come on."] That is what that article means. It is no good hon. Members saying, "Come on"; that is the meaning of the article. I concede that the article is not the model of clarity of other articles in the treaty, which is why I intervened at an early stage to enable the House to proceed on the basis of a correct understanding of it.

Mr. Davies: I paid the Financial Secretary a compliment earlier this morning, saying that—unlike the Minister of State, Foreign Office—he does not rush in to give legal opinions on the hoof. *[Interruption.]* I hope that he did not ask the legal advisers at the Foreign Office—or did he? I hope that he did not ask the Treasury Solicitor, either.

Mr. Gould: I hope that I shall not embarrass the Financial Secretary, or anyone else, by revealing that, a long time ago, I taught him international and constitutional law. I disclaim all responsibility for what he has just said.

Mr. Davies: Some of us do not consider international and constitutional law to be law. As far as some of us are concerned, looking at the words is the law.

The Financial Secretary has an acute mind, and as he read on he started to wobble and to worry a bit. For a start, the article is headed "Independence", and a judge would be quite impressed with that.

Mr. Spearing: Does my right hon. Friend agree that it will not be international and constitutional law, but law as interpreted by the European Court of Justice, in respect of the treaty, which is quite a different matter? Is it not probable that that court may say that it is true that one must not influence that body, as a body, and that that also means that one must not try to influence its members, because in so doing one is trying to influence the body. Although I would not say that that is my interpretation, or that of the court, surely it is just as logical and likely as the interpretation given by the Financial Secretary.

Mr. Davies: The way that I read the article is that, when exercising their duties, whoever sits on the Council—presumably it will be the Governor of the Bank of England—will be subject to the Bank of England Act 1946. However, in exercising duties as a member of the EMI, the Governor must not take any instructions from anyone.

Mr. Dorrell *indicated dissent.*

Mr. Davies: The Financial Secretary shakes his head, but that is a perfectly reasonable interpretation of what may not be an easy article. I suggest that, within the context of both the EMI and the central bank, and the thrust of the independence of those institutions, the European Court might be more likely to accept my interpretation than that of the Financial Secretary.

Mr. Dorrell: I concede that, even if I had been privy to the advice of my former tutor, I think that I would have had some difficulty in interpreting the article on my own. The interpretation that I placed on the two sentences that I quoted is given extra authority when I tell the House that the first sentence of the article is lifted directly from the present terms of reference of the Committee of Governors of the central banks. As far as I know, no one argues that, when acting as members of that committee, they are required to be independent of their national accountability mechanisms.

Mr. Davies: Maybe not—perhaps it is a looser institution and the article is referring to something more precise, but it is still headed "Independence". However I do not want to labour the point.

Mr. Legg: In saying that, because certain phraseology is taken from previous legislation and treaties, it must have the same interpretation as before, the Treasury has misinterpreted some areas of the treaty. The Government Front-Bench spokesman seemed to miss the point: that the phrases have been lifted and put into the Maastricht treaty in a different context, which adds a different interpretation and weight to the words involved.

Mr. Davies: I am sure that that is right.

Mr. Bill Walker: The right hon. Gentleman might cast his eye a little further down the page. The presidency of the EMI is a full-time job for three years. That must have an impact on the decisions of the EMI.

Mr. Davies: As I read the provision, there are different spheres of responsibility. It may be that the two circles will occasionally cross, creating something of a problem. So far as I can see, in the exercise of the duties in respect of the EMI, which may very well be different from those relating to the Bank of England, the Governor will be independent.

Mr. Hain: I should like to direct my right hon. Friend's attention to two sentences that the Financial Secretary was very reluctant to read out. These are identical to the wording of article 7 on page 91, which specifically details the independence criteria governing the European central bank. I should think that the court will take note of that.

Mr. Davies: The Financial Secretary shakes his head again, but my reading is the same as that of my hon. Friend.

Article 23 provides—hooray, hooray—for the liquidation of the EMI. Unfortunately, the institution appears again in another form—the more powerful central bank. I am sorry to come back to the question of assets and liabilities, but I must do so. All the assets and liabilities of the EMI will automatically pass to the central bank. They started with the Co-ordinating Committee of European Governors, then went to the EMI, and are now to go to the European central bank. Article 29 of the bank's statute deals with the capital subscription—the weighting of voting of shareholders. I suppose that one can subscribe to things other than shares.

I do not understand this article, and I should not criticise the Financial Secretary for failing to understand it. It says:

"Each national central bank shall be assigned a weighting in this key which shall be equal to the sum of:

—50 per cent. of the share of its respective Member State in the population of the Community in the penultimate year preceding the establishment if the ESCB:

—50 per cent. of the share of its respective Member State in the gross domestic product at market prices of the Community as recorded in the last five years preceding the penultimate year before the establishment of the ESCB".

As if that were not enough, the percentages have to be rounded up to the nearest multiple of 0·05 percentage points. That is an exam question in itself.

Presumably some of the value of these assets that have been transferred twice is ours. How does this work out in terms of ownership? Presumably the bank is the owner. There is nothing in this provision about 24 votes for the larger states and 11 votes for the smaller states. There is nothing about weighted voting. Perhaps the Financial Secretary, when he intervenes, will try to explain the meaning of article 29. What will the United Kingdom own, if we own anything, in the European central bank? Will it have those assets which belonged to it initially, passed through all the institutions? Will we have one third, one tenth, one fifth of the assets?

Mr. Rowlands: Article 29 has been puzzling me for some time. Unlike our vote on the Council, which is a simple matter to work out, it is almost impossible to work out the article 29 formula, which changes according to one's economic performance. Will the Financial Secretary tell us what percentage of the total number of members or

[Mr. Rowlands]

votes on the new ECB—were we establishing it today—we would have based on our current economic and GDP performance?

9 am

Mr. Davies: I am sure that the Financial Secretary has heard the question.

Article 109f.2 states that the EMI shall co-ordinate monetary policy, aim at price stability and monitor the function of the EMS. The article also states:

"For the preparation of the third stage, the EMI shall:

—prepare the instruments"

of monetary policy.

Paragraph 4 of the article on page 26 states:

"The EMI, acting by a majority of two thirds of the members of its Council, may"

carry out three functions. Presumably, on that basis, each member has one vote.

Mr. Livingstone: Are not the votes weighted to reflect the GDP? Per head of population, the German vote will be worth twice the vote of Great Britain.

Mr. Davies: Even Luxembourg may not do too badly in terms of number of votes.

Paragraph 4 states:

"The EMI, acting by a majority of two thirds of the members of its Council, may:

—formulate opinions or recommendations on the overall orientation of monetary policy"——

we have had that policy before, but not in that form——

"and exchange rate policy".

Another sphere has been opened up. We are dealing not only with monetary policy, but with exchange rate policy —I suppose that we cannot have one without the other.

The EMI must act on a majority of two thirds. I do not know whether the Chancellor of the Exchequer will be able to sit on the Governor to ensure that he votes, or whether the article on independence will be applied. I do not know where the references to the exchange rate policy leave a British Government who are not really part of the ERM. While we are, presumably, part of the EMS, we are not part of the ERM. The monetary system is nonsense; it is the ERM that is important.

Mr. Dorrell: The easiest way of responding to the right hon. Gentleman is to refer him to article 3 of the protocol of the EMI. It clearly states:

"The EMI shall carry out the tasks and functions conferred upon it by the Treaty and this Statute without prejudice to the responsibility of the competent authorities for the conduct of the monetary policy within the respective Member States."

Monetary responsibility remains the responsibility of the member states during the time that the EMI is operating.

Mr. Davies: The Chancellor will be able to sit on the Governor and tell him what to do.

Mr. Gould: Article 109j provides that the duties laid on the EMI by the statute—the words quoted by the Financial Secretary—include the responsibilities of monitoring performance on exchange rates and monetary matters as laid down by our membership of the ERM.

Mr. Davies: Even if the Governor puts up his hand to vote in the way that the Chancellor wants, if two thirds vote the other way, we shall be outvoted. It is qualified majority voting and they can formulate opinions and make recommendations. It states:

"The EMI, acting by a majority of two thirds of the . . . members may . . . formulate . . . recommendations on the overall orientation of monetary policy and exchange rate policy as well as on related measures in each Member State."

It will be able to pronounce on exchange rate policy on a two thirds vote, and that might be contrary to the wishes of the Governor who would, according to the Financial Secretary, take his instructions from the Chancellor.

Sir Russell Johnston (Inverness, Nairn and Lochaber): Does the right hon. Gentleman think that it would be rather good if we needed a two thirds majority in this country in order to make such decisions?

Mr. Davies: What decisions where?

Sir Russell Johnston: The decisions that the right hon. Gentleman has just read out. A two thirds majority is required to set in train those various propositions. He criticised that, and I said that it would be rather nice if that was necessary in this country.

Mr. Davies: Some measures need a two-thirds majority, and others need a simple majority. One cannot give a blanket answer about that. I am not criticising it: I am just reading it out. Euro-enthusiasts have very thin skin. When one reads out the treaty, they say that one is criticising it, and when it is read out again, they say, "Well, it doesn't mean that at all." When it is read out again, they say that it is not there at all. It is like the sub-atomic particles, quarks or whatever they are called, that are seen only when one looks for them. Apparently they are all over this treaty.

Mr. Roger Knapman (Stroud): Does the right hon. Gentleman agree that the best majority would be by a referendum on this whole wretched treaty? Bearing in mind that, tonight and every night, the Liberals will maintain the balance of power, if they really want a referendum they could obtain one.

Mr. Davies: That is a good point.

Mr. Livingstone: Has my right hon. Friend seen the statement reported on the tapes, that the Liberal democrats have decided to make progress on this? They are outraged by the time that it is taking, and have given undertakings to the Tory Whips that the votes will be delivered day by day to ensure that the treaty is carried? Those are the people who will hawk themselves around Newbury saying that they are there to defend local people when they are propping up the Government and the treaty.

Mr. Davies: That does not surprise me at all. I have been in Parliament longer than my hon. Friend, and I know what to expect from the Liberal party in these matters.

Article 109h deals with balance of payments, and I suppose that it gives some hope to the Financial Secretary of some money to sort out the huge balance of payments deficit. Obviously, strings will be attached. Article 109j deals with convergence conditions. Curiously—or perhaps not curiously—those conditions are set out in the part that deals with the second stage. I suppose that that has to be done like that, so that one knows what they are to get to

the third stage. I shall not ask the Financial Secretary for a legal opinion, because I do not think that I am on a good legal point.

I am a little worried that all the convergence criteria are in a second stage, which imposes on us a treaty obligation. I do not want to press that too far, but all four criteria are in the second stage, which says that we must do this and that. There seems to be an obligation on us to achieve a high degree of price stability in stage 2. Is there such an obligation? [HON. MEMBERS: "Yes."] The people's court says yes. I do not know what the lawyers will say.

Mr. Dorrell: One of the earlier, over-arching articles commits us to the achievement of price stability as the condition precedent—in the Government's view and based on our experience over a long period—to the achievement of the growth and social objectives that we all share.

Mr. Davies: I know that the Financial Secretary is keen on price stability. That is a good thing. When he began answering, he gave me the impression that there was a treaty obligation.

Mr. Dorrell: Article 2, which has been much quoted in our discussions, states:

"The Community shall have as its task . . . by implementing the common policies or activities referred to in Articles 3 and 3a, to promote throughout the Community . . . sustainable and non-inflationary growth".

Mr. Davies: That is so, but the Financial Secretary is missing his best point, which is not the flabby language of article 2 but the precise language of article 109j. The Financial Secretary was right the first time. Perhaps he is a little worried now about what he said.

Mr. Dorrell *indicated dissent.*

Mr. Davies: He is not. We will move on to the article's other provisions, which include

"the achievement of a high degree of price stability".

That is a good thing, but its achievement is an obligation. Yes? No?

Mr. Dorrell: I quoted where there is an obligation. In the context of article 109j—as I said when I addressed the House in January—the

"achievement of a high degree of price stability"

is one of the convergence criteria that are not precise treaty obligations. They are conditions precedent on the establishment of a single currency. They are the trap through which a candidate member of the single currency has to pass before it is entitled to join under the terms of the treaty.

Mr. Davies: I do not deny that, but perhaps the Financial Secretary's initial reaction was the better one. Paragraph 1 states also that the report that the EMI make

"shall also examine the achievement of a high degree of sustainable convergence"—

we had the list before—

"fulfilment by each Member State of the following criteria".

That certainly imposes an obligation to fulful certain criteria in stage 2.

Mr. Rowlands: Presumably, although there is an obligation of some kind on member states, the Government and the Treasury would tender almost a nil return to the Commission and the EMI, because none of those conditions should apply or be enforced unless we decide to go to stage 3. Is the alternative interpretation of the paragraph that we will not have such an opportunity, but will be reported on whether we like it or not?

Mr. Davies: It applies anyway. Whether or not we ever decide to go to a single currency, stage 2 places on the British Government the obligation to do everything they can to achieve zero inflation or something close to it.

Mr. Dorrell: No.

Mr. Davies: Is the Financial Secretary saying that I am wrong?

Mr. Dorrell: I heard the right hon. Gentleman say that article 109j places such an obligation on the United Kingdom. That statement was incorrect, which is why I said, "No."

Mr. Davies: Then on whom does it place that obligation? Nobody?

Hon. Members: Answer.

Mr. Dorrell: I was waiting for the right hon. Gentleman to resume his place, to——

Mr. Davies: Consult the Foreign Secretary's former tutor?

Mr. Dorrell: The right hon. Gentleman asked on whom the obligation in article 109j would be imposed. The obligation is contained in the first sentence of paragraph 1:

"The Commission and the EMI shall report to the Council on the progress made in the fulfilment by the Member States of their obligations regarding the achievement of economic and monetary union."

Those obligations are not imposed by the article but arise way outside it. Article 109j is concerned with the obligation placed on the Commission and the EMI to report to the Council on the achievement or otherwise of convergence criteria by candidate members of the single currency.

Mr. Davies: It is a bit like the article on independence. Article 109j states:

"The Commission and the EMI shall report to the Council on the progress made in the fulfilment by the Member States of their obligations".

"Their" does not refer to the Commission and the EMI, or to the Council; it refers to the member states. The article goes on:

"regarding the achievement of economic and monetary union."

Those obligations are imposed on the member states by treaty under stage 2.

Mr. Dorrell *rose*——

9.15 am

Mr. Davies: I am sorry; I will not give way to the Financial Secretary again. Perhaps he should get the Attorney-General or someone to give him some better advice.

The criteria are

"the achievement of a high degree of price stability . . . the sustainability of the government financial position; this will be apparent from having achieved a budgetary position without a deficit that is excessive as determined in accordance with Article 104c".

That means getting the deficit down to 3 per cent. It does not mean anything else: that is the obligation imposed on

[Mr. Davies]

us. My hon. Friend the Member for Oxford, East (Mr. Smith) can wriggle and hope for flexibility as much as he likes—I do not mean that in a pejorative sense.

This is the criterion that I was really coming to:

"the observance of the normal fluctuation margins provided for by the Exchange Rate Mechanism of the European Monetary System, for at least two years, without devaluing against the currency of any other Member State".

I was a bit dubious when I heard about the opinion given to Conservative Members by someone of the name of Howe; I have not read it, but it sounded a bit political, like the judgments of the European Court. Having read this, however, I am beginning to have second thoughts. Perhaps I did the right hon. Member for Mid-Sussex (Mr. Renton) an injustice.

Mr. Betts: Paragraph 1 of article 109j merely refers to the production of reports. It is paragraph 2 that deals with their assessment, and may start to lead on to obligations for Britain. Paragraph 1 of the protocol on the opt-out, further back in the treaty, specifically says:

"The United Kingdom shall notify the Council whether it intends to move to the third stage before the Council makes its assessment under article 109j(2) of this Treaty".

There seem to be no obligations on the United Kingdom under article 109j, bearing in mind that protocol.

Mr. Davies: Article 109j places an obligation on the Commission and the EMI, quite rightly, to make a report to the Council; but that report is about the fulfilment of the member states' obligation, which is to meet those four criteria.

Mr. Legg: We are facing a misunderstanding. Britain has not opted out of economic and monetary union: that is the central point. Our opt-out relates to stage 3; we have a commitment to economic and monetary union. We are in stage 2. Article 109j concerns the obligations of member states during stage 2, from which we have no opt-out because we are committed to economic and monetary union. As the right hon. Gentleman said earlier in his speech, this is a seamless garment.

Mr. Davies: I do not think much of this, but the convergence criteria outlined in article 3 on page 112 spell out the position with regard to the exchange rate mechanism. It states:

"the Member State shall not have devalued its currency's bilateral central rate against any other Member State's currency on its own initiative for the same period."

That is close to an obligation.

Article 109m on page 30 is the last article on the transitional arrangements. It states:

"Until the beginning of the third stage, each Member State shall treat its exchange rate policy as a matter of common interest."

That presupposes that member states have an exchange rate policy. One does not have to have one; one could let it float. Perhaps it is an exchange rate policy not to have an exchange rate policy. The article presupposes an exchange rate policy which, I should have thought, would be

"a matter of common interest."

If there is a commonality of interest, we are all part of the ERM. Whether there is a specific legal obligation, whether it is all a bit vague or whether we can be taken to the court is academic. Once the treaty is ratified, and once we are into stage 2, the movement will be such that it will not be long before, I am sorry to say, we are back in the old ERM.

The Financial Secretary was very clear about it—clearer than other Ministers; or perhaps I have not listened to them all. He was clear about what would happen when the time was right or ripe: "There is no doubt that we have to get back to the heart of Europe, boys; we cannot be in the second division."

Mr. Cash: I do not know whether the right hon. Gentleman was in the Chamber in the middle of the night when I revealed the document which had been leaked to me and which is entitled "Sterling in the ERM: Lessons from the September 1992 Crisis". It clearly contains advice given to Ministers. It concludes that sterling should re-enter the ERM when certain conditions have been met, and states:

"Sterling should re-enter with a narrow band."

That is the advice that is being given, and, what is more, it looks like the advice that is being taken, because we have heard the Financial Secretary pretty well endorse it.

Mr. Davies: I have no reason to doubt the authenticity of the hon. Gentleman's document.

Things have changed at the Treasury since I was there. We used to have tight control of public expenditure, we did not carry expenditure from year to year and we were against the ERM. We did not join, because we thought that it was nonsense. Now, it has all changed. I have no doubt that the Government will get the rate right this time, until it is proved to be wrong. There will be a crisis in Germany or something will happen in Thailand or the Balkans and the system will be blown off course because of fundamental problems and so on. We shall be back in the ERM because the trend is to be in it.

I am sorry for the Prime Minister. He did a good job in negotiating, but he should have had the courage of his convictions at the time and vetoed the wretched thing.

Mr. Michael Spicer: It is always a great privilege and pleasure to follow the right hon. Member for Llanelli (Mr. Davies). I have had great respect for him since the 1970s. I opposed him when he was taking through the development land tax. It was a terrible tax, but I shall not go into that. He did his best and put up a good show. I think that the right hon. Member for Ashton-under-Lyne (Mr. Sheldon) was also there. It was an unpleasant experience in some ways, but not because of the right hon. Member for Llanelli, who did the best that he could have done on that occasion.

I was especially impressed, as I believe the rest of the Committee was, by the way in which the right hon. Member for Llanelli developed his speech. It is enormously important that we consider the text of the treaty. I am sure that people come up to the right hon. Gentleman, as they do to me, and say, "Look, this is all a bit of a bore. It does not matter much. The French will change their Government, the Germans do not like it, and the British public do not like it either. It will not really happen." The right hon. Gentleman raised some important points, which I shall try to follow up later, but it was by going through the provisions line by line, interspersed with humour, as he has done for the past two hours, that he made it clear that we are dealing with what,

if it is passed, will be the law of the land. It is therefore enormously important that we are given answers to some of the specific questions that he asked.

I am grateful that you have called me at this point, Dame Janet, not only because I have been waiting 16 hours to make my small contribution but because the group of amendments under consideration focuses upon the essence of the entire treaty. The movement towards monetary union, and towards the single currency which lies at the end of that movement, must be the essence of what we have been debating for the 16 or 17 previous sittings of the Committee.

At the root of our debates has been the question whether the treaty and the Bill represent a move towards a federal unitary state of Europe. That question has lain behind most of our debates and most hon. Members, in so far as they have been prepared to move outside the strictures of their whipping systems, have taken their stand according to their view on that basic question.

There are certainly some right hon. and hon. Members who believe in a federal state of Europe. They are few, but they put their case honestly and everybody has respect for them. Some other hon. Members have tended to shy away from confronting the issue. But many hon. Members have had to take a view on whether the treaty is a move towards a federal state of Europe. I take the view that I do precisely because of the aspect of the treaty which is now under consideration—the move towards a single currency.

There are two reasons for my view. First, the logic behind a single currency must be a federal state of Europe, not only because we are in the process of handing over control of our coinage and banking system, and of the cost of money and rates of interest, and are making the associated institutional changes, but because of what such a system would inevitably lead to. Some people say that it would inevitably mean higher unemployment throughout the union. My hon. Friend the Member for East Lindsey (Sir P. Tapsell) made that point many hours ago—in what I believe is theoretically still the same parliamentary day. I happen to agree with my hon. Friend about that, but even if he is wrong, the system inevitably means that there will be pockets of severe deprivation which would not have existed without the single currency, if only because there will in effect be a single pricing mechanism, but there will not be a single wage structure.

Countries with low wages and high prices, paying Greek wages but German prices, will be extremely deprived. Unless the whole thing is to burst asunder and unless there are to be revolutions and revolts in Greece, there will have to be a compensatory central authority and a central taxation and expenditure authority. There will have to be everything that goes with a unitary federal state. That is one reason for believing that monetary union leading to a single currency will result in a federal state.

There is a second reason, which is the coincidence of that fact with the legal environment that is building up relentlessly—Lord Denning has called it "the tidal wave" of European law coming in. The combination of those two facts makes the treaty of Maastricht special and different from the amendments to the treaty of Rome that have come before it, and lethal if one is concerned about a move towards a unitary federal state of Europe, at least at this moment in our history.

9.30 am

Let me pursue the point about the law. First, I reiterate that, when people talk about the treaty not mattering, they are ignoring the fact that we are creating law and that some of that law is very specific. When people say, "The Germans will never allow a single currency to come about," they simply fly in the face of the appropriate articles, such as article 109j(4), which states:

"If by the end of 1997 the date for the beginning of the third stage has not been set, the third stage shall start on 1 January 1999."

That will be the law of the land; there is no messing about it. The first point to make about the law is that it will be there and will have to be complied with.

What brought the whole matter sharply into focus for me was the fact that we not only face the inevitability of a federal process arising out of the moves towards a single currency, but, in setting up that single currency, we shall move from a situation where the law may just be reversible by national Parliaments to a position where it is not. One moves, by terms of the treaty, into the world of the irrevocable. The word "irrevocable" is there in the treaty. Until then, there is at least legal debate to be had. It is true that some lawyers say that we have already passed the point of no return in terms of our sovereignty and point to the Merchant Shipping Act 1988. They say that they tried to set that law against a Commission-based law and lost —and, therefore, that we have passed the point of no return. I personally agree with the other lawyers who say that we have not yet reached the point—quite—where the British Parliament cannot unwind the legislation that has brought us to where we are at the moment.

Dr. Godman: I have listened carefully to the hon. Gentleman. May I point out that it is a curious system of federalism where all the power goes to the centre? He cited the example of the Merchant Shipping Act, which was changed because of a decision by the European Court of Justice. Surely that decision taken by the judges in Luxembourg demonstrated in a plain, stark way the fact that that court has become a supreme court for all the legal systems of the 12 member states. We now have a situation, under article 177 of the treaty of Rome, whereby in England even magistates courts have referred decisions to the European Court of Justice for a ruling. There is a growing acceptance of the power of that supreme court.

Mr. Spicer: That is correct, and about 15 hours ago we debated that subject, when my hon. Friend the Member for Chingford (Mr. Duncan-Smith) made a telling speech in which he quoted cases to substantiate that point. Had I been able to intervene then, I would have referred to a number of other cases——

The Chairman: Order. We discussed those cases earlier. We do not want to discuss them again now.

Mr. Spicer: The only point that I would make in response to that intervention——

The Chairman: Order. The hon. Member does not have to respond, especially as I nearly called the hon. Member for Greenock and Port Glasgow (Dr. Godman) to order for raising the issue of the court of justice.

Mr. Spicer: The combination of the law, which is becoming all pervasive, and the fact that, with the single

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currency, that law involves the use of the concept of the irrevocable makes certain the move towards federalism if the treaty is passed.

Sir Trevor Skeet: Article 3a deals with the irrevocable fixing of exchange rates. That is excluded by the protocol, but if we enter stage 3, which is anticipated, the trigger is set and we are caught by it.

Mr. Spicer: My hon. Friend underlines the point. It is important to be clear about the meaning of "irrevocable." It means a coach and horses being driven through the fundamental principle guiding and governing the British House of Commons, that no one Parliament can bind another Parliament. We do not have a written constitution, but we have what we thought were inalienable conventions.

It seems impossible for us to maintain the sovereignty of Parliament in that sense if, from now on, a Parliament will bind irrevocably—which means for ever—all other Parliaments. We shall have abolished the sovereignty of our Parliament. The combination of the logic of what is being done on the road towards a single currency and the law arising out of the creation of that single currency is moving us inevitably towards a loss of sovereignty.

I do not understand the concept of pooling sovereignty. One either has or does not have sovereignty. Somebody must be at the top and through the Maastricht treaty, and in particular the aspect of the single currency, we move from the point at which we have sovereignty to a point at which we do not have it.

One can take a view about whether that is good or bad, but that is what will happen. That makes Maastricht different from other amendments to the treaty of Rome. People may say, "You voted for the Single European Act" and so on, but we are now moving into a fundamentally different area by establishing this irrevocable fixing of exchange rates, the single currency.

Mr. Bill Walker: The Committee has heard me many times draw attention to the objectives of the 1707 Act and compare the situation created by that measure with what is happening now. This Parliament was established as a result of that Act, which required the conditions to be for ever, which is much the same as irrevocable. I have been emphasising that from the beginning. A single currency and the remaining measures will make all the difference. We created this place and we know precisely what we have. We shall be creating that in Europe.

Mr. Spicer: My hon. Friend makes a good point which he has made previously. It bears repeating because it is appropriate.

If the Government were participating in the debate, their answer would be that it may be what I have said it is, but it is irrelevant because we have the opt-out. With regard to the question of the opt-out, I shall refer to some points made by the right hon. Member for Llanelli. His concept of the seamless web is absolutely fundamental in this context. He raised many points in the context of the seamless web, but he raised a specific point which is valuable. I hope that the Government will examine carefully the text of the right hon. Gentleman's speech because it is valuable.

We have not had an answer to a specific question asked by the right hon. Gentleman—it is important that we get an answer because it is a specific point and the hon. Member for Dagenham (Mr. Gould) underlined it. The right hon. Member for Llanelli raised the matter of the wording in article 109e(5):

> "During the second stage, each Member State shall, as appropriate, start the process leading to the independence of its central bank, in accordance with Article 108".

The Financial Secretary said that that does not mean what it looks like: it means that the legislation which is required to move towards an independent bank will be introduced only if the decision is made to move to a single currency. My right hon. Friend the Financial Secretary said that that would be the only sensible thing to do: there is no point in setting up an independent bank if we do not move towards the single currency for which it is appropriate.

That is a fair point and I agree with it. However, as the hon. Member for Dagenham said, that is not what the law will say. If the treaty is passed, the law will say what article 109e(5) says. I have scoured through the appropriate protocol, but I cannot see any reference to an opt-out on 109e(5). I can see references to opting out on 109e(4), but there is no reference to 109(e)5, which suggests that we have not in any way allowed for opting out of those words which will become the law of the land. The Government are under a great obligation specifically to answer the question: if we opt out of the single currency, will we not have to set up significant institutions immediately?

The right hon. Member for Llanelli played for a while with and was amusing when he talked about notes being passed backwards and forwards within the Treasury. This matter of the bank is crucial. It will change the whole process by which monetary policy has been conducted in the United Kingdom for hundreds of years. We are talking about something that is absolutely fundamental.

Dr. Godman: With regard to article 109e(5) becoming the law of the land, could that be achieved without the intervention of the court of justice making a decision? I am not going out of order, Mr. Morris, because I am referring to article 19, which spells out the relationship between the EMI and the court of justice. Article 19 says:

> "The acts or omissions of the EMI shall be open to review or interpretation by the Court of Justice".

Before article 109e(5) can become the law of the land, a ruling from the European Court of Justice will be required.

Mr. Spicer: My hon. Friend the Member for Milton Keynes, South-West (Mr. Legg) is an expert, so I shall give way to him.

Mr. Legg: The specific article to which my hon. Friend refers will become part of the supreme law of the European union. If the United Kingdom does not comply with the supreme law of the European union, that matter can be taken to the European Court. My hon. Friend may also be aware that at present European central banks in France and Spain in particular are moving towards independence. It is not beyond the realms of fantasy to believe that some of our partners in Europe may take us to the European Court to make us start the process of taking our bank to independence because of the additional credibility that they would see that lending to EMU.

Mr. Spicer: My hon. Friend has answered the point more elegantly that I would have done. I was going to make the same point that here we have the law and the

question is whether we comply with it. If we did not comply with it, we would be subject to being taken to the court, which would then adjudicate whether we had applied the law. If we had not, it would insist that we did. To my mind—I am not a lawyer—the words are straightforward. If they can be interpreted differently, I shall be reassured.

I want to believe in the opt-outs. I find it difficult to believe in them.

9.45 am

Mr. Knapman: Whether or not we are lawyers—it turns out that we are not—would not it beggar belief that any nation would go through the pain of convergence and then not proceed to a single currency?

Mr. Spicer: That is the other point. The question about what credibility one attaches to the opt-out is partly, as we have discussed today or tonight, or wherever we are, one of running through the text and illustrating that the text shows how stage 2 legally moves smoothly into stage 3. That is a valuable thing to have established. The Government will have to show us what are the legal cut-off points and how we can contain the opt-out in a meaningful way. We need to hear much more about that because an interesting question has been opened up and we need hard answers.

My hon. Friend the Member for Stroud (Mr. Knapman) has raised the psychology of the whole thing. If one has signed up to the establishment of various convergence conditions—clearly there is some argument to be had yet about how legally binding those converging conditions are—under stage 2, whether or not it is legally binding, one has an obligation. In the Treasury things will be moving in a direction which will lead to pain, as my hon. Friend says. One is involved directly or indirectly in the establishment of many institutions.

The EMI is a transitory institution. It has powers attached to it in stage 2 which we have had detailed for us. We then move to institutions which are not transitory but permanent. We have been involved in setting them up. Undoubtedly, officials will go backwards and forwards and get more and more involved and excited in their construction and their management.

I need to be persuaded that in a few years, having set up the institutions and been a party to many of them and legally bound into the processes that lead up to stage 3, we can cut ourselves from it. If the treaty is passed, I shall certainly be one of those who argue for the opt-out to be maintained because that will be the best that I shall be able to achieve at that time. But it worries me that I may be told then that the pass has been sold.

The Government will say, "Where were you in 1992-93 when all these things were being discussed?" As it happens I was here. One of the reasons why I am speaking tonight is that the Whips will not be able to come to me and say, "Spicer, you should have worked it out three or four years ago when all these things were being discussed. It was important then that you should have got your thoughts sorted out." I have tried to sort out my thoughts now because I want to anticipate that situation. I do not say that I will not argue like mad in two or three years' time, but at least they will not be able to say of me that I did not think it out at this stage.

Mr. Knapman: My hon. Friend referred to officials and civil servants. Will we need more of them because it will be a complicated policy, or fewer of them because we shall no longer be running our own policy? Does my hon. Friend envisage any significant effect on the numbers of civil servants as a result of the passing of the treaty?

Mr. Spicer: The term "ratchet effect" has been used throughout the debate and that analogy is appropriate to any growth of administration. I suspect that we shall have more officials here and in Europe.

In conclusion, the amendments are absolutely central to what Britain and its constitution will become in the future. We may be setting up an inexorable process. The words "acquis communautaire" appear as one of the objectives of the treaty. It means a ratchet effect. When a process has been established, one can only move forward.

In my view, through the treaty, monetary union and the move towards a single currency we are making the jump towards a loss of sovereignty. We are crossing the Rubicon. The only issue is whether the opt-out that we have established is foolproof. Great doubts have arisen and many coherent points have been made. If the Government are to give any credibility to the concept of the opt-out, it is essential that they can demonstrate clearly how we can retain that opt-out and really believe in it.

Mr. Betts: The issues that we have been debating throughout the night—the central bank, economic policy and now the moves towards economic and monetary union—are at the heart of the treaty. I agree with hon. Members who spoke during the night and made the point forcefully about the hours that we are spending in debate, with many of us having been up throughout the night. It is not the proper way to give these issues the serious and necessary consideration that they merit.

Parliamentary sovereignty has been mentioned many times, but, given the fact that the House has not debated these matters in prime time, those words stick in the throat rather than trip off the tongue. I believe that the House has done neither itself nor the people we represent any service.

In the past, I have been given lectures by irate Liberal Democrats about the process of open government, access to information and the public being able to see what happens, yet they choose to debate these matters when the vast majority of the public we represent are in bed, as are most of the media who might report matters to them. In future, I will take no more lectures from Liberal Members. Although they are all absent, presumably they will at least do us the courtesy of reading *Hansard*. When Liberals refer to these issues in future, I shall simply ask them what they did on 24 March 1993 at 10 pm.

The Chairman: Order. I called the hon. Gentleman to speak on amendment No. 81, and not to give us a general lecture about parliamentary procedure, so I hope that he will now address the amendment.

Mr. Betts: Thank you, Mr. Morris.

Of the hon. Members who have spoken on these issues and throughout the debates on the treaty, a few have made it clear that they are in favour of Maastricht completely and absolutely and many have made it clear that they are against the treaty absolutely and completely. Some of us, however, do not fall neatly into those categories, and we must in the end decide how we vote on particular amendments, recognising that we have reservations about

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elements of the treaty. I share some of the reservations eloquently expressed by my right hon. Friend the Member for Llanelli (Mr. Davies) when he introduced his amendments and in previous debates by my right hon. Friend the Member for Bethnal Green and Stepney (Mr. Shore) and others. I want to raise some of the very questions that have been raised. We have not always had adequate answers from the Government to those questions. In particular, the legal advice has been not just inadequate but almost non-existent.

I also recognise that there are parts of the treaty, particularly in the detailed areas that we are now discussing on economic and monetary union, which are open to interpretation. I do not know what the interpretation of the European Court of Justice may be or how the Council of Ministers will interpret these things when it debates some of its powers, so I must come to my own best judgment.

One of our problems in debating specific amendments is that we are debating a treaty which has been negotiated by the Government. It is a treaty which Parliament can discuss, debate and question; but we cannot select bits and pieces from the treaty and decide which we will vote for and which not. In the end, we must decide whether we are prepared to accept the treaty as it is, in total. That involves compromises—just as the original negotiation of the treaty must have involved compromises—for those of us who have to form a view on it now. While some of us may have instinctive sympathy with some of the amendments in isolation, we recognise that we must judge them in the light of their total effect on the treaty, and we must decide whether voting for them here would mean that the treaty could not be ratified and where that would leave the country's economy, its monetary policy and all the other issues that we are now dealing with.

One of my concerns about the whole process that we are going through, particularly as we consider these important matters of economic and monetary union, is that we are forced to debate them in this way. I should have been much happier if we could have debated these issues before the Government negotiated Maastricht. We could have had a public debate about the way we wanted to go and the Government would have been aware of that before they entered into this treaty, which we have now to decide on as a whole.

There is a problem with the wider powers now contained in this treaty which are going not just to the Commission but to the Council of Ministers. That is mentioned at various stages in the sections on economic and monetary union. One of my worries about the process is that when matters go to the Council of Ministers they immediately disappear from direct scrutiny and go behind closed doors—a process which is very different from debates in this Chamber. The reaction of some hon. Members is to say that we should not have powers of that kind going into European institutions. I would argue that it may not be wrong for powers on economic and monetary union to move into the European dimension. Perhaps powers should go from this Parliament, but I want the European Parliament to play a greater role in those processes.

It has been said that hon. Members who support federalism should say so. I shall not argue that case, but there is a debate about whether some of the powers that go to Europe through the treaty will rest with the right institutions, and about whether more powers should go to the European Parliament. That debate is still to come.

10 am

The Chairman: Order. The hon. Gentleman is almost making a Second Reading speech. He must address the amendments that have been moved. He cannot give us a general Second Reading speech.

Mr. Betts: I was seeking to show that the Council of Ministers is relevant to some of the issues involved with economic and monetary union. We are debating amendments to clauses that contain references to powers going to the Council of Ministers, and I was seeking to draw that out, but I shall take your advice on the matter, Mr. Morris.

I readily accept many of my hon. Friends' criticisms of the economic and monetary policy contained in the treaty. The development of those processes and of the independent central bank are some of the key issues. I have major reservations about an independent bank and how it can operate within economic and monetary union, because that highlights some of the potential conflicts between the economic and monetary aspects of the treaty. It will cause difficulties and we must each form a view of the conflicts to determine how we shall vote on the treaty.

When considering how to approach the central bank, and how it fits into the workings of economic and monetary union, the potential alternatives—as opposed to those contained in the treaty—must be examined. If hon. Members do not like what is in the treaty, they must be prepared to argue for an alternative, which might be available.

There has been a great deal of discussion about the opt-out and I share the views of some hon. Members—who will probably decide that they cannot support the treaty—that the opt-out exists to give the Government an excuse to delay a decision until they can bring the House round to accepting stage 3 of economic and monetary union. I do not believe that it is realistic for this country to move to stage 2, which we are committed to through economic and monetary union, but not to move to stage 3. Once we accept stage 2, we cannot for ever remain the one member of the European Community which wants to remain free with a separate set of arrangements.

I therefore believe that, in ratifying the treaty, we are being asked to accept that, once we accept stage 2, stage 3 will ultimately follow. The Government will no doubt argue that there is an alternative to joining the independent central bank—stage 2, in which the Bank of England, would be separate and independent, in a nationalistic sense. To some extent, it would be independent of the rest of the European Community.

I do not believe that if every other country in the European Community is a member of the central bank, which will have the power of all the other Governments and economies behind it, one country can realistically stand aside and believe that it will be feasible for its central bank to operate independently while that country remained a member of the Community. The Government cannot ask any hon. Member to believe that that position is sustainable and they ought to deal with that problem in detail as they have not done so.

Could the Government ratify the treaty if the amendment moved by my right hon. Friend the Member for Llanelli were carried by the Committee? Everybody has had to find legal advice. I may have been hallucinating from lack of sleep, but a few hours ago I had a vision of the Attorney-Geneal crossing by the Government Front Bench. Perhaps someone will confirm that I did see the right hon. and learned Gentleman.

It is important that Members should know the implications of their voting for an amendment. Amendment No. 27 deals with the social chapter opt-out. If that amendment is accepted, we shall be refusing to ratify a protocol that provides for an opt-out. The argument is that refusing to opt out does not amount to opting in and does not, therefore, amount to agreeing to anything. Acceptance of the amendments with which we are dealing now would be a very different matter. On the opt-out, that would keep us from moving automatically to the third stage of economic and monetary union, and would prevent us, I believe, from legally ratifying the treaty. Britain would not be removed permanently from the protocol. What we would have is an obstacle to a process that would otherwise be automatic. The treaty confirms the rest of the process, so the two situations are quite different.

The reference to stage 3 in the treaty amounts to acceptance of that stage for every other member country without the opt-out. If Britain were to refuse to accept stage 3, it could not ratify the treaty. In effect, we should not be accepting the process by which every other member state was to move towards stage 3. What the opt-out provision does for Britain, in terms of stage 3, is to put it in the same position as a member state that gets a derogation under the treaty. Such member states will effectively be in the same position as Britain, but they will have to ratify the treaty, including stage 3, even though they will not move to stage 3 themselves. We cannot have a situation in which some Community members are not at stage 3 but have had to agree to the process in order to ratify the treaty, whereas Britain stands alone.

I assume that, in the end, the Attorney-General will give us some advice on these points. The matter to which I have just referred is very important. As I have indicated, a vote for the amendment, which, if carried, would prevent the treaty from being ratified, would be a vote against the treaty as a whole. That is why it is so important that we should get appropriate legal advice.

Mr. Spearing: I understand my hon. Friend's personal dilemma. In giving expression to it, he has highlighted what I might call the structural relationships of these matters. The Attorney-General has not spent much time at this sitting of the Committee. Does my hon. Friend agree that before we vote on this amendment the very important matters that he has identified should be commented upon by the Attorney-General or by the Financial Secretary following consultation with the law officers of the Foreign Office or the Law Officers of the Crown?

Mr. Betts: My right hon. Friend is absolutely right. We have a right to expect legal advice from the Attorney-General. On previous occasions, on the question of opt-outs, such advice has been forthcoming. It has been shown that legal advice given within Departments to Ministers can be questionable. I am not suggesting that it is deliberately questionable; I am simply making the point that it is important to have proper advice from the Attorney-General. This cannot be stressed too strongly.

Mr. Gould: I have been listening with interest and sympathy to the issues raised by my hon. Friend. He is clearly right to say that if the House were to vote for the amendment it would make it difficult, if not impossible, to ratify the treaty. But he has also made it clear that he disagrees with many of the treaty's provisions. Therefore, presumably he wants a treaty, but not necessarily every aspect of the Maastricht treaty. If that is his objective, there is only one way by which he can achieve it. There is no point in his voting for the treaty as he will not obtain any amendments. However, if he votes against the treaty by voting for an amendment such as the one under discussion and it is carried, and this country or any other were to refuse or be unable to ratify the treaty, it could not proceed. We should then be able to have exactly the sort of informed negotiations that my hon. Friend wants. We could conduct a new set of negotiations and, in the light of the very arguments that my hon. Friend has been advancing, produce a better treaty.

Mr. Betts: I accept some of my hon. Friend's criticisms of the treaty and agree with some of his analysis. I part company with him over his theory of what would happen if one of the amendments were carried and the Government could not ratify the treaty. My hon. Friend obviously believes that such an outcome would result in the treaty coming to a standstill while we had a separate round of negotiations to bring the treaty back into line with his views, and perhaps with mine on some issues. That begs two questions. First, if we had more of those negotiations, would they result in a more favourable treaty? Secondly, and more important, would those further negotiations take place or would the people of Britain—of whose credentials other people in Europe had always been suspicious—once again be regarded as not sufficiently pro-European, thus convincing the rest of Europe to carry on without Britain?

Mr. Gould: They cannot.

Mr. Betts: My hon. Friend says that Europe cannot carry on without us. I think that at some point the patience of other European countries may give and they may decide to construct a European Community that either has Britain attached to it in a different role, but not as a full member, or leaves Britain on one side as they carry on.

Mr. Gould: If we—or the Danes or the Germans—were the instrument by which it became impossible to ratify the treaty, I do not doubt that we would attract much odium from our European partners who would take great delight in blaming the perfidious Brits yet again. But I guarantee that, in private behind their hand, they would give an enormous sigh of relief that they had at last been let off the hook of a treaty that is manifestly unworkable and has failed to secure the support—let alone enthusiasm—of the people of Europe.

Mr. Betts: That is ultimately a matter of judgment. My hon. Friend has come to one conclusion. Having spoken to people in Europe—in the European Parliament and in our sister parties in Europe—I know that it is not the view that they express. The general view that I have received is that if Britain were not to ratify the treaty, there would be much

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concern among people in Europe. But they may well not express that concern by saying, "Oh dear, how can we change the treaty to accommodate all the wishes of Britain?" They might just say, "Once again, Britain has proved not to be as pro-European as we would like—perhaps it is time that we moved on without them."

Mr. Cash: Perhaps the hon. Gentleman has not noticed that the Danes have turned down the treaty in a referendum and the French only passed it by an absolute whisker—only 36 per cent. of the French electorate were in favour. We all know that the Germans are in a state of turmoil over the treaty. The people of Europe—whom the hon. Gentleman is alleging are in favour of the treaty—have gone off it. The leaders continue to believe that the grand design will work. Perhaps they do so for reasons of stubbornness, pride or because they have a grand idea that they are reincarnations of Henry of Navarre. The treaty will not work, because people do not want it. Some 73 per cent. of the British people say that they want a referendum, and I think that they should get it.

Mr. Betts: In the three countries that the hon. Gentleman mentions the situation is different. The German issue was described earlier in the debate as a technicality and no one seriously suggests that the German Government will not ratify the treaty. The Danes are to hold another referendum. From what I have heard and read, the way in which the Danish issue has been finessed leaves little to the imagination. Some of the key issues that we are concerned about are not necessarily the issues that have been addressed in Denmark.

The French have had a referendum and if the French people had not accepted the treaty we would be in a different situation. However, they did, and Britain is seen to be dragging its feet and has been viewed in the past as not being as committed to Europe as other countries are. Many of those who oppose ratification do not think that we should be in the European Community at all. By no means do I direct that comment at all those who oppose ratification.

10.15 am

Mr. David Ashby (Leicestershire, North-West): Does the hon. Gentleman agree that the French referendum was a reflection of what happened last week in the French elections rather than a real view of Europe? The hon. Gentleman is right to say that the people of Europe are absolutely in favour of Maastricht. Votes are often a reflection of the political climate in a country rather than a view about Europe.

Mr. Betts: I am not sure that we could draw all the lessons from the French elections that people would like to draw. One of the lessons that can be drawn from them is that if the Maastricht process collapses and the good will is lost it may not be possible to return to square one in the negotiations and reconstruct a treaty within a reasonably short time. That point is made forcefully by people representing a wide range of political opinion in Europe.

There are growing forces for nationalism in Europe and they may be given succour if the treaty collapses. We saw the vote last week for Le Pen and his party and we have witnessed the growth of the Republican party in Germany. People are concerned about those things. I do not say that Maastricht is the last bastion against fascism because I do not want to go overboard, but those forces are around and no one quite knows what would happen if the Maastricht process collapses. We must sound a cautionary note about that.

Mr. Alan Simpson (Nottingham, South): Will my hon. Friend at least acknowledge that the process may work in precisely the opposite way? There may be a gap between European parliamentary processes and the people, and that may lead to a huge sense of disbelief about the economic and political momentum into which Europe seems to be locked. My hon. Friend spoke about his dilemma in deciding whether to vote for a treaty containing huge elements with which he profoundly disagrees. Perhaps I can give my hon. Friend an analogy. Anyone who wants to join the boy scouts does not begin by locking himself into the Moonies, because it is better not to be in an institution at all than to be in one that we cannot leave. It may be healthier for my hon. Friend to make a stand and set out precisely the positive ground of the Europe that he wants to be in, rather than to be locked into a Europe that he does not want.

Mr. Betts: If we are to remove the forces of nationalism and racism in Europe, we must take the European debate to an agenda that will address the real problems of unemployment and recession. It is a matter of judgment whether acceptance of the treaty and working forward from there gives a better opportunity than either allowing the treaty to collapse or seeing Britain removed from the process while other countries continue with it.

Having studied the matter for several months, I concluded that accepting the treaty, imperfect though it is, and building on its elements will give us the best opportunity to address problems—rather than risk the whole process collapsing or Britain remaining outside European development. We run that risk if, by our voting for certain amendments, the treaty is not ratified.

It is said that Britain would be in the slow lane or second division, and that opting out of stage 3 is part of that process. If we did not ratify the treaty—to continue the motoring analogy—we would be on a B road going in a completely different direction.

I choose to approve the treaty and to vote down the amendments because I share the concerns of my hon. Friends about unemployment, growth and investment—though I arrive at a different conclusion about how they should be approached. I acknowledge that most hon. Members who raise those issues do so not in a narrow, nationalistic sense or argue that power must remain within the House. Nevertheless, some hon. Members contend that the House should retain all powers and that votes in Parliament will solve our problems, irrespective of our membership of the Community. To retain power may be politically desirable to them, but if Britain were to be independent of the Community, it could only achieve certain things in the European and international economic climate that it would confront. In this day and age, it is impossible for a country such as Britain to grapple with the massive issues and the forces of international capital. We must recognise how much we depend, as a small nation, on trade and the difficulties we would face using a separate currency. We must recognise the enormous shifts of capital and the forces of speculation.

We must question whether votes in a Parliament of a United Kingdom excluded from the Community and its processes would achieve the objectives of full employment, growth and investment that many Members who have different views on how to vote want to achieve.

Many aspects of the treaty are potentially or actually contradictory. As one reads through it, one can detect a shift in its monetary and economic approach from growth and employment to price stability being the all-important issue. I readily accept that aspects of the treaty have all the hallmarks and elements of the monetarist age of the 1980s. They were written for different times and from a different perspective, to meet a different set of problems.

I reject the notion that if price stability is achieved, everything else will fall into place and full employment will automatically occur—or that full employment would not matter very much. If we are to address the problems of the 1990s, we must turn this debate around and tackle the real problems of the economy, investment and growth. Price stability—by which is meant low inflation, because no one can argue for nil inflation—is only likely to be achieved if the real economy is put right.

People talk about the Bundesbank, how it operates and how it might be a model. It should not be argued, however, that, because it is independent, the Bundesbank has created price stability, thus making the German economy successful; more to the point, the German economy has been successful because of the investment that went into it immediately after the war. That continual increase in growth has allowed workers to enjoy regular improvements in living standards and firms to increase their profits. The pressure for price inflation has not been there.

In fact, the Bundesbank's job has been relatively easy. It has worked in harmonious conditions: until the recent problems of unification with East Germany, it could do no wrong. It strikes me as a little simplistic to use the analogy of the Bundesbank in establishing how we should develop the future of Europe.

I recognise the difficulties in the treaty. The economic and monetary sections could almost have been written by different people. The Government bear some responsibility for those problems; I do not think that it is up to Opposition Members to defend the wording of the treaty. Naturally, the Government will defend it because it is their treaty, but we shall put them on the spot in pointing out its many inadequacies.

I believe that failing to ratify the treaty would be wrong: I believe that we must remain at the heart of Europe—a phrase which has been used many times in the debate. We must, however, look at what is in the treaty —as suggested earlier by my hon. Friend the Member for Oxford, East (Mr. Smith)—and see how we can build positively on its contents in helping to set the agenda for growth, investment and employment in Europe in the 1990s. We must recognise that there are openings for interpretation in the economic and monetary aspects. We must argue as strongly as we can for the right interpretation to set the agenda for the future.

We have heard many references throughout the debate to the clauses in the Bill, and the sections of the treaty, that should have primacy. I strongly believe that we should take article 2 as the basis—not just because it appears at the beginning, although that is probably a fairly good point at which to start. Some time ago, I had an argument with my hon. Friend the Member for Merthyr Tydfil and Rhymney (Mr. Rowlands) about whether the treaty should be read backwards or forwards; for my present purpose, I shall read it forwards.

Article 2 has been mentioned many times. It refers to

"harmonious and balanced development of economic activities, sustainable and non-inflationary growth respecting the environment, a high degree of convergence of economic performance, a high level of employment and of social protection, the raising of the standard of living and quality of life, and economic and social cohesion".

That is the basis on which the rest of the treaty hangs, and it is linked with many other aspects of the economic and monetary criteria that are laid down.

Article 3 refers to the timetable set for economic and monetary policy. All the matters concerned are for the purposes set out in article 2. My right hon. Friend the Member for Bethnal Green and Stepney tried to suggest earlier that, ultimately, the whole policy was guided by the principles of stable prices and sound public finances; but article 3 states that, notwithstanding that guidance, the activities referred to are

"For the purposes set out in Article 2."

When reading the economic and monetary sections of the treaty, we must keep returning to the points in article 2, and stressing those points.

I accept that, to some extent, that is a subjective reading of the treaty, but I believe that everyone who reads it has a subjective view. Because, in my view, the treaty will ultimately be ratified, it is important for us to bear those points in mind and use them as a basis for future discussion.

Mr. Gould: Those who drafted the treaty thought of my hon. Friend's point about its interpretation. They make specific reference to it in article 105, which establishes the primary objective of the European central bank:

"The primary objective of the ESCB shall be to maintain price stability."

It goes on to say:

"Without prejudice to the objective of price stability, the ESCB shall support the general economic policies . . . laid down in Article 2."

In other words, article 105 takes on board the very argument with which my hon. Friend is dealing and says that, "without prejudice" to the more general provisions in article 2, the overriding objective of price stability shall nevertheless take effect.

10.30 am

Mr. Betts: I do not demur from my hon. Friend's point, which shows the potential for conflict in the treaty and why I do not seek to defend every aspect of it. It contains contradictions, and one can interpret things in different ways. As I said earlier, one problem is that some of the economic criteria in the treaty appear to have been written in different languages and emphasise different points from the monetary criteria.

I am concerned about the independent central bank, not only because of the independence but because of article 105, which my hon. Friend the Member for Dagenham (Mr. Gould) just read, and which is the guidance given to the bank about the objectives that it will pursue. Price stability is given primacy, but there is a different emphasis in the general objectives of the treaty where it is issues such as employment and growth which are given primacy.

[Mr. Betts]

I was going to mention later the general principles in the protocol for the EMI in article 3 on page 104, but I shall do so now. Article 3 states, as does article 105:

"The EMI shall act in accordance with the objectives and principles stated in Article 2"

which links back to article 2 of the main treaty through article 3a, which is for the purpose of achieving article 2. There is so much interaction in the treaty that it shows all the hallmarks of being written by a committee, or even two committees. One of the problems is that the treaty is open to different interpretations, depending on which article one selects and which aspect one emphasises to make a particular point.

Mr. Spearing: I appreciate my hon. Friend's point, which is substantially and philosophically similar to that made by our Front-Bench spokesman. The broad principles and aspirations and the humanitarian approach of the general principles of the early articles should be built on, but our argument, so ably put a little while ago in the analysis made by my right hon. Friend the Member for Llanelli, shows that the operational small print on which actions and policies are determined, reports made and disciplines ensured makes those aspirations generally difficult, if not impossible. That is why the treaty must not be ratified.

Mr. Betts: I do not necessarily agree with my hon. Friend's conclusion, as there is a different emphasis in different parts of the treaty. I would still argue that article 2 sets out the general purposes for the rest of the treaty. I would also say——

The Chairman: Order. The hon. Gentleman had a helpful intervention from the hon. Member for Newham, South (Mr. Spearing). We are dealing with amendments that cover operational points. The hon. Gentleman has hardly alluded to them, but keeps returning to article 2 and making generalised comments. He must deal specifically with the amendments.

Mr. Betts: I was trying to say that the operational points are linked to the general issues. Indeed, article 102a begins to spell out the operational points but is clearly linked to article 2. Article 102a states:

"Member States shall conduct their economic policies with a view to contributing to the achievement of the objectives of the Community as defined in Article 2".

However, I would be the first to accept that the wording of the operational aspects can be difficult and that we shall have to deal with the issue of interpretation.

The operation of the budget deficit criteria—the avoidance of a deficit—is very much part of the move towards economic and monetary union. It is one of the key aspects of convergence, which has received a great deal of attention.

Our debates so far have shown that, although the conditions might at first be thought to be a clear and rigid set of criteria, meaning that a country has at all times to set its governmental deficit at no more than 3 per cent. of GDP, and its overall governmental debt at no more than 60 per cent. of GDP, when we start to analyse the exact wording that surrounds and conditions the criteria, we get a different point of view.

The rigid criteria refer only to the initial report that has to be produced. As has already been said, when action is to be taken on the report, account has to be taken both of the extent to which the deficit is incurred because of a need for investment and of the medium-term and budgetary policies of the Government concerned. I accept that, as was said earlier, it would have been more helpful if the nature of counter-cyclical measures had been clearly spelt out in the treaty. That has not happened, but the fact that the word "counter-cyclical" does not appear does not necessarily mean that the reference to medium-term strategies cannot allow for the need for a counter-cyclical strategy when judging whether a budget deficit is excessive as part of the process of moving towards economic and monetary union.

That is a clear example of the possibility of drawing out from the treaty views different from those that it might initially have been thought to contain. It follows that there will be a need to ensure that within Community discussions and debates such issues are interpreted in one way rather than another. Indeed, one could argue that one of the issues highlighted is the need clearly to separate out the reasons why Governments borrow money.

No one could be in favour of excessive deficits. The very nature of the word "excessive" implies that the deficit is wrong. However, I strongly argue that we should focus on the need for long-term investment. If necessary, and within the criteria, we should be able to increase Government deficits in order to borrow for long-term infrastructure investment, which would be an integral part of trying to set the agenda for the growth and development in Europe that we have already discussed. Such matters can therefore be interpreted differently from the way in which they have previously been interpreted.

I can see problems that need attention, and I shall now deal with the transitional provisions. Article 109e, for example, takes us back to an emphasis on financial policy:

"the Council shall, on the basis of a report from the Commission, assess the progress made with regard to economic and monetary convergence, in particular with regard to price stability and sound public finances".

I readily accept that in the operational conditions governing the transitional provisions the emphasis has been shifted back to price stability and sound public finances. However, again the wording is potentially open to interpretation. The exact words are:

"assess the progress made with regard to economic and monetary convergence, in particular with regard to price stability and sound public finances."

That is not a rigid provision. If we are in the process of accepting the treaty and then seeing where we go from there, that article allows room for interpretation, to bring in issues other than price stability and sound public finances.

I accept that for convergence it is vital to get back on the agenda the issues of growth, investment and employment which are contained in article 2, but which do not appear specifically in article 109e. For example, article 130a, which deals with regional policy, contains a specific requirement to consider ways of removing divergences in regional policy—different growth rates, employment levels and standards of living—in different parts of the Community. The treaty must be read as a whole. I would argue that, although article 109e specifically refers to price stability and sound public finances, it does not actually exclude other criteria, which could be brought into play in a reappraisal of the convergence criteria. We should like those real economic issues to be addressed. That is why it is important that hon. Members who are highly critical of

the treaty should recognise that there may be other interpretations, which may even be more helpful to them in their pursuit of their objectives.

Much emphasis has been placed on article 109j, which refers to the fulfilment of conditions for eventually moving through to stage 3 of economic and monetary union. That provision is highly financial in content, referring to price stability, the Government's financial position and the exchange rate; the ERM is also mentioned. I should have been much happier with the treaty if those parts of it had also dealt with the real convergence criteria. I do not justify or defend every aspect of the treaty or claim that it is perfect. I agree that certain parts of it are deficient. In their present form, the conditions of convergence in article 109j are not the conditions that I would have chosen to include.

Ultimately, however, we have to decide whether we should abandon the whole process because of that or accept that those criteria, such as they are, are nevertheless part of a wider treaty and that, in the interpretation of those criteria set in that wider context, there will be pressures on Governments in the Community that are different from the pressures that existed—and the issues that were paramount—when the treaty was drafted. The interpretation of those criteria will be a matter of political judgment when the time comes.

Mr. Cash: Does the hon. Gentleman accept that if the treaty is to be ratified at all, it has to be ratified by 12 member states unanimously? In the light of the hon. Gentleman's thoughtful speech, let me ask him this: if there is something inherently wrong with the treaty—and he is suggesting that there is—how are we to get the 12 member states which have unanimously agreed to the treaty to agree unanimously to unravel it, especially when five or six of them have their noses deep in the subsidy trough, which is the reason why they went into the thing in the first place? If we are locked into the treaty with no right of secession, and with unanimity being required to unravel it, the whole of the hon. Gentleman's argument collapses.

Mr. Betts: The hon. Gentleman speaks of noses in the subsidy trough. I believe that the structural funds, which transfer resources to poorer members of the Community —particularly countries such as Spain—are extremely important in terms of Community funds. I do not regard the process as involving noses in the trough. I happen to consider the funds an important part of the real criteria for convergence, rather than the simple monetary criteria laid down in the treaty. Far from rubbishing and deriding that process, I should like to see the structural funds enhanced.

I do not necessarily accept all the wording in the treaty and have reservations and concerns about it, but I emphasise that certain things can be done within the European Community structure, and one of them is to increase the structural funds and try to consider points of real economic convergence that are already permissible within the treaties that we have signed under European legislation, and how we might achieve them. Political will is needed to push ahead with that if it is to be achieved.

Those who oppose the treaty's ratification hold diverse views. Some argue that ratification would lead us back to a different set of negotiations. Others would like to abandon the whole thing and not have any fresh negotiations. Some are philosophically opposed to the creation of a single currency, and I understand their view. In my view, the essential aims of the treaty—the move towards a single currency—should be supported. We should act to remove the power of the speculators in the money markets. I cannot think of any other way to do that.

I accept that there are alternatives, and it is incumbent on hon. Members who do not want to go down the Maastricht road to spell out the alternatives. We could allow the currency to float and let the speculators determine the levels, but that would not be a sensible long-term way to run an economic policy. Speculators should not determine on a day-to-day, week-to-week, month-to-month basis the value of our currency.

10.45 am

Mr. Gould: The evidence of recent events, before 16 September and currently in the case of other currencies, shows that enormous power is given to the speculators by establishing a gap between what one says one's currency is worth and what it is worth in the marketplace. Creating that stance makes it possible for the speculators to have a field day.

It is nonsense for my hon. Friend, with whose speech I substantially agree in most other respects, to say that somehow, by fixing our currencies or by eliminating the foreign exchange markets, we would remove our economies from the speculative effects of currency speculation or insulate ourselves against the factors that are reflected when there is turmoil on the foreign exchange markets.

Mr. Betts: By moving to a single currency in Europe, we would remove the speculation. Other than that, I am considering the alternatives. Free floating is one, although I do not accept it. A rigid currency, with one country trying to hold its currency at a certain value independently, is not a realistic stance. If interest rates were a problem in the ERM, they would be an enormous problem and be completely out of the control of Governments if one Government tried to fix their currency rigidly and independently. Or one could move to a managed system such as the ERM, which is a staging post in the treaty towards a single currency.

The problems that we had in the ERM were twofold. We went in at far too high a rate. The Government got that badly wrong. The ERM was not designed as a permanent set of fixed rates between different currencies. It was established as a managed system under which there could be adjustments periodically to reflect different pressures. That was not allowed to happen, so enormous cracks appeared as pressures built up.

I accept the point made by my hon. Friend the Member for Dagenham that the problem of speculation throws up differences within different economies. The problems caused by those differences must be resolved. I accept that devaluation has been a way of resolving those issues in the past. Before the election, I argued for a realignment within the exchange rate mechanism precisely because of those pressures.

In the long term, I would argue that devaluation of the currency is not the sort of policy objective which we want to follow. We should be getting back to the issue of why devaluations have been necessary. It is because of real factors in the economy which diverge between countries. If we are realistic about wanting the agenda of full

[Mr. Betts]

employment and growth, the move towards a single currency where devaluation is not an objective or mechanism should make us start to address the issues about why economies are diverging and get joint action on a European basis to achieve the objective of full employment and growth which we want to see. I know that my hon. Friend the Member for Dagenham does not agree with that point. My argument is that the only alternative is to have free-floating exchange rates, and let them follow the real factors.

Mr. Gould: It is not that I disagree with my hon. Friend. Of course, he is absolutely right that there are real performance indicators which matter in determining the true course of our economy. I disagree with his assumption that decisions on matters such as exchange rates, interest rates and monetary policy have no impact on the real performance matters. If we get those matters endemically wrong, as we have done over a long period, and then propose to entrench those mistakes in precisely the way proposed by the treaty, any hope that we have of securing a real economic convergence will be totally undermined.

Mr. Betts: The one issue about which I have real concern is the independence of the central bank. My hon. Friend knows my views about that matter. I cannot be eclectic about it because, although I believe that it will be possible politically to interpret some of the criteria in the treaty in a way which would be favourable to my arguments, I agree that the independence of the central bank is a major worry in that regard. Eventually, it will be found to be wanting and we shall have to readdress it in a fundamental way.

Mr. Simpson: In asking for a coherent alternative, does my hon. Friend accept that the whole package of proposals which such a coherent alternative would have to encompass would not address a single variable in the economy? It would make no sense simply to focus on the exchange rate mechanism as the only lever of an economy on which to reconstruct and achieve growth towards full employment.

If we take the package as a whole in terms of moving interest rates by wielding Government decisions about borrowing powers and Government debt, and if we subscribe to the terms of convergence, we shall fall into a trap. Those are precisely the constraints——

The Chairman: Order. As I have said several times during the night, interventions should be succinct and to the point. The hon. Gentleman's intervention is probably long enough.

Mr. Knapman: On a point of order, Mr. Morris. I seek your guidance on Standing Order No. 35 which says:

"After a question has been proposed a Member rising in his place may claim to move, 'That the question be now put,' and, unless it shall appear to the chair that such motion is an abuse of the rules of the House, or an infringement of the rights of the minority, the question 'That the question be now put,' shall be put forthwith."

I draw that to your attention because in the past couple of hours—although we have heard only three speakers—some weighty legal points have been raised by the right hon. Member for Llanelli (Mr. Davies) and some equally valid ones have been raised by my hon. Friend the Member for Worcestershire, South (Mr. Spicer)——

The Chairman: Order. Those are hypothetical points to me. I call Mr. Betts.

Mr. Knapman: Am I not entitled to finish my point of order?

The Chairman: Order. I have ruled on that point of order which the hon. Gentleman raised, and I have called Mr. Betts.

Mr. Cash: Further to that point of order, Mr. Morris. Under Standing Order No. 35 and the reference to the rights of the minority, if only three speakers have spoken in the debate, and there was any question of anyone——

The Chairman: Order. The hon. Gentleman is right that so far three people have spoken, but that has been true of many debates. At no point have I accepted a closure motion after only three people have spoken.

Mr. Knapman: Further to that point of order, Mr. Morris.

The Chairman: No, I will not take any further points of order. I call Mr. Betts.

Mr. Betts: I am doing my best to remember the point that my hon. Friend——

The Chairman: I call Mr. Betts on the amendments.

Mr. Betts: I was trying to remember the point that was made in the intervention, Mr. Morris. My hon. Friend the Member for Nottingham, South (Mr. Simpson) said that exchange rate mechanisms were not the sole weapon in the armoury.

Mr. Simpson: May I refresh my hon. Friend's memory? I simply asked him——

The Chairman: Order. If the hon. Gentleman cannot remember the intervention, it is hard luck.

Mr. Betts: As I remember it, my hon. Friend said that exchange rate mechanisms were one weapon, but they should not be the only weapon to seek convergence between countries and rectify discrepancies between them. We must accept that if we move to a common currency, we shall remove the exchange rate as a mechanism for adjusting the economic performance of various countries. We shall lose one of the weapons in our armoury. That is one of the prices that we pay for that process. I would argue that it is a price worth paying for removing speculation.

Many people have said that they are either in favour of the treaty or against it, and that is the end of the story. I am not wholeheartedly in favour of the Maastricht treaty, although I believe that the general objectives set out in article 2 take us in the right direction. We can achieve that only if we remain a full member of the European Community. That is the only way in which we can achieve the objectives of investment growth and full employment.

If we accepted amendments that meant that the Government could not ratify the treaty, we would end up outside the European Community or, at best, we would become a second-class member of the Community. The treaty is far from perfect. I have tried to show that there are conflicts within it. There are differences of emphasis in different parts of the treaty. They range from the clear

acceptance in article 2 that the principles of employment are paramount, to article 105 in which, as my hon. Friends have rightly said, price stability clearly comes to the fore.

I recognise that that creates a degree of ambiguity. I have said that it is not for Opposition Members to justify or explain that. That is up to the Government. However, whatever the difficulties with the treaty, we must work to develop an agenda within the EC which gives primacy to the employment growth and investment criteria in article 2, whatever the constraints in later parts of the treaty. We should seek to resolve any potential conflicts in the treaty in favour of achieving employment growth and investment. That is why Opposition Members who are prepared to accept the treaty, imperfect as it is, have set ourselves a course that recognises some of the flaws, but also recognises that it is probably the best that we can achieve to set the agenda for growth in the 1990s which is so urgently needed.

Mr. Andrew Mitchell (Gedling): I beg to move, That the Chairman do report Progress and ask leave to sit again.

Mr. Andrew F. Bennett (Denton and Reddish): I understood that there was a tradition in the House that Members vote and speak in the same way. I understand that at 10 o'clock last night Liberal Democrat Members voted for us to continue our proceedings all night. They seem to have disappeared now. I should have thought that it was perfectly reasonable that if they had voted——

The Chairman: Order. The appearance or disappearance of hon. Members is certainly not a matter for the Chair. I call Mr. Bennett on a point of order.

Mr. Bennett: It is not a point of order.

The Chairman: I shall take a point of order from the hon. Member for Stafford (Mr. Cash) and then I shall come back to the hon. Gentleman.

Mr. Cash: The Liberals have gone, but there is an important amendment that they tabled which would have left out the United Kingdom protocol. It is extraordinary and outrageous that an amendment should be tabled in the name of the leader of the Liberal Democrat party and they are not even here——

11 am

The Chairman: Order. The hon. Gentleman is wearing a very bright tie this morning, but that still does not mean he can abuse the Chair by raising points of order that are totally bogus.

Mr. Bennett *rose*——

The Chairman: I call the hon. Gentleman on a second point of order.

Mr. Bennett: It is not a point of order.

The Chairman: Let me clarify matters for the Committee. We are now on a debate on the motion that I report progress and ask leave to sit again. The scope of that debate, to which I am prepared to listen, is that it should be confined to whether the debate should continue. It has nothing to do with who was here in the middle of the night and who was not, or which party was here or who tabled which amendment. Before I call the hon. Member for Denton and Reddish (Mr. Bennett) to speak, are there any more points of order?

Mr. Bill Walker: On a point of order, Mr. Morris. Fortunately, you have already answered one aspect of my point of order. Those of us who have sat through the night have admired the way in which you have handled things, and I mean that most sincerely. Will you tell the House whether the conduct of Members who move motions and then do not remain for them is borne in mind when the Chair is considering whether they should be called in future debates?

The Chairman: The Chair has many things to bear in mind in deciding who should speak. Mr. Bennett has the floor.

Mr. Bennett: I shall begin by drawing attention to the fact that last night hon. Members decided that it was a good idea for us to work from 10 o'clock at night right through until a few moments ago.

People outside the House will ask whether we are making the most logical use of our time. It seems odd that the Government should now seek to report progress rather than to continue. Most of my constituents would have found it much more logical for us to debate this issue between 10 o'clock in the morning and 5 o'clock at night rather than between 10 o'clock at night and 10 o'clock in the morning.

Mr. Cryer: Does my hon. Friend accept that reporting progress is a determination of whether these important issues that affect the entire nation should continue to be debated in the Chamber? Does my hon. Friend agree that the Government are moving progress not because they are concerned with the nation at large but because they have done a dirty deal with the Liberals and are trying to stick to it?

Mr. Bennett: I am sure that if we started talking about all the deals that have been done in the Corridors of this place, we would have a lot to debate and I also suspect that you would not be very happy about that, Mr. Morris.

I want to address the central question whether we are making sensible use of our time. I should have thought that it would have been perfectly reasonable for the Government to tell us their plans for the rest of the day. Will we have the farce that we now adjourn and do not return to this business until possibly 9 o'clock this evening; we then continue through the evening and at 10 o'clock some arrangement is made with the Liberals by which we either continue to debate crucial issues in the small hours of the morning or will we use a more sensible procedure that, having continued until 11 o'clock in the morning, we carry on?

My right hon. Friend the Member for Llanelli (Mr. Davies) asked some extremely important questions and I should like to hear some answers. It is extremely difficult to have a debate which is then interrupted and then to have to wait until possibly this evening, the small hours of the morning or Monday before we get the answers to the very important questions that my right hon. Friend posed. It is disgraceful that the Government cannot tell us specifically what they intend to do.

Dr. Godman: Is my hon. Friend aware that a number of us have been here for several hours and were hoping to speak in a continuing debate on the amendments? *[Interruption.]* One of my hon. Friends says that I look as

[Dr. Godman]

though I have been here all night. It is more than a matter of asking questions; it is a keenness to take part in the debate. So the debate should continue.

Mr. Bennett: I accept that point. My central concern is that very important questions were raised on this group of amendments about the future financial position of the country and they are questions that the House should address. It is ridiculous that, instead of addressing them at an important time of day, when people can rise to logical debate, the Government want to shuffle the debate off so that once again we end up with a debate late at night when hon. Members are less likely to be able to follow the arguments that have been put forward.

I appeal to the Government to tell us now what they intend to do. Do they intend to report progress now and ask leave to sit again tomorrow, which is, of course, today —one of the farces of parliamentary procedure—so that we will reach the wind-up to the debate some time late in the evening? Or is it their intention not to move the 10 o'clock motion tonight, so that we end up with a response to the debate, which was started at half-past seven this morning by my right hon. Friend the Member for Llanelli (Mr. Davies), at some point on Monday? One of my hon. Friends says "Tuesday". That is one of the difficulties of trying to remember which day it is, particularly when we are in the farcical position where people outside think that today is Thursday but inside the House it is Wednesday.

Mr. Cryer: Would my hon. Friend also bear in mind the fact that there is really no point in having a break now because we will not have, in a debate on Thursday—which it is outside, but it is still Wednesday in here—time to have *Hansard* printed so that we can read the speeches of the various Members who have spoken through the night? Would not the best way to proceed be to get the Government to join in this debate by saying that they will abandon the Bill completely and allow *Hansard* to be printed?

Dame Elaine Kellett-Bowman (Lancaster): On a point of order, Mr. Morris. The hon. Member is not addressing the Chair.

Mr. Cryer: On a point of order, Mr. Morris.

The Chairman: The sedentary point of order was correct: the hon. Gentleman should address the Chair, although I accept that he was getting a little carried away. I should be grateful if in future he would address the Chair.

Mr. Cryer: On a point of order, Mr. Morris. Naturally I will accept your guidance, but I was bringing matters of importance to the attention of the Committee. I should be grateful if you would tell some of the Tories, particularly the hon. Member for Lancaster (Dame E. Kellett-Bowman), not to shout from a sedentary position—something which, I am sorry to say, she does frequently.

Dame Elaine Kellett-Bowman: I was merely responding to the lamentable behaviour of the hon. Members opposite.

The Chairman: The hon. Member for Denton and Reddish had the floor.

Several hon. Members *rose*——

Mr. Bennett: I have to start my speech before I can give way, but I will give way now.

Sir Trevor Skeet: I just want to raise one matter with the hon. Member. He has been sitting here all night, waiting to get into this debate. [HON. MEMBERS: "No, he has not."] We have had something of the order of 24 blocks of major amendments since we started the Maastricht debates; only three of them have been on economic affairs and all three have been discussed during the night. The debate on them has missed the newspapers. It has missed the ventilation that it should have had. It is important that those outside should know the exact position. Does the hon. Member agree?

Mr. Bennett: I very much agree. That is why I wanted to find out the Government's intentions for the rest of the day and that is what we are debating—whether we should report progress. Many people would like us to do so, but we do not want to if key economic answers are going to be given in the middle of the night. I certainly would have liked to have heard the Government's intentions for tomorrow—which is today.

My hon. Friend the Member for Bradford, South (Mr. Cryer) said that we could not read the speeches made during the debate. He said that we cannot read the most useful speech by my right hon. Friend the Member for Llanelli (Mr. Davies) because it is not in *Hansard*. I do not think that my hon. Friend is correct because I understand that the typescript of the spill-over session goes to the Library, once *Hansard* has completed it, so I think that my hon. Friend could read it there. If he did not hear that speech, I recommend it to him as it is worth while reading.

Some people outside the House feel that our speeches on Maastricht are simply filibusters, but I stress to my hon. Friend the Member for Bradford, South that, although the speech by my right hon. Friend the Member for Llanelli was long, every word was extremely important. Anyone outside this place who is under the misunderstanding that we are filibustering should take the trouble to read that speech. He would then be aware that my right hon. Friend raised important issues concerning the future economy of this country.

Mr. Cryer: Does my hon. Friend accept that, although he might be right technically that a version of *Hansard* is available in the Library shortly after the debate has finished, in reality every hon. Member has the right to receive *Hansard* and to read it.

Dame Elaine Kellett-Bowman: Order.

Mr. Cryer: The fact that one copy might be available in the Library is no substitute for the right of 651 Members to receive *Hansard*.

Dame Elaine Kellett-Bowman: Order.

Mr. Cryer: I should be grateful if my hon. Friend could comment on that, although I realise that there are grave difficulties because of the continuing interruptions of the hon. Member for Lancaster (Dame E. Kellett-Bowman), who seems to be behaving very badly so early in the morning.

Dame Elaine Kellett-Bowman: On a point of order, Mr. Morris. Would you please assure the rather obstreperous Member for Bradford, South (Mr. Cryer) that I am drawing perfectly proper points of order to the notice of

the Chair? That includes the point of order that hon. Members are coming into the Chamber and walking upright in front of those Members who are speaking, thus breaking their eye line with the Chair.

The Chairman: The hon. Lady is quite right and I take this opportunity to point out to all hon. Members that the incidence of hon. Members interfering in the sightline between the Chair and the hon. Member who is speaking has increased and that that practice should cease. That has occurred on both sides of the Chamber, although it has happened only on one side this morning. Also, may I say that the hon. Lady looks to me to be in the peak of fitness this morning.

Mr. Austin Mitchell: On a point of order, Mr. Morris. Could you confirm that the manner of interjection by the hon. Member for Lancaster (Dame E. Kellett-Bowman) was not to raise a point of order. She did not say, "On a point of order." She yelled "Order" from a sedentary position, as if the Chairman of this Committee had turned into some kind of street yodeller on the other side of the Chamber.

The Chairman: Order. That is a bogus point of order.

Mr. Bennett: Before all those interruptions, I was trying to explain what I believe to be the central matter for the Committee. We should debate the Bill in an orderly fashion and the Government should set out what is happening clearly.

I heard the important speech of my right hon. Friend the Member for Llanelli, but I have not heard speeches from Liberal Members because their amendments were apparently not included in this group. We have also not had the opportunity to hear from my hon. Friends on the Opposition Front Bench or from the Minister.

I want to know whether the Government intend to report progress and ask leave to sit again this afternoon. We understand that there is to be a statement on coal this afternoon, as well as business questions, so the key answers to our economic debate will take place between 6 and 7 o'clock this evening and may go on past 10 o'clock. The key answers to future questions of unemployment which affect my constituency and elsewhere in the country could be debated in the small hours of the morning again. I am sure that the public will not understand that.

Mr. Hain: My hon. Friend makes a valuable point. He might want to consider the fact that we have not had from the Government any indication as to when they will close the debate on the vital issue of the economic character of Europe.

The Chairman: Order.

Mr. Hain: Until we do, we shall not know——

The Chairman: Order.

Mr. Hain: —whether the issues are being——

The Chairman: Order. The hon. Gentleman is getting into the habit of continuing his speech after I have called him to order. Let me make it quite clear to him that I decide when there should be a closure.

11.15 am

Mr. Bennett: It is very worrying that the Government have not told us what their plans are. I shall happily give way to the Minister if he is prepared to tell us what we are to do for the rest of the day. It is important that the hon. Members who move amendments be present to hear the remainder of the debate. Failure by the Government to give us some indication of their intentions will amount to extreme discourtesy to the Committee.

My hon. Friend the Member for Bradford, South (Mr. Cryer) has made a point about the availability of *Hansard*. It is farcical that we should have to wait 24 hours for the *Official Report*, as an electronic system of printing is being used. *Hansard* should be available to hon. Members electronically within an hour or two. *[Interruption.]* The hon. Member for Wirral, South (Mr. Porter) is complaining from a sedentary position. No doubt he was not here at half-past seven this morning.

Mr. Barry Porter (Wirral, South): As you, Mr. Morris, have said, the decision about a vote is a matter for you. Actually, I believe that it is about time we had one. People in the Galleries and people outside deserve better. Maastricht has not been mentioned in the last 45 minutes.

Mr. Bennett: I shall not question the hon. Gentleman very closely about the speech of my right hon. Friend the Member for Llanelli. I am sure that if he was present for that speech he would agree that it was very important and contained many questions that demand answers from the Government. But the answers should be given at prime time in the Chamber. I hope that, in this short debate on the progress motion, the Government will tell us what is to happen.

Mrs. Gorman *rose*——

Mr. Bennett: I shall give way reluctantly.

Mrs. Gorman: Members who are not here in the middle of the night are missing not only important subject matter but important speeches. The people about whom I am thinking may be in the minority in this debate, but my hon. Friend the Member for Milton Keynes, South-West (Mr. Legg) has sat through 17 days of debate as he has very important material to contribute. He has not yet been called and he may be called in the middle of the night, resulting in the virtual loss of his very important speech. I hope that his material will not be wasted in that way.

Mr. Bennett: I accept that point. The hon. Member for Milton Keynes, South-West (Mr. Legg) is one of the Members who questioned my right hon. Friend the Member for Llanelli.

The next time the Government decide to report progress in the middle of the morning——

Mr. Knapman: Will the hon. Gentleman give way?

Mr. Bennett: Yes, reluctantly.

Mr. Knapman: The hon. Gentleman should be making his points to the hon. Member for Inverness, Nairn and Lochaber (Sir R. Johnston). It is rumoured that there is to be an important Liberal party conference—if that is not a contradiction in terms—tomorrow. The hon. Gentleman might benefit from asking the Liberal Member whether he

[Mr. Knapman]

has been given any undertaking with regard to business later today. In that way, the matter might be speedily resolved.

Mr. Bennett: I would not dream of asking the hon. Member for Inverness, Nairn and Lochaber (Sir R. Johnston) what deals he has done behind closed doors. I said at the beginning of my speech that if we were to spend all our time in the Chamber debating deals done behind the scenes we should make very little progress. It was unfair of the Liberal party to vote in favour of holding a key economic debate in the middle of the night, when most of its members intended to go home. However, I am not surprised, as I have on far too many occasions witnessed their opportunism.

Will the Government please tell us how this debate is to be continued rationally? When shall we get answers to the key economic questions put by my right hon. Friend the Member for Llanelli?

Mr. Livingstone: I shall start by saying how much all of us respect the fair way in which you, Mr. Morris, have conducted business today. You look so fresh and entertaining at this time of the day, having been up through the night, that I wonder what you are on. I would not mind some of it.

The past 24 hours have been an absolute travesty. The most important decisions that will ever come before the House of Commons—which will strip the British people of their major economic rights and their ability to exercise them via the democratic will of Parliament—have been pushed through in the dead of night. It is known full well that the media has largely closed down. The exercise has been conducted for the benefit of the Government, who wish to do their sordid business with the minimum of atttention.

The Government have had the despicable and disgraceful co-operation of the Liberal Democrats, who have disappeared so far up the Tory fundament that the soles of their feet barely show at present. The Liberal Democrats will be careering round Newbury in the weeks to come, pimping and prostituting themselves as the defenders of democracy, having sat through the middle of the night and allowed the Government to push through the legislation. Captain Mannering will be popping up and down Newbury telling all and sundry——

The Chairman: Order. Newbury is not relevant to the debate.

Mr. Livingstone: I was hoping that we could continue the debate until the Newbury by-election.

We are in the midst of a debate about the European Monetary Institute, the forerunner of the central bank, and suddenly the Government want to make progress. Is that perhaps because the journalists are now reporting our business?

Mr. Cash: Is the hon. Gentleman aware that the leader of the Liberal Democrats has tabled an amendment—which should be discussed in the course of our proceedings—to take out what is described as the jewel in the crown of the British negotiations at Maastricht: the opt-out on economic and monetary union? That amendment is actually in the name of the leader——

The Chairman: Order. That matter has nothing to do with the present debate.

Mr. Livingstone: I think that the hon. Gentleman was referring to amendment No. 400, which forms part of the debate towards which we are moving——

The Chairman: That was the debate that we were having. We are now debating whether that debate should continue. We are not discussing the content of that debate.

Mr. Cash: On a point of order, Mr. Morris. How can we be precluded from discussing the content of amendments that have been selected by you when we are debating whether or not we are to be allowed to discuss the motion before us? It is almost impossible to discuss one without the other.

The Chairman: It is clear that we are debating whether to report progress, not the content of individual amendments.

Mr. Knapman: Further to that point of order, Mr. Morris. Previously, a closure motion has always been granted immediately. Therefore, will you reconsider the answer that you gave to my hon. Friend the Member for Stafford (Mr. Cash)?

The Chairman: We can discuss the amendments when we return to them. We are now debating the sole issue of whether to report progress.

Mr. Livingstone: If we report progressnow, what will we have to report? We are halfway through the debate and have not had the vital votes. The Government have not replied to most of the telling questions that have been asked. Many vital issues have been raised to which answers have not been forthcoming. What will the Government do to protect the budget deficit? It has been made clear that if we were to proceed with the treaty before such issues were resolved and the treaty were in operation today, we would now have to move into emergency session to make cuts of £19 billion. How can we report progress when we have not received an answer from the Government on how they would try to square the horrendous circle?

I assume that at some stage the Home Secretary will come to the House to make a statement on the disturbances in Yeovil which are currently taking place. People who feel betrayed are surging on to the streets to demand the resignation of their local Member of Parliament. The news is coming over on the tapes as I speak. There is rioting in Yeovil as ordinary people take to the streets with placards saying, "Paddy, you rat, we want you out".

How can we possibly stop the business until we have had a statement from the Home Secretary? All these matters should be placed before us. We have sat through a disgraceful day for British democracy and now the Government want to shuffle it to one side by closing the debate. Some hon. Members have been here all night. I confess that I was not because I popped home for five hours of shuteye. When I returned I found that in my absence we were committed to a European central bank. The legislation had been pushed through in the small hours as a result of dirty work with the Liberal Democrats who went sliding off to conduct their squalid deals. No doubt they will vote to report progress. Will we have a report on the deals with the Liberal Democrats? Will that be included in the progress report?

In this retrograde move the British people have seen the first major step towards taking away their right to determine our interest rates and the exchange rate for the pound. I was disturbed to hear some of my Front-Bench spokesmen make a fundamental error. I am sure that the Government would want to cover that up: that is why they want to make progress. When I raised the issue of the exchange rate, I was told that ECOFIN would decide the exchange rate of the ecu against the dollar and the yen. How is that determined? The exchange rate of one currency against another is determined by the balance of trade and by the interest rate, which would be set by the central bank. That would effectively determine the exchange rate of the ecu.

No one could possibly sustain an exchange rate that did not reflect the real interest rates vis-à-vis our major competitor currencies. That point has not been answered at all. The Committee is being seriously misled, I am sure inadvertently, and it is being done in the dead of night. It is ridiculous that technically it is still Wednesday, although the rest of the world is already moving on to Thursday. That is absolute nonsense.

Mr. Cash: Does the hon. Gentleman know that the Chancellor of the Exchequer has not taken any part in our proceedings on the most fundamental issue affecting the future of the British economy, monetary affairs, currency, the exchange rate mechanism and black Wednesday? The whole saga is wrapped up in the debate, but the Chancellor has not been here. A junior Minister, the Financial Secretary to the Treasury, has been deputed to discuss all those matters. The right hon. Member for Llanelli (Mr. Davies) put to him important legal points and he could not answer any of them.

Mr. Livingstone: The hon. Member for Stafford (Mr. Cash) makes a valuable point about the absence of the Chancellor, who has had a bad time lately. From black Wednesday he has had a bad run and the Budget was not well received. We cannot make progress until the Chancellor has attended to put his views. Frankly, I am sure that he does not believe in most of this old nonsense. That is why he was singing in the bath when we were forced out of the exchange rate mechanism.

Mr. Skinner: I take great exception to my hon. Friend's statement that the Chancellor of the Exchequer has had a bad time. The country has had a bad time. The Chancellor of the Exchequer has had a great time. He has been living off the backs of the taxpayer. He has been stopping legal aid for everybody else in Britain and has been picking it up for himself because he got involved with Miss Whiplash and could not get rid of her. He is spending all that money at Threshers, at different places, and his Access card is not in credit. The country is in a mess, the wheels have dropped off the economy and what is he doing? He is singing in the bath. My hon. Friend should rephrase what he has just said.

Mr. Livingstone: It is always refreshing to be reminded by my hon. Friend the Member for Bolsover (Mr. Skinner) of the real class analysis of these matters. I apologise for my slip into moderation. It is a complete travesty that the Chancellor has not been here to present the issues. We know from private briefings to the press that he is clearly not happy and that he thinks it was a mistake to slip into the exchange rate mechanism which, of course, is the first stage of monetary union and the core of the treaty that we have been debating. I saw the Chancellor on "The Frost Interview" on Sunday morning. I was appearing on it myself, to review the morning newspapers. The Chancellor looked much happier outside the exchange rate mechanism than he did when he was in it.

As to the consequences, there were no answers from members of either Front Bench. The real rejection of the Maastricht treaty was cast by voters in France last Sunday, who violently rejected a Government who had gone along with precisely the kind of proposals that were debated tonight.

The Chairman: Order. The hon. Gentleman is becoming too inventive. We must remain in the United Kingdom.

Mr. Livingstone: It would be good if we could, because once the treaty goes through there will not be much of the United Kingdom left.

11.30 am

Mr. Cryer: Will my hon. Friend dwell on the difficulties that would be created by stopping the proceedings now? My right hon. Friend the Member for Llanelli made an excellent speech in which he outlined the economic difficulties; and the establishment of the central bank was also debated. At this point, we need the Chancellor of the Exchequer to come to the Committee to make a response. We do not want to hear from a junior Minister who cannot say anything anyway and who is simply told to keep in line. We should continue and receive a response from the Chancellor—particularly to the debate initiated by my right hon. Friend the Member for Llanelli.

Mr. Livingstone: It was not just the economic elements of my right hon. Friend's speech that were striking, but the legal content. Once the treaty goes through, it will not be us who interpret it but judges and European judges. It is all very well Conservative Members being dragooned by their Whips to pass this and that, but they are leaving interpretation of the treaty to judges of a court over which we shall have no influence. What response has been made to that point?

It does not pay respect to the dignity with which you, Mr. Morris, have conducted these proceedings that only junior Ministers have been in attendance rather than the Chancellor of the Exchequer. The whole nation will join me in applauding the way in which you, Mr. Morris, have conducted the business of the Committee, which has been very difficult at times.

Mr. Chisholm: Having attended the debate since 6 o'clock last night, I left the Chamber for an hour to catch up with some telephone calls and letters. When I returned, I was appalled to learn that the debate was to be closed. Are the Government interested only in debating key elements of the treaty during the hours of darkness?

The Chairman: Order. The debate has not been closed.

Mr. Chisholm: We want to keep the debate going and I take it that that is the subject of my hon. Friend's remarks.

The Chairman: Order. There is no closure of the debate —just a temporary suspension. The debate will resume in due course.

Mr. Chisholm: It is strange that the Government should want to stop now that we are in the hours of daylight, when they made members of the Committee sit during the night to debate the very heart of the treaty. That was an appalling thing to do. Two important groups of amendments were dealt with by collusion with the Liberal Democrats when many right hon. and hon. Members were not present and others were half-asleep. The least that we can expect is for the Chancellor to come to the Committee to answer the crucial points made by my right hon. Friend the Member for Llanelli (Mr. Davies), who described all the actions that the Government would have to take in stage 2. The junior Minister could not give a reply. We must know what stage 2 will involve in terms of inflation, exchange rates, and so on.

Mr. Livingstone: My hon. Friend makes valid points. I am surprised that no Minister has come to the Dispatch Box to answer. Reporting progress at this stage is like a surgeon performing open-heart surgery cutting open the chest, getting his knife in the heart muscle, and then saying "Shall we stop to report progress?" We do not know what the Government are doing, where they are going, or what they will be sewing up—although clearly they sewed something up with the Liberal Democrats.

Mr. Cryer: My right hon. Friend the Member for Llanelli gave us, in addition to his great Treasury experience, the benefit of his legal knowledge. The certain way to proceed would be for the Attorney-General to come to the Committee. From experience, we cannot depend on any other Minister properly to interpret the legal position. My hon. Friend the Member for Brent, East (Mr. Livingstone) will recall that the Minister of State, the right hon. Member for Watford (Mr. Garel-Jones), gave one interpretation and the Attorney-General gave another, yet they claim that it is all so simple and straightforward. It is vital that the Attorney-General attends to respond to the points clearly made by my right hon. Friend the Member for Llanelli.

Mr. Livingstone: In particular, the Government gave no clear guidance on the point made by my right hon. Friend the Member for Llanelli about what lay in store for us in the move towards an independent central bank. Various other Opposition Members made key points. What we are now debating reverses all that was achieved in the great nationalisation of the Bank of England in 1946; it is based on an absence of serious discussion and on half-baked advice provided by junior Ministers whose words have been completely unconvincing. One of the major achievements of the post-war Labour Government has been unravelled in the middle of the night. We have had no serious debate and no honest answers. I do not think that the Government have worked it out.

Mr. Marlow: I am sorry to return to something that the hon. Gentleman said a few moments ago. He said that it was vital for the Chancellor of the Exchequer to come and respond to the debate. I do not whether the hon. Gentleman was here at the time, but my hon. Friend the Financial Secretary talked earlier about article 107, which says that Governments cannot do anything to influence the European system of central banks. The House of Commons will be able to debate issues, but the Government will not be able to say anything. Surely it is worth my right hon. Friend the Chancellor's coming here during the debate on monetary union: if he does not, the only thing that he will have left to say afterwards is goodbye, because the chance will be gone.

Mr. Livingstone: The hon. Gentleman has referred to perhaps the most serious and threatening of all the Maastricht proposals. Not only are we creating the independent European central bank that we have been discussing; not only are its appointees appointed for a single term of seven years—as there is no prospect of their being given a second term, they are free to do what they wish without accountability; but, in voting for the treaty, we waive our rights to influence them. At least the Bundesbank currently comes under pressure from politicians and the Federal Reserve Bank comes under pressure from the President. We have been asked to report progress on a proposal that we waive our rights to exercise similar restraints.

Mr. Rowlands: Is not article 108 equally significant to the sovereignty of the House? If we accept that article, we bind the future legislation of the House of Commons in regard to the statutes of the revised Bank of England. We would have to legislate in strict accordance with the statutes of the European central bank. Not only are we losing the rights of independence; we are losing the right to legislate on our bank in the way that we would wish.

Mr. Livingstone: And, even worse, Mr. Morris——

The Chairman: Even worse, yes. I anticipate the hon. Gentleman. We are not debating the sovereignty of Parliament; we are discussing whether the debate should continue and, if so, why it should continue.

Mr. Livingstone: I consider it vital for the debate to continue, Mr. Morris, so that we can continue to explore——

Mr. Cryer: On a point of order, Mr. Morris. I hate to draw your attention again to the hon. Member for Lancaster, but I understand that she is reading a newspaper. As she is very much concerned with our procedures, I thought that I should help her by informing her, through you, that that is not allowed, even in the Gallery.

The Chairman: The hon. Lady is beyond the Bar, but not in the Gallery.

Dame Elaine Kellett-Bowman: On a point of order, Mr. Morris. May I draw your attention to the lamentable lack of knowledge of the rules that has been demonstrated by the hon. Member for Bradford, South (Mr. Cryer)? Of course, I could not hear what he said, because I was outside the Chamber.

The Chairman: If the hon. Member for Bradford, South (Mr. Cryer) wishes to engage in a private conversation with the hon. Member for Lancaster (Dame E. Kellett-Bowman), I suggest that he goes and buys her a drink.

Mr. Livingstone: I hope that I can remember what I was going to say.

How can we report progress when the points that we have made have not been answered? We have had tremendous assistance from the Opposition Front Bench: I have listened to our leading spokespeople trying to explain the Government's policy, often much more clearly

than Ministers and, seemingly, often with much greater agreement than can be seen on the Conservative Benches. Ultimately, however, these remain matters of opinion.

We need the Chancellor and senior Law Officers here to give definitive rulings on the Bill. What would be the impact on the Chancellor if the Bill were passed and we found that the independence of our own central bank were adversely affected? Appointees to the national central banks will serve a five-year term, but we have received no assurance that the system could not be abused politically. Could an outgoing Government stack the board with people on five-year terms so that an incoming Government would be stuck with them?

It is interesting that the hon. Member for Lancaster (Dame E. Kellett-Bowman) was reading a newspaper beyond the Bar of the House. She was most probably looking for an account of the debate, but she will not find it because the key issues were decided after the press had gone to print. They will have to compete with today's news. How much of the debate, which should be reported to the British people, will be lost because of momentous events in Russia and elsewhere in the world? The debate should be held in prime time. We should ensure——

Mr. Barry Porter: On a point of order, Mr. Morris. I am seeking some information. I am listening with great interest and some amusement to the hon. Member for Brent, East (Mr. Livingstone) and with less interest and amusement to the Cryer-Skinner axis. How long may the debate on the motion to report progress continue? It seems that some members of the Opposition are trying to prolong the debate for no particular reason.

The Chairman: That is a judgment for the Chair.

Mr. Livingstone: It is certainly no part of my plan to prolong the debate, and I make that absolutely clear. I am prepared to say what I want: I want some honest answers. I should be prepared to sit down immediately if we could see the Chancellor's happy form wandering through. We must be told what deals have been done. Is making progress something that has been agreed with the Liberal Democrats and the Welsh nationalists, who were all in the same Lobby earlier? We want to know.

Mr. Kevin Hughes (Doncaster, North): The Chancellor will not come walking through because he is probably too busy in a Cabinet meeting, deciding how many pits to close.

Mr. Livingstone: It is extremely worrying. How will reporting progress affect the prospect for proper cross-examination of Tarzan later today when he tries to close what remains of the mining industry? I cannot remember his title—is it the President of the Board of Trade, el presidente, lord protector, or whatever he chooses to be known as? The debate must be properly concluded. It would be an insult to the British people if, after a long debate, most of which has taken place when the Galleries were empty because who will come to sit here——

The Chairman: Order. The hon. Gentleman knows the rules of the House.

Mr. Livingstone: Nobody else is here but us little mices. The reality is——

The Chairman: Order. The hon. Gentleman's little mouse was in bed, if I heard him correctly earlier.

Mr. Livingstone: Only for five hours, Mr. Morris. I feel that I could have done with another five hours.

Mr. Chisholm: Some of us have not slept at all because —I say this genuinely—we have been waiting for the Minister to reply to the debate. The group of amendments was brilliantly introduced by my right hon. Friend the Member for Llanelli (Mr. Davies), who went through the treaty in a most illuminating way. Anyone who heard his speech will agree with that. He opened up the issue of stage 2 of the treaty. We are waiting for a Minister, preferably the Chancellor, to reply to the many points that my right hon. Friend raised.

Some of us believe that the Chancellor and other members of the Government have been trying to pull the wool over their Back Benchers' eyes to gain their votes without telling them the truth about what is involved in stage 2 and how it affects exchange rate controls and other controls. As my right hon. Friend said, there is a seamless web from stage 2 to stage 3. That aspect of the debate must be dealt with. I have gone without sleep for 36 hours to wait for a reply and I shall not sleep happily until I have heard from a Treasury spokesman.

Mr. Livingstone: I seldom sleep happily when I have heard a Front-Bench Treasury spokesperson speak on any subject.

The Committee decided the way in which we should consider the legislation. Under your guidance, Mr. Morris, the various amendments were arranged into coherent groups. Some of us felt that we should simply start with one amendment and work our way through to the end and perhaps still be here in the year 2000. But you, in your wisdom, Mr. Morris, grouped the amendments. We are now being asked to break off the debate before we have been able seriously to consider the totality of what you thought should be examined together.

For instance, we have not discussed amendment No. 400 and before we report progress we should do so. We have not really discussed in any detail amendment No. 210, tabled by the hon. Member for Stafford (Mr. Cash), which would have tremendous implications for exchange rate policy. Such matters have a dramatic impact on the earlier stages of the debate. It is nonsense to try to shear the debate in half. We cannot report progress halfway through surgery; we should complete the surgery.

11.45 am

Mr. Allan Rogers (Rhondda): My hon. Friend has been castigating the Liberal Democrats heavily for their secret deal and the way in which they have cosied up with the Government to get this important business through. It has been discussed through the night and perhaps now it will not receive the publicity that my hon. Friend says that it should. Does my hon. Friend realise that the Welsh National party took part in the deal, too—[HON. MEMBERS: "And the Scots."] Last night the Scottish nationalists voted for the closure, but the Welsh nationalists, as part of the deal that they struck three weeks ago on the Committee of the Regions, are continuing to cosy up with the Government, and they have driven through provisions of vital consequence to Wales to be discussed in the middle of the night.

Mr. Livingstone: I share my hon. Friend's worries. Those proceedings seem to show all the worst aspects of politics. Deals have been done out of sight of the public and out of sight of the Chair, in the crooks and crannies of this place—[HON. MEMBERS: "Nooks."]—I mean, the nooks and crannies—in the nooks by the crooks.

Mr. Bill Walker: I happen to think that the Government were right to move the motion and I shall tell the Committee why. Those of us who, unlike the hon. Member for Brent, East (Mr. Livingstone), have been here all night believe that we should have the opportunity to continue the debate, to which we wish to contribute, with people who are awake and listening. I wish to contribute because these matters will considerably affect Scotland and, indeed, the constitution of the United Kingdom and this unitary Parliament in a way that could lead to the break-up of the United Kingdom. With all due respect to the hon. Gentleman, he should know that the Ministers have sat through the entire debate. The right time to continue it will be when we are all a bit fresher and they have had the opportunity to recharge their batteries and the debate can be scheduled at a time when I hope that it will still catch the attention of the media.

Mr. Livingstone: The hon. Gentleman offers a sensible opinion. If we were being offered a serious debate which would start and finish at a reasonable time, that would unite the Committee. But what happens is that we do not know what will happen until 10 o'clock, and then someone may jump up to move a motion; perhaps we will debate through the night and perhaps we will not. That is not a serious way in which to conduct business. We cannot report progress when people are staggering around. Not everyone has your resilience, Mr. Morris. Many of us feel a lot more ragged at the edges, even though we may have managed to get a bit of shuteye. I dread to think about the poor people who have been up all through the night, such as some of my right hon. and hon. Friends, who are now looking quite dragged.

Mr. Bennett: My hon. Friend and I have taken up quite a bit of time this morning. Does he agree that the whole exercise could have been stopped if a Minister had told us what the Government intended to do for the rest of the day? If they intended to return to the Bill, with the Chancellor making a statement at the beginning of a debate that would end at 10 o'clock, that would be a rational way to behave. It is most objectionable——

Mr. David Davis (Boothferry) *rose in this place and claimed to move,* That the Question be now put.

Question put, That the Question be now put:—

The Committee divided: Ayes 276, Noes 204.

Division No. 210] **[11.48 am**

AYES

Adley, Robert
Ainsworth, Peter *(East Surrey)*
Aitken, Jonathan
Alexander, Richard
Alison, Rt Hon Michael *(Selby)*
Alton, David
Amess, David
Ancram, Michael
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Ashby, David
Ashdown, Rt Hon Paddy
Atkinson, Peter *(Hexham)*
Baker, Nicholas *(Dorset North)*
Baldry, Tony
Banks, Matthew *(Southport)*
Banks, Robert *(Harrogate)*
Bates, Michael
Batiste, Spencer
Bellingham, Henry
Beresford, Sir Paul
Blackburn, Dr John G.
Booth, Hartley
Boswell, Tim
Bottomley, Peter *(Eltham)*
Bottomley, Rt Hon Virginia
Bowden, Andrew
Brandreth, Gyles
Brazier, Julian
Bright, Graham
Brooke, Rt Hon Peter
Brown, M. *(Brigg & Cl'thorpes)*
Browning, Mrs. Angela
Bruce, Ian *(S Dorset)*
Bruce, Malcolm *(Gordon)*
Burns, Simon
Burt, Alistair
Butterfill, John
Campbell, Menzies *(Fife NE)*
Carlisle, Kenneth *(Lincoln)*
Carrington, Matthew
Channon, Rt Hon Paul
Chapman, Sydney
Churchill, Mr
Clarke, Rt Hon Kenneth *(Rushcl)*
Clifton-Brown, Geoffrey
Coe, Sebastian
Congdon, David
Conway, Derek
Coombs, Anthony *(Wyre For'st)*
Coombs, Simon *(Swindon)*
Cope, Rt Hon Sir John
Cormack, Patrick
Couchman, James
Curry, David *(Skipton & Ripon)*
Davis, David *(Boothferry)*
Day, Stephen
Deva, Nirj Joseph
Devlin, Tim
Dickens, Geoffrey
Dicks, Terry
Dorrell, Stephen
Douglas-Hamilton, Lord James
Dover, Den
Duncan, Alan
Duncan-Smith, Iain
Dunn, Bob
Durant, Sir Anthony
Eggar, Tim
Elletson, Harold
Emery, Rt Hon Sir Peter
Evans, David *(Welwyn Hatfield)*
Evans, Jonathan *(Brecon)*
Evans, Nigel *(Ribble Valley)*
Evans, Roger *(Monmouth)*
Evennett, David
Faber, David
Fabricant, Michael
Fenner, Dame Peggy
Field, Barry *(Isle of Wight)*
Fishburn, Dudley
Forsyth, Michael *(Stirling)*
Forth, Eric
Foster, Don *(Bath)*
Fowler, Rt Hon Sir Norman
Fox, Dr Liam *(Woodspring)*
Fox, Sir Marcus *(Shipley)*
Freeman, Roger
Gale, Roger
Gallie, Phil
Garel-Jones, Rt Hon Tristan
Garnier, Edward
Gillan, Cheryl
Goodlad, Rt Hon Alastair
Goodson-Wickes, Dr Charles
Gorman, Mrs Teresa
Gorst, John
Grant, Sir Anthony *(Cambs SW)*
Greenway, Harry *(Ealing N)*
Greenway, John *(Ryedale)*
Griffiths, Peter *(Portsmouth, N)*
Grylls, Sir Michael
Gummer, Rt Hon John Selwyn
Hague, William
Hamilton, Rt Hon Archie *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, Sir John
Harris, David
Haselhurst, Alan
Hawkins, Nick
Hayes, Jerry
Heald, Oliver
Heath, Rt Hon Sir Edward
Heathcoat-Amory, David
Hendry, Charles
Heseltine, Rt Hon Michael
Hicks, Robert
Higgins, Rt Hon Sir Terence L.
Hill, James *(Southampton Test)*
Hogg, Rt Hon Douglas *(G'tham)*
Horam, John
Hordern, Rt Hon Sir Peter
Howard, Rt Hon Michael
Howarth, Alan *(Strat'rd-on-A)*
Hughes Robert G. *(Harrow W)*
Hughes, Simon *(Southwark)*
Hunt, Rt Hon David *(Wirral W)*
Hunt, Sir John *(Ravensbourne)*
Hunter, Andrew
Jack, Michael
Jackson, Robert *(Wantage)*
Johnson Smith, Sir Geoffrey
Johnston, Sir Russell
Jones, Gwilym *(Cardiff N)*
Jones, Ieuan Wyn *(Ynys Môn)*
Jones, Robert B. *(W Hertfdshr)*
Jopling, Rt Hon Michael
Kellett-Bowman, Dame Elaine
Key, Robert
King, Rt Hon Tom
Kirkhope, Timothy
Kirkwood, Archy
Knight, Mrs Angela *(Erewash)*
Knight, Greg *(Derby N)*
Knight, Dame Jill *(Bir'm E'st')*
Knox, David
Kynoch, George *(Kincardine)*
Lait, Mrs Jacqui
Lamont, Rt Hon Norman
Leigh, Edward
Lennox-Boyd, Mark
Lester, Jim *(Broxtowe)*
Lidington, David
Lilley, Rt Hon Peter
Lloyd, Peter *(Fareham)*
Llwyd, Elfyn
Lord, Michael
Luff, Peter
Lyell, Rt Hon Sir Nicholas
MacGregor, Rt Hon John
MacKay, Andrew
Maclean, David
McLoughlin, Patrick
Madel, David
Maitland, Lady Olga
Major, Rt Hon John
Malone, Gerald
Mans, Keith
Marland, Paul
Marlow, Tony
Marshall, John *(Hendon S)*
Marshall, Sir Michael *(Arundel)*
Martin, David *(Portsmouth S)*
Mates, Michael
Mawhinney, Dr Brian
Mayhew, Rt Hon Sir Patrick
Mellor, Rt Hon David
Merchant, Piers
Michie, Mrs Ray *(Argyll Bute)*
Milligan, Stephen
Mitchell, Andrew *(Gedling)*
Mitchell, Sir David *(Hants NW)*
Monro, Sir Hector
Montgomery, Sir Fergus

Moss, Malcolm
Needham, Richard
Nelson, Anthony
Neubert, Sir Michael
Newton, Rt Hon Tony
Nicholls, Patrick
Nicholson, David *(Taunton)*
Nicholson, Emma *(Devon West)*
Norris, Steve
Onslow, Rt Hon Sir Cranley
Ottaway, Richard
Page, Richard
Paice, James
Patnick, Irvine
Patten, Rt Hon John
Pattie, Rt Hon Sir Geoffrey
Pawsey, James
Peacock, Mrs Elizabeth
Pickles, Eric
Porter, Barry *(Wirral S)*
Portillo, Rt Hon Michael
Powell, William *(Corby)*
Rathbone, Tim
Redwood, John
Renton, Rt Hon Tim
Richards, Rod
Riddick, Graham
Rifkind, Rt Hon. Malcolm
Robathan, Andrew
Roberts, Rt Hon Sir Wyn
Robertson, Raymond *(Ab'd'n S)*
Robinson, Mark *(Somerton)*
Rowe, Andrew *(Mid Kent)*
Rumbold, Rt Hon Dame Angela
Ryder, Rt Hon Richard
Sackville, Tom
Sainsbury, Rt Hon Tim
Scott, Rt Hon Nicholas
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shephard, Rt Hon Gillian
Shepherd, Colin *(Hereford)*
Shersby, Michael
Smith, Tim *(Beaconsfield)*
Soames, Nicholas
Spencer, Sir Derek
Spicer, Sir James *(W Dorset)*
Spink, Dr Robert
Spring, Richard
Sproat, Iain
Squire, Robin *(Hornchurch)*
Stanley, Rt Hon Sir John
Steen, Anthony
Stephen, Michael
Stewart, Allan
Streeter, Gary
Sumberg, David
Sweeney, Walter
Sykes, John
Tapsell, Sir Peter
Taylor, John M. *(Solihull)*
Temple-Morris, Peter
Thomason, Roy
Thompson, Sir Donald *(C'er V)*
Thornton, Sir Malcolm
Thurnham, Peter
Townsend, Cyril D. *(Bexl'yh'th)*
Tracey, Richard
Tredinnick, David
Trotter, Neville
Twinn, Dr Ian
Tyler, Paul
Vaughan, Sir Gerard
Waldegrave, Rt Hon William
Walden, George
Walker, Bill *(N Tayside)*
Waller, Gary
Wardle, Charles *(Bexhill)*
Waterson, Nigel
Wells, Bowen
Wheeler, Rt Hon Sir John
Whitney, Ray
Whittingdale, John
Widdecombe, Ann
Wiggin, Sir Jerry
Wigley, Dafydd
Willetts, David
Wolfson, Mark
Yeo, Tim
Young, Sir George *(Acton)*

Tellers for the Ayes:
Mr. David Lightbown and
Mr. Timothy Wood.

NOES

Abbott, Ms Diane
Adams, Mrs Irene
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Allen, Graham
Anderson, Donald *(Swansea E)*
Anderson, Ms Janet *(Ros'dale)*
Armstrong, Hilary
Barnes, Harry
Barron, Kevin
Battle, John
Bayley, Hugh
Beckett, Rt Hon Margaret
Benn, Rt Hon Tony
Betts, Clive
Blair, Tony
Blunkett, David
Boyce, Jimmy
Boyes, Roland
Bradley, Keith
Bray, Dr Jeremy
Brown, Gordon *(Dunfermline E)*
Burden, Richard
Byers, Stephen
Caborn, Richard
Callaghan, Jim
Campbell, Mrs Anne *(C'bridge)*
Campbell-Savours, D. N.
Canavan, Dennis
Cann, Jamie
Chisholm, Malcolm
Clapham, Michael
Clark, Dr David *(South Shields)*
Clarke, Eric *(Midlothian)*
Clarke, Tom *(Monklands W)*
Clelland, David
Clwyd, Mrs Ann
Cohen, Harry
Connarty, Michael
Corbett, Robin
Corbyn, Jeremy
Corston, Ms Jean
Cousins, Jim
Cryer, Bob
Cummings, John
Cunliffe, Lawrence
Cunningham, Jim *(Covy SE)*
Darling, Alistair
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Ron *(Caerphilly)*
Davis, Terry *(B'ham, H'dge H'l)*
Denham, John
Dewar, Donald
Dixon, Don
Dobson, Frank
Donohoe, Brian H.
Dowd, Jim
Dunwoody, Mrs Gwyneth
Eagle, Ms Angela
Eastham, Ken
Enright, Derek
Etherington, Bill
Evans, John *(St Helens N)*
Fatchett, Derek
Fisher, Mark
Flynn, Paul
Foster, Rt Hon Derek
Foulkes, George
Fyfe, Maria
Galbraith, Sam
Galloway, George
Garrett, John
George, Bruce
Gerrard, Neil
Godman, Dr Norman A.
Golding, Mrs Llin
Grant, Bernie *(Tottenham)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Gunnell, John
Hain, Peter
Hall, Mike
Hanson, David
Harvey, Nick
Hattersley, Rt Hon Roy
Heppell, John
Hill, Keith *(Streatham)*
Hinchliffe, David
Hoey, Kate
Hogg, Norman *(Cumbernauld)*
Hood, Jimmy
Hoon, Geoffrey
Howarth, George *(Knowsley N)*
Howells, Dr. Kim *(Pontypridd)*
Hoyle, Doug
Hughes, Kevin *(Doncaster N)*
Hughes, Roy *(Newport E)*
Hutton, John
Illsley, Eric
Ingram, Adam
Jackson, Glenda *(H'stead)*
Jamieson, David
Jones, Barry *(Alyn and D'side)*
Jones, Jon Owen *(Cardiff C)*
Jones, Lynne *(B'ham S O)*
Jones, Martyn *(Clwyd, SW)*
Kaufman, Rt Hon Gerald
Kennedy, Jane *(Lpool Brdgn)*
Khabra, Piara S.
Lewis, Terry
Livingstone, Ken
Loyden, Eddie
McAllion, John
McAvoy, Thomas
Macdonald, Calum
McFall, John
McKelvey, William
Mackinlay, Andrew
McLeish, Henry
McMaster, Gordon
McNamara, Kevin
Madden, Max
Maginnis, Ken
Mahon, Alice
Mandelson, Peter
Marek, Dr John
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester, S)*
Martin, Michael J. *(Springburn)*
Martlew, Eric
Maxton, John
Meale, Alan
Michie, Bill *(Sheffield Heeley)*
Milburn, Alan
Miller, Andrew
Molyneaux, Rt Hon James
Moonie, Dr Lewis
Morgan, Rhodri
Morley, Elliot
Morris, Estelle *(B'ham Yardley)*
Morris, Rt Hon J. *(Aberavon)*
Mudie, George
Mullin, Chris
Murphy, Paul
Oakes, Rt Hon Gordon
O'Brien, Michael *(N W'kshire)*
O'Brien, William *(Normanton)*
O'Hara, Edward
Olner, William
O'Neill, Martin
Orme, Rt Hon Stanley
Parry, Robert
Pendry, Tom
Pickthall, Colin
Pike, Peter L.
Pope, Greg
Prentice, Ms Bridget *(Lew'm E)*
Prentice, Gordon *(Pendle)*
Prescott, John
Primarolo, Dawn
Purchase, Ken
Quin, Ms Joyce
Raynsford, Nick
Reid, Dr John
Roche, Mrs. Barbara
Rogers, Allan
Rooney, Terry
Ross, Ernie *(Dundee W)*
Ross, William *(E Londonderry)*
Rowlands, Ted
Ruddock, Joan
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon Robert
Shepherd, Richard *(Aldridge)*
Shore, Rt Hon Peter
Simpson, Alan
Skinner, Dennis
Smith, Andrew *(Oxford E)*
Smith, C. *(Isl'ton S & F'sbury)*
Smith, Rt Hon John *(M'kl'ds E)*
Smith, Llew *(Blaenau Gwent)*
Soley, Clive
Steinberg, Gerry
Stevenson, George
Stott, Roger
Strang, Dr. Gavin
Taylor, Mrs Ann *(Dewsbury)*
Taylor, Sir Teddy *(Southend, E)*
Trimble, David
Turner, Dennis
Vaz, Keith
Walley, Joan
Wardell, Gareth *(Gower)*
Wareing, Robert N
Watson, Mike
Wicks, Malcolm
Williams, Rt Hon Alan *(Sw'n W)*
Williams, Alan W *(Carmarthen)*
Wilson, Brian
Wray, Jimmy
Wright, Dr Tony

Tellers for the Noes:
Mr. Austin Mitchell and
Mr. Andrew F. Bennett.

Question agreed to.

Question put accordingly:——

The Committee divided: Ayes 279, Noes 202.

Division No. 211] **[12.02 pm**

AYES

Adley, Robert
Ainsworth, Peter *(East Surrey)*
Aitken, Jonathan
Alexander, Richard
Alison, Rt Hon Michael *(Selby)*
Alton, David
Amess, David
Ancram, Michael
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Ashby, David
Ashdown, Rt Hon Paddy
Atkinson, Peter *(Hexham)*
Baker, Nicholas *(Dorset North)*
Baldry, Tony
Banks, Matthew *(Southport)*
Banks, Robert *(Harrogate)*
Bates, Michael
Batiste, Spencer
Bellingham, Henry
Beresford, Sir Paul
Blackburn, Dr John G.
Booth, Hartley
Boswell, Tim
Bottomley, Peter *(Eltham)*
Bottomley, Rt Hon Virginia
Bowden, Andrew
Brandreth, Gyles
Brazier, Julian
Bright, Graham
Brooke, Rt Hon Peter
Brown, M. *(Brigg & Cl'thorpes)*
Browning, Mrs. Angela
Bruce, Ian *(S Dorset)*
Bruce, Malcolm *(Gordon)*
Burns, Simon
Burt, Alistair
Butterfill, John
Campbell, Menzies *(Fife NE)*
Carlisle, Kenneth *(Lincoln)*
Carrington, Matthew
Cash, William
Channon, Rt Hon Paul
Churchill, Mr
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Coe, Sebastian
Congdon, David
Conway, Derek
Coombs, Anthony *(Wyre For'st)*
Coombs, Simon *(Swindon)*
Cope, Rt Hon Sir John
Cormack, Patrick
Couchman, James
Curry, David *(Skipton & Ripon)*
Davis, David *(Boothferry)*
Day, Stephen
Deva, Nirj Joseph
Devlin, Tim
Dickens, Geoffrey
Dicks, Terry
Dorrell, Stephen
Douglas-Hamilton, Lord James
Dover, Den
Duncan, Alan
Duncan-Smith, Iain
Dunn, Bob
Durant, Sir Anthony
Eggar, Tim
Elletson, Harold
Emery, Rt Hon Sir Peter
Evans, David *(Welwyn Hatfield)*
Evans, Jonathan *(Brecon)*
Evans, Nigel *(Ribble Valley)*
Evans, Roger *(Monmouth)*
Evennett, David
Faber, David
Fabricant, Michael
Fenner, Dame Peggy
Field, Barry *(Isle of Wight)*
Fishburn, Dudley
Forsyth, Michael *(Stirling)*
Forth, Eric
Foster, Don *(Bath)*
Fowler, Rt Hon Sir Norman
Fox, Dr Liam *(Woodspring)*
Fox, Sir Marcus *(Shipley)*
Freeman, Roger
Gale, Roger
Gallie, Phil
Gardiner, Sir George
Garel-Jones, Rt Hon Tristan
Garnier, Edward
Gillan, Cheryl
Goodlad, Rt Hon Alastair
Goodson-Wickes, Dr Charles
Gorman, Mrs Teresa
Gorst, John
Grant, Sir Anthony *(Cambs SW)*
Greenway, Harry *(Ealing N)*
Greenway, John *(Ryedale)*
Griffiths, Peter *(Portsmouth, N)*
Grylls, Sir Michael
Gummer, Rt Hon John Selwyn
Hague, William
Hamilton, Rt Hon Archie *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, Sir John
Harris, David
Haselhurst, Alan
Hawkins, Nick
Hayes, Jerry
Heald, Oliver
Heath, Rt Hon Sir Edward
Heathcoat-Amory, David
Hendry, Charles
Heseltine, Rt Hon Michael
Hicks, Robert
Higgins, Rt Hon Sir Terence L.
Hill, James *(Southampton Test)*
Hogg, Rt Hon Douglas *(G'tham)*
Horam, John
Hordern, Rt Hon Sir Peter
Howard, Rt Hon Michael
Howarth, Alan *(Strat'rd-on-A)*
Howell, Rt Hon David *(G'dford)*
Hughes Robert G. *(Harrow W)*
Hughes, Simon *(Southwark)*
Hunt, Rt Hon David *(Wirral W)*
Hunt, Sir John *(Ravensbourne)*
Hunter, Andrew
Jack, Michael
Jackson, Robert *(Wantage)*
Jessel, Toby
Johnson Smith, Sir Geoffrey
Johnston, Sir Russell
Jones, Gwilym *(Cardiff N)*
Jones, Robert B. *(W Hertfdshr)*
Jopling, Rt Hon Michael
Kellett-Bowman, Dame Elaine
Key, Robert
Kilfedder, Sir James
King, Rt Hon Tom
Kirkhope, Timothy
Kirkwood, Archy
Knight, Mrs Angela *(Erewash)*
Knight, Greg *(Derby N)*
Knight, Dame Jill *(Bir'm E'st'n)*
Knox, David
Kynoch, George *(Kincardine)*
Lait, Mrs Jacqui
Lamont, Rt Hon Norman
Leigh, Edward
Lennox-Boyd, Mark
Lester, Jim *(Broxtowe)*
Lidington, David
Lightbown, David
Lilley, Rt Hon Peter
Lloyd, Peter *(Fareham)*
Lord, Michael
Luff, Peter
Lyell, Rt Hon Sir Nicholas
MacGregor, Rt Hon John
MacKay, Andrew
Maclean, David
McLoughlin, Patrick
Madel, David
Maitland, Lady Olga
Major, Rt Hon John
Malone, Gerald
Mans, Keith
Marland, Paul
Marshall, John *(Hendon S)*
Marshall, Sir Michael *(Arundel)*
Martin, David *(Portsmouth S)*
Mates, Michael
Mawhinney, Dr Brian
Mayhew, Rt Hon Sir Patrick
Mellor, Rt Hon David
Merchant, Piers
Michie, Mrs Ray *(Argyll Bute)*
Milligan, Stephen
Mitchell, Andrew *(Gedling)*
Mitchell, Sir David *(Hants NW)*
Monro, Sir Hector
Montgomery, Sir Fergus
Moss, Malcolm
Needham, Richard
Nelson, Anthony
Neubert, Sir Michael
Newton, Rt Hon Tony
Nicholls, Patrick
Nicholson, David *(Taunton)*
Norris, Steve
Onslow, Rt Hon Sir Cranley
Ottaway, Richard
Page, Richard
Paice, James
Patnick, Irvine
Patten, Rt Hon John
Pattie, Rt Hon Sir Geoffrey
Pawsey, James
Peacock, Mrs Elizabeth
Pickles, Eric
Porter, Barry *(Wirral S)*
Portillo, Rt Hon Michael
Powell, William *(Corby)*
Rathbone, Tim
Redwood, John
Renton, Rt Hon Tim
Richards, Rod
Riddick, Graham
Rifkind, Rt Hon. Malcolm
Robathan, Andrew
Roberts, Rt Hon Sir Wyn
Robertson, Raymond *(Ab'd'n S)*
Robinson, Mark *(Somerton)*
Rowe, Andrew *(Mid Kent)*
Rumbold, Rt Hon Dame Angela
Ryder, Rt Hon Richard
Sackville, Tom
Sainsbury, Rt Hon Tim
Scott, Rt Hon Nicholas
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shephard, Rt Hon Gillian
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Smith, Tim *(Beaconsfield)*
Soames, Nicholas
Spencer, Sir Derek
Spicer, Sir James *(W Dorset)*
Spink, Dr Robert
Spring, Richard
Sproat, Iain
Squire, Robin *(Hornchurch)*
Stanley, Rt Hon Sir John
Steen, Anthony
Stephen, Michael
Stewart, Allan
Streeter, Gary
Sumberg, David
Sweeney, Walter
Sykes, John
Tapsell, Sir Peter
Taylor, John M. *(Solihull)*
Taylor, Sir Teddy *(Southend, E)*
Temple-Morris, Peter
Thomason, Roy
Thompson, Sir Donald *(Ć'er V)*
Thornton, Sir Malcolm
Thurnham, Peter
Townsend, Cyril D. *(Bexl'yh'th)*
Tracey, Richard
Tredinnick, David
Trotter, Neville
Twinn, Dr Ian
Tyler, Paul
Vaughan, Sir Gerard
Waldegrave, Rt Hon William
Walden, George
Walker, Bill *(N Tayside)*
Wallace, James
Waller, Gary
Wardle, Charles *(Bexhill)*
Waterson, Nigel
Wells, Bowen
Wheeler, Rt Hon Sir John
Whitney, Ray
Widdecombe, Ann
Wiggin, Sir Jerry
Willetts, David
Wolfson, Mark
Yeo, Tim
Young, Sir George *(Acton)*

Tellers for the Ayes:
Mr. Sydney Chapman and
Mr. Timothy Wood.

NOES

Abbott, Ms Diane
Adams, Mrs Irene
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Allen, Graham
Anderson, Donald *(Swansea E)*
Anderson, Ms Janet *(Ros'dale)*
Armstrong, Hilary
Barnes, Harry
Battle, John
Bayley, Hugh
Beckett, Rt Hon Margaret
Benn, Rt Hon Tony
Betts, Clive
Blair, Tony
Blunkett, David
Boyce, Jimmy
Boyes, Roland
Bradley, Keith
Bray, Dr Jeremy
Brown, Gordon *(Dunfermline E)*
Burden, Richard
Byers, Stephen
Caborn, Richard
Callaghan, Jim
Campbell, Mrs Anne *(C'bridge)*
Campbell-Savours, D. N.
Canavan, Dennis

Cann, Jamie
Chisholm, Malcolm
Clapham, Michael
Clark, Dr David *(South Shields)*
Clarke, Eric *(Midlothian)*
Clarke, Tom *(Monklands W)*
Clelland, David
Clwyd, Mrs Ann
Cohen, Harry
Connarty, Michael
Corbett, Robin
Corbyn, Jeremy
Corston, Ms Jean
Cousins, Jim
Cryer, Bob
Cummings, John
Cunliffe, Lawrence
Cunningham, Jim *(Covy SE)*
Darling, Alistair
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Ron *(Caerphilly)*
Davis, Terry *(B'ham, H'dge H'l)*
Denham, John
Dewar, Donald
Dixon, Don
Dobson, Frank
Donohoe, Brian H.
Dowd, Jim
Dunwoody, Mrs Gwyneth
Eagle, Ms Angela
Eastham, Ken
Enright, Derek
Etherington, Bill
Evans, John *(St Helens N)*
Fatchett, Derek
Fisher, Mark
Flynn, Paul
Foster, Rt Hon Derek
Foulkes, George
Fyfe, Maria
Galbraith, Sam
Galloway, George
Gapes, Mike
Garrett, John
George, Bruce
Gerrard, Neil
Godman, Dr Norman A.
Golding, Mrs Llin
Grant, Bernie *(Tottenham)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Gunnell, John
Hain, Peter
Hall, Mike
Hanson, David
Harvey, Nick
Heppell, John
Hill, Keith *(Streatham)*
Hinchliffe, David
Hoey, Kate
Hogg, Norman *(Cumbernauld)*
Hood, Jimmy
Hoon, Geoffrey
Howarth, George *(Knowsley N)*
Howells, Dr. Kim *(Pontypridd)*
Hoyle, Doug
Hughes, Kevin *(Doncaster N)*
Hughes, Roy *(Newport E)*
Hutton, John
Illsley, Eric
Ingram, Adam
Jackson, Glenda *(H'stead)*
Jamieson, David
Jones, Barry *(Alyn and D'side)*
Jones, Jon Owen *(Cardiff C)*
Jones, Lynne *(B'ham S O)*
Jones, Martyn *(Clwyd, SW)*
Kaufman, Rt Hon Gerald
Kennedy, Jane *(Lpool Brdgn)*
Khabra, Piara S.
Lewis, Terry
Livingstone, Ken
Loyden, Eddie
McAllion, John
McAvoy, Thomas
McCartney, Ian
Macdonald, Calum
McFall, John
McKelvey, William
Mackinlay, Andrew
McLeish, Henry
McMaster, Gordon
McNamara, Kevin
Madden, Max
Maginnis, Ken
Mahon, Alice
Mandelson, Peter
Marek, Dr John
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester, S)*
Martin, Michael J. *(Springburn)*
Martlew, Eric
Maxton, John
Meale, Alan
Michie, Bill *(Sheffield Heeley)*
Milburn, Alan
Miller, Andrew
Molyneaux, Rt Hon James
Moonie, Dr Lewis
Morgan, Rhodri
Morley, Elliot
Morris, Estelle *(B'ham Yardley)*
Morris, Rt Hon J. *(Aberavon)*
Mudie, George
Mullin, Chris
Murphy, Paul
Oakes, Rt Hon Gordon
O'Brien, Michael *(N W'kshire)*
O'Brien, William *(Normanton)*
O'Hara, Edward
Olner, William
O'Neill, Martin
Orme, Rt Hon Stanley
Parry, Robert
Pendry, Tom
Pickthall, Colin
Pike, Peter L.
Pope, Greg
Prentice, Ms Bridget *(Lew'm E)*
Prentice, Gordon *(Pendle)*
Prescott, John
Primarolo, Dawn
Purchase, Ken
Quin, Ms Joyce
Raynsford, Nick
Reid, Dr John
Roche, Mrs. Barbara
Rogers, Allan
Rooney, Terry
Ross, Ernie *(Dundee W)*
Ross, William *(E Londonderry)*
Rowlands, Ted
Ruddock, Joan
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon Robert
Shore, Rt Hon Peter
Simpson, Alan
Skinner, Dennis
Smith, Andrew *(Oxford E)*
Smith, C. *(Isl'ton S & F'sbury)*
Smith, Rt Hon John *(M'kl'ds E)*
Smith, Llew *(Blaenau Gwent)*
Soley, Clive
Steinberg, Gerry
Stevenson, George
Stott, Roger
Strang, Dr. Gavin
Taylor, Mrs Ann *(Dewsbury)*
Trimble, David
Turner, Dennis
Vaz, Keith
Walley, Joan
Wardell, Gareth *(Gower)*
Wareing, Robert N
Watson, Mike
Wicks, Malcolm
Williams, Rt Hon Alan *(Sw'n W)*
Williams, Alan W *(Carmarthen)*
Wilson, Brian
Wray, Jimmy
Wright, Dr Tony

Tellers for the Noes:
Mr. Austin Mitchell and
Mr. Andrew Bennett.

Question accordingly agreed to.
Committee report Progress; to sit again tomorrow.

NHS Drugs Bill

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Robert G. Hughes.]*

12.14 pm

Mr. Andrew Hunter (Basingstoke): At long last, Mr. Deputy Speaker! I greatly welcome this delayed opportunity to raise the subject of the cost of drugs to the national health service and to reflect the disquiet which is expressed by a number of people at a perceived trend in Government's thinking, a disquiet which I share. My only regret about this debate is that I am adding to the burdens on the time of my hon. Friend the Member for Bolton, West (Mr. Sackville) and I apologise to him for that.

Reduced to simplicity, my concern is that Government policy may unintentionally undermine the smooth running of aspects of the workings of the national health service, to the detriment of patients' interests. I further fear that any extension of the selected list scheme, the SLS, could have long-term adverse repercussions for the United Kingdom pharmaceutical industry, an industry which has a significant presence in my Basingstoke constituency. Either development would be undesirable; the possibility of both is alarming.

The greater part of my remarks will be devoted to what I regard as three fallacies in the debate about the size of the drugs bill and about the SLS. The first fallacy relates to a particular policy development. Recently, the Department of Health was understood to have stated that its aim is to keep the rise in the drugs bill in line with retail prices index inflation. I fear that this an inappropriate target.

In view of the continuing recession and deteriorating public finances, it may unfortunately be necessary to keep total NHS spending in line with inflation, despite the 1992 general election commitment to an increase in real terms, but the emphasis on keeping increases in the drugs bill in line with RPI inflation is a disturbing departure and one which should be challenged. Surely the strategic objective should be to ensure that the best use is made of finite resources. How best to achieve this optimum use of finite resources should determine the level of spending on each individual element within the overall total. The factor that determines the size of the bill as a proportion of total NHS expenditure should be whether more or less use of medicines represents the best use of total resources. The Government are, I fear, open to the charge that, in concentrating excessively on one element within total expenditure—the drugs bill—they are losing sight of the wider implications and consequences of such action.

My thesis is simple: further attempts to control the drugs bill are likely to undermine the provision of primary and community health care and, therefore, put greater strain on resources by increasing demand for secondary and more expensive health care.

The second fallacy is the belief that the increase in the drugs bill is significantly due to price increases. That is entirely mistaken. NHS pharmaceutical expenditure has certainly grown ahead of RPI inflation, but this must be seen in its true context. All health care inflation is historically higher than general inflation, for three main reasons. One is demographic change—primarily the aging population. Secondly, there is technological advance, as more and more costly medicines become available. Thirdly, there is apparently insatiable consumer demand.

It is not surprising that the rise in health care costs is an increasing concern for many Governments. Throughout Europe and in the United States, Governments have introduced a variety of measures to contain health care expenditure in general and drugs bills in particular.

My hon. Friend the Minister will know that industry and Department of Health data on the nature of the growth in the NHS drugs bill are complex, but show similar trends. There is a broad consensus on several features. Price rises and the introduction of new products are a consistently small contributor to year-on-year growth, generally accounting for 1 to 2 per cent. each of the total percentage increase.

The Department attributes "product mix", defined as average net ingredient cost, as the main growth. However, the increase in average net ingredient cost has remained steady or slow during the past five years. Conversely, the number of prescription items has increased and now represents a larger percentage of total growth than at any time during the past five years.

The reality is far removed from the mistaken belief that the increase in the drugs bill is significantly due to price increases. It is not difficult to detect the primary cause for the increase in the drugs bill—it is Government policy.

During the past decade or more, there has been a gradual shift from a health service based primarily on secondary, or hospital, provision to a service based on care in the primary sector by general practitioners. The trend has been confirmed by NHS reforms and by moves toward community care, both of which I welcome. The trend was confirmed in the White Paper, "The Health of the Nation". The Government's response to the Tomlinson report, which endorsed fewer hospitals and an increase in primary care, and is further evidence of that trend.

The inevitable corollary of a shift to primary care is the present increase in the NHS drugs bill. Both in absolute terms and as a proportion of total NHS expenditure, it is a classic illustration of money following the patient. A clear correlation can be drawn between the introduction of a new GP contract and the drugs bill. Many instances show how increased prescribing followed the introduction of the new contracts and correspondingly contributed to increases in the drugs bill. Inevitably, more prescriptions are being written and the cost of drugs prescribed has increased the total drugs bill.

The third fallacy is the argument that an ever-increasing drugs bill is taking up too great a share of a finite NHS resource, to the detriment of the service as a whole. Again, the reality is very different. There are many published examples to show that increased expenditure on medicines reduces the overall cost to the health service. Perhaps the most dramatic example has been the reduction in major gastric surgery, which has been brought about by the use of H2-receptor blocking agents, such as Zantac and Tagamet, which, incidentally, were both discovered and developed in the United Kingdom.

One survey shows that those medicines have increased drug costs for ulcer patients sixfold, but have reduced the total treatment costs by 66 per cent. It is therefore entirely misleading merely to judge matters by the increase in the cost of the drugs, when the overall saving to the service can be so much greater. Significantly, the Office of Health Economics calculates that, as a result of the reduction in hospital bed days, savings from seven groups of diseases had amounted to nearly £4 billion a year by 1991. By contrast, the cost of all medicines prescribed in general

practice for all diseases in that year was only £3·3 billion. The overall message is simply that medicines are a very cost-effective way of spending health care resources.

I turn, penultimately, to the way forward. I believe that there are questions to be answered, and I put them to my hon. Friend the Minister. First, will not he accept that it is illogical to seek to index-link the growth in the NHS drugs bills to inflation? Secondly, does not he accept that, as Government policy is to shift the balance of health care from hospital provision to treatment by GPs in the primary sector, medicines will consume an ever-higher proportion of total NHS resources? Thirdly, does not he accept that price rises and the introduction of new products are relatively small contributors to the overall rise in the drugs bill? Fourthly, what will be the implications for the provision of health care within the Government's overall strategy if further restrictions on the use of medicines are introduced? Surely this is a matter for an urgent, in-depth inquiry. Lastly, what will be the implications for the pharmaceutical industry if the market is further restricted by an extension of the SLS? The United Kingdom is greatly indebted to the pharmaceutical industry as an investor, employer and innovating producer. Will investment, employment and innovation continue?

My thesis is straightforward. Noises coming from the Department of Health warn that, in their reaction to the rising NHS drugs bill, the Government may be on the point of pursuing a mistaken course of action. Trends within the health service rightly emphasise the importance of primary and community health care. This inevitably results in increased prescribing. But devoting resources to medicines is a most cost-effective use of those resources, as it reduces demand for more expensive secondary health care. An extension of the SLS would have a detrimental effect on the United Kingdom pharmaceutical industry, with repercussions for employment and investment.

Finally, further restrictions on the availability of medicines would not be in the patient's interests. They could undermine the reforms and the smooth running of the national health service. I rest my case.

12.27 pm

The Parliamentary Under-Secretary of State for Health (Mr. Tom Sackville): I begin by congratulating my hon. Friend the Member for Basingstoke (Mr. Hunter) on his success in the ballot for an Adjournment debate and on his choice of subject.

The question of the cost of drugs to the national health service is a complex one, requiring a balance to be struck between the need to ensure that patients get the drugs they really need, the encouragement of a research-based pharmaceutical industry and the need to contain costs. It is right and proper that those issues should be the subject of public debate.

I must start by correcting something my hon. Friend said at the beginning of his speech. It is not, as he suggested, our aim to keep the rise in the drugs bill in line with GDP inflation. But it is our aim to reduce the annual rise in the drugs bill to something closer to the rate of inflation.

Over the 10 years 1982-83 to 1991-92 the total drugs bill for the NHS in England rose from £1·2 billion to £2·9 billion—an increase of 39 per cent. in real terms. Over those 10 years, the cost of drugs prescribed in the family health service has risen from 8·2 per cent. of total expenditure on the NHS in England to 8·7 per cent. Indeed, in 1989-90 it was as high as 9·2 per cent. In total, expenditure on the family health service drugs bill reached £2·3 billion in England in 1991-92, and is likely to increase by a further 14 per cent. this year.

The reasons for the rise in the family health service drugs bill are complex and, not surprisingly, the Government's analysis differs in some respects from the industry's. As we have in Britain a good record of co-operation between industry and the Government, we are keen to reconcile those differences. We have, therefore, agreed that officials of the Department will meet the Association of British Pharmaceutical Industry to discuss our respective analyses, and seek to agree a common basis for assessing the causes of the rise in the NHS drugs bill. Undoubtedly, some of the rise is due to changes in demography, but we should not exaggerate the importance of those factors. Much more important is the fact that doctors have been writing more prescriptions per head of the population and that those prescriptions have been becoming more and more expensive. Over the 10-year period, the number of prescriptions has risen from 332 million to 415 million—an increase of a quarter. We expect the number of prescriptions to rise by a further 4 per cent. this year. The average cost of a prescription has risen from £3·04 to £5·58, an increase of 84 per cent. in cash terms or 10 per cent. in real terms.

One issue on which we can broadly agree is that increases in the prices of medicines that are already on the market have not contributed very much to the increased cost. Over the past five years, the average ingredient cost of a prescription has gone up by just under 8 per cent. each year. Of that 8 per cent., only about 1 per cent. is due to price increases for medicines already on the market. Just over 1 per cent. of the annual 8 per cent. increase has been due to a continuing rise in the average quantity of medicine in each prescription. But the bulk of the rise in the average cost of a prescription is accounted for by what might best be described as the product mix—changes in the medicines that are being prescribed. Newer medicines are taking the place of the older medicines whose prices, as we have seen, have not been increasing very much. Those new medicines have a very substantial price premium over existing medicines—on average about 150 per cent.—even when they are very similar in therapeutic effect. The switch to newer medicines has been offset to some extent by an increase in the proportion of prescriptions that could be dispensed using generic medicines, which has risen from 16 per cent. in 1982 to 35 per cent. in 1992.

Of course, people are becoming more health conscious. Some new medicines are more effective than older ones, while some new medicines treat conditions that previously could not be treated at all. But, likewise, there is no bottomless pit of cash for the health service. It is all the more important, therefore, for us to seek to ensure that the money that is spent on medicines is well spent. Our policies seek to ensure that by action on two main fronts—first, to ensure that we are not paying more than we need to for an effective range of modern medicines and, secondly, to encourage better prescribing.

The proposals for the extension of the selected list are part of the first of these areas of action. As my hon. Friends knows, the selected list scheme was introduced in 1985 and included seven therapeutic categories of drugs. Experience with the scheme has shown that the drugs bill

[Mr. Tom Sackville]

can be reduced without detriment to patients, and we have therefore asked the Advisory Committee on NHS Drugs to see whether similar savings can be made in other categories.

There are no targets for savings from extending the selected list scheme and decisions on which individual drugs may no longer be available on NHS prescription will be taken only on the basis of advice from the advisory committee. That is an independent body of experienced doctors, dentists and pharmacists who have been appointed, following nomination by the relevant professional organisations. Their remit is to ensure that drugs to meet all real clinical need can be provided as economically as possible under the NHS.

Mrs. Teresa Gorman (Billericay): I thank my hon. Friend for giving way and for his courtesy in the recent past when I have been to see him about the selected list. Will he give us the make-up of the advisory committee and state, in particular, whether it contains any young women who are likely to be taking oral contraceptives? As he knows, I am most concerned that adding oral contraceptives to the limited list could cause much distress to young women taking the pill. The change in prescription can have a profound effect, not just on the women's physical reaction, but on their mood. The long-term effects of giving up oral contraceptives could be an increase in abortions and in the cost of maintaining unwanted children. As my hon. Friend said, we could be penny wise and pound foolish.

Mr. Sackville: I shall let my hon. Friend have a complete list of the members of the committee. I assure her that they represent a fair cross-section and that the committee contains a number of experts on oral contraception who will be well aware of the factors that my hon. Friend has outlined. I look forward to receiving further representations from her if she wishes to make them.

I was speaking about the general criteria. Drugs will not be rejected purely on grounds of cost and the committee will take full account of patients' needs as well as the therapeutic value of the drugs under review.

We cannot predict which products will be affected by those changes, but I can offer reassurance that manufacturers will be informed as soon as possible if their products are to be considered by the committee. They will also be given an opportunity to make representations to the committee against any provisional view that a product should not be prescribable under the NHS.

I appreciate that there is concern about the timing of the changes and, while it is not possible at this stage to announce the dates on which the committee will be reviewing the drugs in the new therapeutic categories, preliminary work is already under way and we intend to announce further details of the products involved later in the year.

I know that there is serious concern about the impact that the changes may have on research, investment and employment in the drugs industry. The changes that we are introducing mirror measures being taken throughout Europe to limit the growth of drugs bills. Investment in the United Kingdom pharmaceutical industry and decisions on product development depend on a number of factors in both the United Kingdom and other key pharmaceutical markets. Therefore, it is not possible to identify separately the impact of the proposed extension to the selected list scheme from that of other changes in both the United Kingdom and other countries.

In the same area are the arrangements for controlling, indirectly, the price of branded prescription drugs sold to the NHS through the pharmaceutical price regulation scheme. This is a voluntary agreement, negotiated between the Department of Health and the pharmaceutical industry, which regulates the profits that companies may make from the sale of drugs to the NHS.

The present scheme, which was agreed in 1986, is now being renegotiated with the ABPI. The scheme has been successful in its purpose of making drugs available to the NHS at reasonable prices while encouraging the development of a strong and innovative pharmaceutical industry.

It is essential that any new agreement continues to achieve those objectives. The scheme is voluntary, of course, and depends on the co-operation of the industry. The discussions taking place between the Department and industry representatives involve a recognition by both sides that the rate of growth in the drugs bill needs to be limited, and that constraint in the pricing of new drugs has a role to play, along with the other initiatives that I have mentioned.

As well as ensuring that we are not paying more than we need for an effective range of modern medicines, we are also taking action to encourage better prescribing. Let me stress the word "better". We are seeking to improve the care of patients, not just to cut costs, although, of course, cutting out wasteful and unnecessary prescribing is part of improving prescribing. I have time to refer only briefly to the steps that we are taking.

First, all GPs are given details of their prescribing costs every month through prescribing analyses and cost data —PACT. Secondly, professional advice about prescribing is now available in all family service authorities through the medical advisers and, increasingly, also through pharmaceutical advisers. Those advisers are the NHS's main resource in the field, working through the regular face-to-face visits to GPs. In addition, all FHSAs, regions, and my Department now have electronic access to PACT data on a monthly basis. We now have the means to analyse variation from the GP across regions. Understanding what is happening is clearly vital if we are to target further initiatives to improve prescribing.

Finally, there are the fund-holding and indicative prescribing schemes. We have just introduced a new drug budget system for the indicative prescribing and fund holding schemes. The new system retains budget setting at practice level based on identified need, but it also ensures that budgets, when aggregated, are set with regard to the estimated requirements for prescribing at regional and national level.

GP fund holders have a direct interest in improving the cost effectiveness of prescribing. They can retain any savings on drugs to reduce the demand on the hospital referral element of their budget. That is not just theory. In 1991-92, fund holders' prescribing costs increased by an average of 3 per cent. less than those of other GPs—and without any loss of quality. And that was starting from a baseline cost 10 per cent. lower than other GPs. All the indications are that that trend will be repeated this year.

Up to now, however, the majority of GPs have had no direct incentive to prescribe economically, because there has been no visible and direct reward for the patients in their practices. On 11 March, my hon. Friend the Minister for Health invited regions to submit proposals for incentive schemes for GPs who prescribe economically. Those schemes will have to be agreed with the Department. If acceptable, they will operate on a pilot basis from 1 April. GPs whose prescribing costs fall below a target level will be able to retain part of their savings to spend on improving services for their patients.

I echo my hon. Friend's remarks and I want to acknowledge and to applaud the major contribution that the pharmaceutical industry makes to the economy of the country. The pharmaceutical industry in Britain has a record of which it can be proud, in terms of production, exports, research and employment. Although Britain is only 3 per cent. of the world market, our industry provides some 6 per cent. of the world production, making us the sixth largest producer. In 1991, the industry in Britain had record exports of £2·5 billion, and a record balance of trade surplus of £1·2 billion. Much of that success is due to a record on innovation which is second to none, thanks to the quality of its research efforts. I understand that investment in R and D reached £1·2 billion in 1991, which represents some 8 per cent. of the world R and D expenditure. The industry employs more than 87,000 people in the United Kingdom, of which some 18,000 are scientists and technicians working on medical research and development.

We are all well aware of that fine record, and we do not wish to cause any harm, but we must ensure that the money that is spent on medicines is well spent. I have tried to show that we are addressing this need in a balanced way through a number of different schemes—striving both to ensure that we are not paying more than we need to or more than is reasonable for an effective range of modern medicines, and to encourage better prescribing. I have also tried to show that we are not deaf to the legitimate needs and concerns of the industry, and that we will take those into account as we take our policies forward.

Question put and agreed to.

Adjourned accordingly at eighteen minutes to One o'clock.

House of Commons

Thursday 25 March 1993

The House met at half-past Two o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

PRIVATE BUSINESS

BRITISH WATERWAYS BILL *[Lords] (By Order)*

CROSSRAIL BILL *(By Order)*

EAST COAST MAIN LINE (SAFETY) BILL *(By Order)*

GREATER MANCHESTER (LIGHT RAPID TRANSIT SYSTEM) BILL *[Lords] (By Order)*

WOODGRANGE PARK CEMETERY BILL *[Lords] (By Order)*

RIVER HUMBER (UPPER BURCOM COOLING WORKS) BILL *[Lords] (By Order)*

Orders for Second Reading read.
To be read a Second time on Thursday 1 April.

BRITISH RAILWAYS (NO. 4) BILL *(By Order)*

Order read for resuming adjourned debate on Question [8 February], That the Bill be now read a Second time.
Debate to be resumed on Thursday 1 April.

Oral Answers to Questions

AGRICULTURE, FISHERIES AND FOOD

Beef Special Premium

1. **Mr. Pickthall:** To ask the Minister of Agriculture, Fisheries and Food what steps he will be taking to reduce bureaucracy involved in the beef special premium.

The Minister of Agriculture, Fisheries and Food (Mr. John Selwyn Gummer): We are operating the new beef special premium scheme as simply and as flexibly as we can, within the framework laid down by the European Community rules and remembering the need to make sure that public money is fully accounted for.

Mr. Pickthall: Does the Minister agree with Mr. Richard Cowan, the head of the Ministry's beef division, that no sane person could have devised the beef special premium scheme? Does he agree that the introduction of the CID passports will create immense problems for farmers, particularly in relation to the larger cattle markets? Does he further agree that in conjunction with the integrated administration and control scheme—IACS—bureaucracy, which will come in too late for farmers, they will have too little time to complete the forms, so many of them may be brought close to despair? Will he further agree that if he can take decisive steps to ameliorate this nonsense, he will have done something tangible to put alongside the vaunted campaign by the President of the Board of Trade to reduce over-regulation and red tape?

Mr. Gummer: I am extremely enthusiastic about getting rid of over-regulation and red tape. That is why I introduced a Bill to abolish the milk marketing boards and to take powers to abolish the Potato Marketing Board. I am sad that the hon. Gentleman was here voting against both those deregulation measures two days ago.

The beef arrangements are not what I should like, because there are two payments of premium, not one. One would facilitate a simpler system, but, because of this system, we have to have what we propose, and it will be as simple as we can make it.

Under the IACS scheme we will pay out large sums of money to the public. Farmers will have six weeks to fill in the forms, which are as simple as we can make them. They have been carefully written—I have taken great care over them. I think that the hon. Gentleman will find that farmers will be pleased with the results, which will be much better than those in many other countries.

Mr. Marland: Is my right hon. Friend aware that in addition to the extra office work that this involves, it will also involve farmers in a considerable amount of extra work handling cattle—they have to be handled on several more occasions, to check their tags and the documentation? My right hon. Friend will not be aware, but he may be interested to know, that my next-door neighbour has 200 cattle—[HON. MEMBERS: "Ask a question."] I have asked a question. It took three men almost half a day to sort those cattle out. Is it really impossible to go back to the old system?

Mr. Gummer: I am sorry, but it is impossible; otherwise, my hon. Friend's neighbour would not be able

to get the money that he deserves, and it is likely that the money would go to people who should not get it. If my hon. Friend's neighbour fails to get the money that he wants, deserves and needs, the first person to whom he will complain will be my hon. Friend. I am insistent that he should not be put to that trouble as well.

Mr. Tyler: May I press the Minister a little more on the timing of the integrated administration and control scheme forms? He said just now that farmers would have six weeks to fill them in. Can he guarantee that the forms will be in farmers' hands by 1 April, All Fools' day? Can he tell us, if he cannot give that guarantee and six weeks cannot therefore be used for the purpose, whether he will postpone the deadline?

Mr. Gummer: There will be no question of a delay, because we are trying to stop fraud throughout the Community. The hon. Gentleman and his hon. Friends are always pressing on that matter, and I entirely support that. We will meet the deadline. The forms will be out to farmers by 2 April—I chose that date as being a little more elegant than the one the hon. Gentleman would like—and that will give people six weeks to fill in the forms.

We have continually reminded farmers that they will need to have certain maps beforehand. Press releases have again been issued this week reminding people of the need to do that. The Ordnance Survey has done its best to provide those facilities and, as long as people get in touch with it before 17 April, they will have the full one-stop shop arrangements from the Ordnance Survey. My fellow Ministers and I will be available to help them in that respect. We will do everything that we can to ensure that Britain does better than anyone else.

Mr. Marlow: We all sympathise very deeply with the difficulty in which my right hon. Friend finds himself. However, if the scheme runs into the sand, as some people believe is likely, could my right hon. Friend send a party to Italy to see how they do it there, because I am sure that they will have it fixed up quite nicely?

Mr. Gummer: If my hon. Friend had supported the Government in the Lobbies last night and on previous nights, we should be in a position to deal with such matters much more effectively. If my hon. Friend would put his vote where his mouth is, that would be much more helpful.

English Fishing Industry

2. **Mr. Austin Mitchell:** To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on the state of the English fishing industry.

The Minister of State, Ministry of Agriculture, Fisheries and Food (Mr. David Curry): The most pressing immediate problem facing the fish catching industry is the weak state of the market.

Mr. Mitchell: Instead of blaming the fishermen for the bankruptcy that they face and instead of compounding that bankruptcy by the insanity of days-at-sea limitations, why does not the Minister act? Why does he not deal with the small haddock crisis by increasing the minimum landing sizes? Why does he not ban the landing of round fish? Why does he not increase mesh sizes? Why does he not deal with Russian imports on a temporary basis, with a dumping ban? Why does he not provide the same kind of financial support for the industry as that provided by the French? Why does he not suspend the Sea Fish (Conservation) Bill and talk to the industry? Most of all, why does he not stand up for fishing instead of lecturing——*[Interruption.]*

Mr. Curry: And why does the hon. Gentleman not think for himself instead of simply repeating every prejudice of the fishing industry? He would do fishermen a greater service if he did that. And why does he not think of his own constituents and the large number of people in the processing industry whose jobs depend on an adequate supply of fish? We will tackle the problem of small fish if the whole of the British industry will agree. We are asking its opinion and we will await the response from Northern Ireland and Scotland. I can act only if there is agreement. We will wait and see whether there is agreement. I have my doubts.

Mr. Harris: If there is another blockade by fishermen tomorrow—we hope that there will not be—will my hon. Friend accept that such action stems from a feeling of despair among many of our fishermen, not least in the south-west? However, will he cast some light on imports, particularly from Russia, and tell us exactly how much fish is being imported from Russia and how much cod is being landed by our own fishermen?

Mr. Curry: I hope that the industry will not resume its saga of blockade, demonstration and destruction of fish, particularly as recent signs are that fish prices have firmed considerably. That is what we said would happen. Perhaps that has happened because fishermen have been demonstrating so much that they have not been catching so many fish and fewer fish have been landed.

The prices of cod, haddock and plaice are roughly at last year's level and I am glad about that. That is very good news indeed. However, it shows that the whole of the problem does not lie with imported fish. As the hon. Member for Great Grimsby (Mr. Mitchell) acknowledged implicitly, there is a problem with small fish in the marketplace. There have also been very heavy landings of cod in Humberside. Some estimates state that twice as much cod is being landed as was landed this time last year from the north Norway fisheries.

It is difficult to know the precise quantities of Russian fish. Some of it is imported by the British fishing organisations themselves. However, it is certainly not enough to account for the whole of the problem in the market. We must look within our own industry to discover the reasons for some of those problems. If we look objectively, we can find the answers.

Mr. Salmond: Are not the short tempers and insults from the Government Front Bench a combination of panic and guilt about the situation in the fishing industry? When the Minister meets the English fisheries, will he synchronise that meeting with the Scottish fisheries Minister so that they both accept their inescapable responsibility for the destabilisation of the fish market at the present time? What measures is the Minister taking to improve the situation for English and Scottish fishermen?

Mr. Curry: The English and Welsh fishermen are telling us at the moment that they wish to ban imports of Russian cod. However, the Scottish Fishermen's Federation tells us that it does not want to ban those imports because it depends on the Klondiking fee for the sale of herring later

in the season. As the two major parts of the industry are diametrically opposed, it makes it more difficult than it would be for fisheries Ministers if the two parts held the same point of view, and that point of view was sensible.

Sir Peter Emery: Will my hon. Friend time and again continue to repeat, for all the people of the fishing industry, the need for conservation? The sort of attacks that we have heard today do not take any account of the need to safeguard fish for the future, which we shall not have without the proper conservation measures.

Mr. Curry: I will certainly repeat that. My hon. Friend will be happy to know that we think that we are very close to agreement with the industry on a fully fledged conservation forum, to look at all the conservation measures, in which the Scottish and Northern Ireland industries will participate. The only problem is that, yesterday, the English fishing industry suggested that it was getting last-minute hesitations because it wished me to defer the Sea Fish (Conservation) Bill entirely before it would talk. As we have made it clear that that was not a possibility and that technical conservation cannot provide all the answers, it would be very silly if it withdrew from that forum at the last minute. Conservation means the future of the fishery—if there are no fish, there is no future. Fish depend on conservation.

Mr. Morley: Does the Minister accept his responsibility for fisheries management? What kind of management is it that produces a fish famine before Christmas and cod mountains in the new year? Will he take action on round fish and minimum landing sizes? Above all, will he have genuine talks with the fishermen and take the opportunity of surplus fish to bring in proper conservation measures? He should consider them as an alternative to the Sea Fish (Conservation) Bill, which has been widely rejected.

Mr. Curry: Before the hon. Gentleman invites me to start regulating the amount of fish that must be landed from north Norway and to regulate every single day's catch by the fishing industry, he should think rather harder. We have producer organisations with responsibility for managing the fisheries. We have suggested how they can manage them more effectively, but they do not want to do it that way; they want to be left to do it their own way. We will do our best to eke out the fishery throughout the whole year, but those organisations have their role to play as well. It is not good enough for the industry always to find somebody else to blame for its problems. We will keep talking to the industry, but it must accept that there is a problem in the management which must be solved by the industry, as well as by me.

Self-sufficiency

3. **Mr. Dickens:** To ask the Minister of Agriculture, Fisheries and Food what assessment he has made of the duration of United Kingdom self-sufficiency in food in the event of docks and airports being unavailable.

The Parliamentary Secretary to the Ministry of Agriculture, Fisheries and Food (Mr. Nicholas Soames): Food stocks would be sufficient to maintain the current levels of supplies in the United Kingdom if port and airport facilities were disrupted. In the unlikely event of long-term disruption, adequate supplies of food would still be likely to be available.

Mr. Dickens: I thank my hon. Friend for his reassurance. Does he accept that we owe a tremendous debt of gratitude to the farmers of the United Kingdom, and that self-sufficiency in food is of paramount importance? It is no good having the greatest nuclear deterrent in the world and placing ourselves in a position to have to submit through starvation. *[Interruption.]*

Madam Speaker: Order. Let us hear the answer.

Mr. Soames: I think that my hon. Friend would do extremely well in those difficulties. He is perfectly correct in recognising that British farmers and growers are second to none in the world in the efficiency of their production. It is nevertheless true that we need to do more to ensure that the marketing of our food is better. If we were at any time placed in the difficult circumstances that my hon. Friend has described, I hope that he would take comfort from Mr. Jonathan Porritt, as reported in *The Star* today, and eat squirrels.

Fishing

4. **Mr. Bowden:** To ask the Minister of Agriculture, Fisheries and Food if he will meet a representative group of south coast fishermen to discuss the implementation of EC fishing regulations.

Mr. Curry: Yes.

Mr. Bowden: Is my hon. Friend aware that the fishermen in my area are very responsible—they have been following my advice not to involve themselves in any illegal or criminal action—but their patience is wearing thin? Is he further aware that a group of them went over to continental ports and found that there was no effective operation by fisheries inspectors and that the fishermen were getting away with murder by landing undersized fish and not obeying quotas? Is not it about time that we had a level playing field in the fishing industry?

Mr. Curry: I entirely agree with my hon. Friend. Effective control means effective conservation in fisheries. Our proposals will tighten up the controls and inspect the inspectorate. We are considering the use of more advanced technology to discover what is happening in the fishing industry. I shall take those matters up with the new French Government immediately. There does not seem to be a great deal of point in taking them up with the old French Government. My hon. Friend will accept that we are not wholly innocent in these matters, as Opposition Members will acknowledge.

Mr. Ainger: Is the Minister aware that last week I was in the Commission building with Mr. Paleokrassas's chef de cabinet, who was abusive of nation states that did not implement the regulations that the Commission issued on 22 and 25 February on the size, health, quantity and minimum price of fish? Is he further aware that fishermen in Britain still complain that, in some markets, the minimum price is not being reached? What does he intend to do about that?

Mr. Curry: As I explained to the fishing organisations yesterday, we have been in touch with Customs and Excise and we have made sure that we have a proper system of control, not merely on the minimum import price but on the weight of the fish being landed, to ensure that there is no fiddling. That will put a floor in the market. The answer

lies not in banning imports, given the damage that that would do to our processing sector and the ultimate consumer, but in ensuring that fish is landed at a fair price. This afternoon, the Commission will make proposals for more effective monitoring of landings by third-country vessels to ensure that they, too, observe the minimum price and hygiene rules. That is a measured response to a crisis. We must not let it get out of proportion, but the marketplaces suggest that what we expected to happen is happening, and that is good news for fishermen.

Support Policies (Prices)

5. **Mrs. Gorman:** To ask the Minister of Agriculture, Fisheries and Food what effects agriculture support policies have on the prices charged to consumers.

Mr. Gummer: The consumer will benefit from the move to lower support prices, which form the basis of the recent CAP reform.

Mrs. Gorman: Is my right hon. Friend aware of the work of Dr. Brian Burkitt, a specialist on EC finances at Bradford university, who has produced a report that says that most of the £10 billion net that we have contributed went to the CAP? He also tells us in that report that for every £3 spent by the British people on food, £1 could be saved if we were to open our markets to food imports from other parts of the world. Is that not a better way to put a bit of butter on people's bread than paying out to the farmers?

Mr. Gummer: I hope that my hon. Friend would not wish the farmers of Essex in and surrounding her excellent constituency to find themselves unable to look after the land or to produce the food to which our hon. Friend the Member for Littleborough and Saddleworth (Mr. Dickens) referred earlier. I hope that my hon. Friend will accept that we are proud of what our farmers do in producing a high proportion of the food that we eat. We want to encourage them to sell more in the new home market of the single market. I know that my hon. Friend will want to support us in doing that, through her support for the Maastricht treaty.

Mr. Alan W. Williams: Does the Minister recognise that there is considerable public hostility to the CAP, especially as so many of its resources are devoted to the storage and disposal of unwanted surpluses, and when 80 per cent. of its resources go to the 20 per cent. richest farmers? Does the right hon. Gentleman agree that money needs to be redirected towards environmental protection, improving the landscape and more extensive agriculture, all of which would help to support more small farmers?

Mr. Gummer: Surely the hon. Gentleman, who represents an agricultural constituency, has noticed that, in the CAP reform, the British Government were able to secure a wholehearted change from the original proposals so that environmental improvement is now at the heart of that policy. That is a British achievement and I should have thought that the hon. Gentleman, even if he is partisan in other things, would wish to congratulate the Government on that success.

Small Farms

6. **Mr. Amess:** To ask the Minister for Agriculture, Fisheries and Food what new measures are being contemplated to assist small farms.

Mr. Curry: Our policy does not distinguish between farms according to size. Our plans to reform agricultural tenancies should, however, help people to enter the industry through liberalising the rented sector.

Mr. Amess: Will my hon. Friend accept that the 28 farms and smallholdings in my constituency of Basildon welcome the proposals that he has just outlined? Will he recognise that many of those farmers support the deregulation of farming as they complain to me that they seem to have more forms to fill in than animals to feed?

Mr. Curry: The people of Basildon are the first to demand firm controls and clear accountability when spending taxpayers' money. That is why they re-elected my hon. Friend to represent them—the result which shook the world, or at least the BBC. My hon. Friend can assure the smallholders and taxpayers of Basildon that we have the lightest and simplest controls consistent with ensuring that their money is properly spent.

Mr. Flynn: Does the Minister agree that the best thing that he could do to help small farms would be to make productive the set-aside land that is now running to waste? If it were used to grow biodiesel fuels, 750,000 tonnes could be grown, 7,000 jobs would be created and we should become less dependent on imported fuel. Biodiesel fuel is environmentally friendly. Why have France and Germany roared ahead with the mass production of biodiesels when all that we have is three buses running on such fuel? Why have we been so laggardly?

Mr. Curry: The very small farmers do not have to set aside land. The real answer lies with the non-rotational scheme. That gives the possibility of planting crops, of biomass, of woodland and of recreational purposes—opportunities which are not realistic under rotational set-aside. We plan to build the non-rotational scheme to give just those advantages.

Bovine Spongiform Encephalopathy

7. **Mr. David Evans:** To ask the Minister of Agriculture, Fisheries and Food what is the current number of bovines diagnosed as suffering from BSE.

Mr. Soames: Up to 19 March, 89,014 cases have been confirmed since 1986. New suspects are being reported at a higher rate than last year because animals born immediately before the July 1988 ruminant feed ban are now reaching the age at which disease is most likely to occur. However, the rate of increase has slowed dramatically.

Mr. Evans: I thank the Minister for his reply. Does he agree that if we had listened to the rantings of that lot opposite, there would not be a British beef industry? It is only as a result of my hon. Friend and his Ministry keeping their nerve that the British beef industry is in such good heart. When these beasts get the disease, do they jump up and down, do they shake their heads, do they lose their way and do they have glazed eyes? Does that remind my

hon. Friend of that lot opposite? Would it be a good idea for my hon. Friend to send a senior vet down to Walworth road this afternoon?

Mr. Soames: The House will be pleased to hear that a live test is about to become a fact of life. My hon. Friend may find it convenient to offer that test to the Leader of the Opposition. My hon. Friend is perfectly correct on the more substantial point. The scaremongering attached to this serious matter has not helped. My hon. Friend is also entirely correct in that the findings of the Southwood report and of the Tyrrell report, all the proper, fully constituted and substantiated scientific evidence that has been placed before the House and everything that we have laid before the House are going entirely according to plan. The disease is working its way through the system and we hope that we shall shortly see some substantial progress.

Dr. Strang: As the experiment that the Minister set up to establish whether there is maternal transmission of BSE from cow to calf will not be concluded for another three years, would it be a wise, precautionary measure to implement the recommendation of the Select Committee on Agriculture and to extend the offal sales ban to all animals, including animals under the age of six months?

Mr. Soames: The hon. Gentleman raises an important point. There is no evidence that there is maternal transmission; if it were a significant factor in the epidemic, we should have seen it now. Even if it does occur, it will not prevent the epidemic from disappearing. The question of the various other animal feeds has been around for some time, and both our professional scientific advisers have not felt it necessary to implement a ban.

Miss Emma Nicholson: Will my hon. Friend endorse the basic scientific research into BSE which is being conducted by the Medical Research Council, whose painstaking work on the different types of scrapie is most likely to bring the answer soonest, although it does not seem likely to be the answer offered by the hon. Member for Edinburgh, East (Mr. Strang)?

Mr. Soames: My hon. Friend is right. The scientific research into this difficult and serious matter has been painstakingly and brilliantly conducted by a wide range of scientists from not only the Medical Research Council but the Ministry of Agriculture, Fisheries and Food, the Central Veterinary Laboratory and others. My hon. Friend will be pleased to note that the increase in newly reported cases has slowed dramatically. There was an 80 per cent. increase between early 1991 and early 1992, but an increase of only 8 per cent. between early 1992 and 1993. Science has done us well and we look forward to the proper conclusion of this matter as the disease gradually works its way out of the system.

Common Agricultural Policy

8. **Mr. McFall:** To ask the Minister of Agriculture, Fisheries and Food what is the latest estimate in pound sterling of total expenditure throughout the EC under the CAP for 1993.

Mr. Gummer: A total of £28,000 million to about 8 million farmers, who provide the food for more than 320 million people.

Mr. McFall: When will the Government take an initiative to reduce the spiralling costs of the CAP, which already are unacceptable? Does he agree with Michael Jacquot, the EC controller, that they will remain within the 1994 budget guidelines only by creative accounting? Do not the MacSharry proposals only increase the costs of this policy to the EC taxpayer?

Mr. Gummer: That is why we got rid of the MacSharry proposals and replaced them with our own. That is what the CAP reform achieved. The hon. Gentleman should recognise that we are seeking to reduce, and have reduced, the resource costs of the CAP. I hope that he will accept that the nation that battles most to keep the CAP within budget is the United Kingdom. I hope that he will ask his hon. Friends to accept that, if we manage to do so, they cannot continue to demand more and more for different groups of farmers while complaining about the bill.

Mr. Oppenheim: As Opposition Members have clearly come to the sophisticated and intelligent conclusion that trade barriers and subsidies for agriculture harm taxpayers and consumers, why have they not reached the same conclusion for coal? As they are such keen advocates——

Madam Speaker: Order. The hon. Gentleman is moving away from the CAP. Can he keep his question to the CAP?

Mr. Oppenheim: As they are such keen advocates of industrial policy and intervention, which is exactly what the common agricultural policy is, why do not they praise the results of the policy—immense damage to third-world sugar producers, huge burdens on taxpayers and consumers and unsustainable surpluses?

Mr. Gummer: My hon. Friend is perfectly entitled to fight the Labour party with the enthusiasm that is so characteristic of him, but he would not find it so easy to do so if the farmers of Amber Valley and of surrounding areas were not given reasonable support to look after the land and produce the food that we need. I hope that he will support the way in which the Government have fought to ensure that developing countries, particularly those to which we owe so much in the West Indies, have a continued market for their bananas.

Mr. Campbell-Savours: We all welcome the Fontainebleau rebate, but has not its existence prevented British Ministers from demanding a fundamental review of CAP finances? Are not we, in effect, compromised?

Mr. Gummer: No, certainly not. The hon. Gentleman has not grasped the fact that British Ministers have won their battles in the European Community and that the CAP reform is designed on what Britain wanted. There was no single major element of our negotiating list that we failed to secure in those negotiations. The hon. Gentleman would do well to follow that example, but he will not have the opportunity of doing so.

Mr. John Greenway: When my right hon. Friend meets the new French Minister for Agriculture, who will be appointed soon following the annihilation of the socialists in France, will he remind him that the common agricultural policy reforms ensured a level field for producers and that there will be no going back on those reforms and the need for a GATT settlement?

Mr. Gummer: I look forward to meeting my new French counterpart when he or she is appointed and to

discussing with that person the need for Britain and France to ensure that the European Community provides a proper basis for competitive farming, from which both British and French farmers will benefit. I join in my hon. Friend's pleasure at seeing sister parties winning the elections in France and proving again that socialism is dead.

French Fishermen (Attacks)

9. **Mr. Donohoe:** To ask the Minister of Agriculture, Fisheries and Food what discussions he has had with the French authorities to protect consignments of British fish from attacks by French fishermen; and if he will make a statement.

Mr. Curry: Both the French Agriculture and Fisheries Ministers gave my right hon. Friend and myself undertakings in Brussels last week about the safety of British agriculture and fish products. We may need to update those shortly.

Mr. Donohoe: Given the obvious frustration among both the French and British fishing communities, not least because of the massive downturn in fish prices at the quayside which they are having to put up with, why do prices in the shops remain at a high level? Given that fact, will the Minister instigate an inquiry?

Mr. Curry: The hon. Gentleman has to distinguish between fish arriving in frozen blocks for processing—the largest part—and fresh fish that is landed. There is no great surplus of certain types of fish. The heart of the problem is the large-scale landing, both of cod into Humberside and of small fish into the Scottish and other ports, which are pulling down the market. There is a similar problem in France. The answer lies in tackling any abuses of imports, which the Community has acted to do, and in addressing how to manage fisheries better within the United Kingdom and France, including control.

Mr. John Marshall: Will my hon. Friend confirm that there are many more people employed in the fish processing industry than in fishing and that it is important that there are adequate supplies of fish for the industry to process and for the consumer to eat?

Mr. Curry: That is exactly the case. The largest part of fish is sold not on the fresh market but in the processed market. It goes into fish fingers and fish and chip shops. That market depends heavily on imported products. The last thing that would help the long-term future of the industry would be to drive the consumer away through shortage when there are readily available competing proteins at low prices.

Mr. Robert Hughes: Although it is clear that compensation for British fishermen and imports must be tackled, does the Minister accept that we shall not solve the crisis in the fishing industry as long as the traditional distrust between those who catch and those who process persists? Therefore, will the Minister get together with both sides of the industry and look at ways to regulate the market better and, perhaps even more important, at ways in which the market for fish can be expanded, so that this wholesome food becomes a regular part of people's diet rather than an occasional product that they have when they can afford it?

Mr. Curry: I have tried to do exactly what the hon. Gentleman suggested. Yesterday, I met fishing industry representatives from the National Federation of Fishermen's Organisations and the processors. I suggested to each side that they might like to meet the other, either under my chairmanship or simply in my office. The processors were agreeable, but the fishing industry refused to do so.

Dr. Strang: As the Minister has acknowledged that imports are part of the problem in both the French and the British markets, was not it unhelpful, to say the least, for the Minister of Agriculture, Fisheries and Food to say earlier this week that prime responsibility for the problems facing the British industry lies with British fishermen? As the Council of Fisheries Ministers has accepted that the minimum import price arrangements have not been working, are not we entitled to attach a great deal of store to its proposals for more effective control of direct landings by ships of third countries, which the Minister announced that the Commission was to make public earlier today?

Following what the Minister said about the processing and catching sides of the industry, does he agree that there is a strong case for having a summit of all the interests to see whether they can come up with more effective collective action to stop a repetition of these problems?

Mr. Curry: The Commission proposal on making sure that landings from third-country vessels observe the same standards as we require came from me, so I am very pleased that, as I understand it, that is to be carried forward by the Commission. My right hon. Friend was stating the obvious. There are various strands in this crisis. One of them is imported fish, but it has been very much exaggerated. There have also been very large landings on Humberside of fish from north Norway. Some estimates put this at double the amount landed by this time last year. There is also a lot of very small fish on the market. It is true that the Government have responsibility, but the industry, too, must look at how it can manage its fisheries more effectively. That is why we are consulting on certain measures that might address the problem of small fish on the market.

Mr. Ian Bruce: I wonder whether my hon. Friend has heard the reports from Weymouth. Despite the fishing disputes all round France and Britain, our port has been open to all fishermen. We gave a warm welcome to French fishermen who wanted to unload their catches there. Will he ask his colleagues in the European Community if they would like to be as communautaire as Weymouth fishermen and Weymouth fish docks and perhaps follow the example that we are setting in Dorset?

Mr. Curry: The fishermen in my hon. Friend's constituency are behaving in the long-term interests of their industry. We have had some 89 requests now for safe passage of our products through France according to the system that we set up. They have been responded to and trade is now flowing much more normally. We should give credit for the fact that, after a period of delays, we are now getting free access to the French market, as we demanded, and the promises are being observed.

Export for Slaughter

10. **Mr. Lewis:** To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on current progress towards improving welfare provision for animals exported live for slaughter.

Mr. Gummer: I raised this at the last Agriculture Council and the Commission has agreed to bring forward proposals for further measures to protect the welfare of animals in transit. The present circumstances are not satisfactory and we will continue to press until we get a very much better answer.

Mr. Lewis: I accept the Minister's response, but may I remind him of his statements during our EC presidency when he gave every indication that the matter was to be tackled more urgently? Is he aware that there has been a very large increase in the numbers of animals being exported? He will be aware that we have recommenced exporting to Spain. That cannot be good for the animals and every welfare organisation in the country is opposed to what is going on at the moment. I ask for even more urgency on a matter that we have discussed on many occasions in the House.

Mr. Gummer: The hon. Gentleman and I are not far apart on the matter. We are seeking to ensure that the standards of animal transport throughout Europe are raised to the standards in this country. I hope very much that we can ensure that the rest of Europe learns about animal welfare from us. We have a lot to learn from them, perhaps, in our treatment of children and old people, but we have much to teach them on animals.

Mr. Gale: Does my right hon. Friend agree that, while some issues can benefit from subsidiarity, environmental matters in general, and animal welfare matters in particular, require a European approach? Will he confirm that Her Majesty's Government will not agree to any standards for animal welfare, particularly with regard to animals in transit in Europe, that are lower than those that constitute current practice in the United Kingdom?

Mr. Gummer: There is no question of the welfare of farm animals being dealt with as a matter of subsidiarity. These are matters which bear directly on a common agricultural policy and we want the same standards throughout Europe. I have made it clear that I am not introducing unilateral measures in this country; I am insisting that the standards rise throughout Europe. There are very important areas in which subsidiarity should be applied, but this is not one of them.

Mr. Martyn Jones: The Minister will agree that the best thing for animal welfare would be for all animals to be slaughtered as close as possible to the point of production. What measures is he taking, in conjunction with the Agriculture Council, to encourage that in Europe generally and in Britain in particular?

Mr. Gummer: It will be a great help when we have, throughout Europe, slaughterhouses that are recognised by every part of Europe as reaching the same standards. I agree with the hon. Gentleman that the more meat that can be carried on the hook and the less on the hoof, the better, but within the Community there will be transport of live animals. I am determined that that transport shall be at a standard that is proper and that it reaches the high standards we have in Britain and reaches from the north of Scotland to the south of Sicily.

Dairy Farming

11. **Mr. Garnier:** To ask the Minister of Agriculture, Fisheries and Food what proposals he has to improve efficiency and profitability in dairy farming.

Mr. Gummer: At last week's Agriculture Council, the United Kingdom opposed further cuts to the milk quota.

Mr. Garnier: I thank my hon. Friend for that answer and assume that he will recognise the quality of the grassland in my constituency and the quality of its dairy herds. Will my right hon. Friend promote diversification in agriculture by encouraging the breeding of buffalo and the eating of buffalo meat, which not only tastes good but is low in cholesterol?

Mr. Gummer: My hon. Friend failed to mention the importance of buffalo milk, which is very important in import substitution because of the production of mozzarella cheese. I am very proud of the kind of mozzarella cheese that we can now produce in the United Kingdom and I hope that we shall be able to export it to Italy and elsewhere.

PRIME MINISTER

Engagements

Q1. **Mr. Meale:** To ask the Prime Minister if he will list his official engagements for Thursday 25 March.

The Prime Minister (Mr. John Major): This morning, I presided at a meeting of the Cabinet and had meetings with ministerial colleagues and others. In addition to my duties in the House, I shall be having further meetings later today.

Mr. Meale: The House will well recall the promises made by the Prime Minister and many of his fellow Ministers before the last general election about the future of the coal mining industry. Now that, today, we are about to hear about the loss of tens of thousands of jobs, will the Prime Minister apologise to those coalfield communities for what the Government are about to do?

The Prime Minister: The hon. Gentleman will have to curb his impatience for a few moments until my right hon. Friend's statement. He has very little time to wait and then he will be able to judge how right he is or how wrong he is.

Mr. Heald: Has my right hon. Friend seen the 1992 results from Vauxhall Motors today showing huge increase in profits as a result of improved sales, improved market share and a huge increase in exports? Will my right hon. Friend join me in congratulating the work force and all concerned, particularly those living in north Hertfordshire?

The Prime Minister: Yes, I did see those results. They are certainly excellent and I am delighted to congratulate the company on its results, which show what a well-managed company with the right product range can achieve, even in difficult world trading circumstances.

Mr. John Smith: Does the Prime Minister now understand how foolish he was to claim last October that the closure of 31 pits was—and I quote him directly—
"economically unavoidable and better done cleanly and quickly"?

The Prime Minister: As [illegible] right hon. and learned Gentleman knows, we carried out a full review of these matters and my right hon. Friend the President of the Board of Trade will set out in full detail the outcome of that review shortly. It is the most thorough review of the coal industry that has been undertaken for very many years. It posed many difficult issues which we have been prepared to face. The right hon. and learned Gentleman might also acknowledge the fact that we have supported the industry over the past 14 years to the extent of £18 billion.

Mr. John Smith: The House and the country will have noticed that the Prime Minister does not, indeed cannot, deny that his original intention, as he said himself, was to close all 31 pits immediately. How does he account for that appalling error of judgment?

The Prime Minister: I know that the right hon. and learned Gentleman is desperately keen to get his usual fix on the early evening news, but he will have to wait for my right hon. Friend's statement.

Mr. John Smith: In the course of the Prime Minister's twisting and turning over the past five months, has he yet begun to appreciate the vital importance of Britain's coal industry to our future energy security? Whatever is or is not in his White Paper, does the Prime Minister now realise that the rigging of the market to secure short-term profits for privatised electricity companies has put at risk the long-term security of energy supplies which should be the cornerstone of any Government's energy policy?

The Prime Minister: The right hon. and learned Gentleman will find it difficult to rewrite his own history. He should remember Labour's record on pit closures. The last Labour Government closed 313 pits and more than 200,000 of the work force lost their jobs. The Labour party cannot live down its past. It backed the National Union of Mineworkers when that union was holding the country to ransom during a year-long strike in the 1980s; it backed demands for unrealistic wages; and it backed demands for overmanning and bad working practices. If the right hon. and learned Gentleman had not backed those things in the 1980s, many more pits might be open today.

Mr. Thomason: Does my right hon. Friend agree that charge capping and council tax capping are necessary evils to protect the payer from the worst excesses of socialist local government administration? Will he abhor the proposal of the hon. Member for Blackburn (Mr. Straw) that capping be abolished and that control of local government spending be handed over to the unions?

The Prime Minister: My hon. Friend is right. The capping of spendthrift local authorities is necessary in order to protect taxpayers. My right hon. and learned Friend the Secretary of State for the Environment will cap wherever necessary this year, as in other years. My hon. Friend the Member for Basildon (Mr. Amess) may be keen to know that it is most unlikely that Conservative Basildon this year, unlike Labour Basildon in previous years, will require capping.

Q2. **Ms Abbott:** To ask the Prime Minister if he will list his official engagements for Thursday 25 March.

The Prime Minister: I refer the hon. Lady to the answer I gave some moments ago.

Ms Abbott: Does the Prime Minister accept that, whatever is in the statement to come, what public opinion outside the House wants is the saving not of 10, 12 or 15 pits but of all 31? It is not out of sentimentality that public opinion demands this. Whatever the short-term interest of the privatised fuel industry, it would be madness, in the long term, for this country to become dependent upon foreign coal and it would be madness to add to the standing army of the long-term unemployed.

The Prime Minister: The hon. Lady cannot have heard what I said about the Labour Government's record in closing pits. In carrying the review forward, we have had to balance two conflicting factors—our desire to save as many jobs and pits as possible and the hard, cold, real fact that British Coal is producing more coal than its customers want or it can sell. I am confident that my right hon. Friend's review offers the best way forward, both for the coal industry and for the country.

Mr. Cormack: Is my right hon. Friend aware that hon. Members in all parts of the House have watched with admiration President Yeltsin's courageous struggle to bring both economic and political freedom to Russia? Will my right hon. Friend take the opportunity today to send the good wishes of the House to President Yeltsin at this very critical time?

The Prime Minister: I am happy to offer my support to President Yeltsin and to express my support for the reform programme. Over the weekend, I sent the President a message precisely about that and I received a reply from him earlier this week. My right hon. Friend the Foreign Secretary plans to visit Moscow next week.

Mr. Ashdown: In the—*[Interruption.]*

Madam Speaker: Order. These interruptions take up time.

Mr. Ashdown: In the shadow of last week's atrocity in Warrington, which has claimed yet another life today, was the Prime Minister as moved as I was by the spontaneous and powerful expressions of sympathy and support from the people of Dublin for the people of Warrington, who suffered in that atrocity at the hands of the IRA? Does he agree that people such as Susan McHugh and Gordon Wilson speak for millions when they say that enough is enough? Is it not the case that if the people of Dublin can put the past behind them in their search for peace, the politicians of the whole of Ireland should be able to do the same?

The Prime Minister: The tragedy of another young life lost, sadly, this morning will have touched the hearts of many people in this country and far beyond. The events of last week demonstrate that terrorism brings nothing but agony and misery. But as we condemn terrorism, we must bear it in mind that there are many people in Dublin and elsewhere in the Republic of Ireland, elsewhere in Northern Ireland and Irish citizens in this country, who condemn and detest the terrorists as much as do hon. Members.

Mr. Kynoch: Is my right hon. Friend aware of how much I welcome the further progress that he has made in the Budget to extending the 20p basic rate of tax? Will he make further extensions in the years ahead?

The Prime Minister: I assure my hon. Friend that it is our intention to seek to do that. Our aim is a 20p basic rate of tax. We propose to move towards that as rapidly and prudently as we can by extending the 20p rate.

Q3. **Mrs. Ewing:** To ask the Prime Minister if he will list his official engagements for Thursday 25 March.

The Prime Minister: I refer the hon. Member to the answer I gave some moments ago.

Mrs. Ewing: In the continuing context of the Budget, is the Prime Minister aware that changes in the tax regime threaten jobs both offshore and onshore in the oil and gas industries in the north and north-east of Scotland, while the imposition of VAT on domestic fuel represents a threat to the welfare and lives of the elderly and needy in society? Is not it a travesty of justice that the Prime Minister should have introduced a Budget by which, in an energy-rich nation such as Scotland, we gain neither employment nor social benefits?

The Prime Minister: The support that the Government have given the oil industry over many years has brought many tens of thousands of jobs to Scotland, as the hon. Lady knows. There have been changes in the oil regime for offshore drilling in Scotland. That has been welcomed by many of the companies that work there.

Mr. Gale: Knowing him, I am sure that my right hon. Friend will already have sent a message of sympathy to the parents and family of Tim Parry. I hope that he included in that message the good wishes, thoughts and prayers of hon. Members in all parts of the House. Will he find time today to send another message, to the President of the United States, asking him to condemn the people in America who collect money that is paid to the IRA?

The Prime Minister: There is no doubt, as I said, about the feeling in this country—which I know will be shared by President Clinton—over the very sad death of Tim Parry. I know that the American Administration view terrorism in the same way as we do. It is a matter which I have discussed with President Clinton and with his predecessor.

Q4. **Mr. Bill Michie:** To ask the Prime Minister if he will list his official engagements for Thursday 25 March.

The Prime Minister: I refer the hon. Member to the answer I gave some moments ago.

Mr. Michie: Is the Prime Minister aware that the document "Implementing Caring for People: Assessment," which can only be described as sinister, advises practitioners and local authorities that any unmet need should not be recorded, on the ground, in the explanatory note, that, due to the idea now of freedom of access to information, it would be wrong for that information to be recorded just in case the patients or the clients found out what their rights were?

The Prime Minister: The hon. Gentleman knows that we have done more than any previous Administration to ensure that people are aware of their rights in the social security and health spheres. The new community care arrangements that will exist from 1 April will add to that remarkable record.

Mr. Sumberg: Will my right hon. Friend join me in condemning the disgraceful decision of railway workers to bring this country's transport network to a standstill on 2 April? While he is about it, will he invite the Leader of the Opposition to issue a similar condemnation?

The Prime Minister: I am certainly happy to condemn the suggestion that passengers should be severely inconvenienced by strikes of this kind. I hope that that feeling will be shared by the Leader of the Opposition and many others.

Q5. **Mr. Morley:** To ask the Prime Minister if he will list his official engagements for Thursday 25 March.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Morley: Will the Prime Minister confirm that under his Government total taxation for most people is far higher than it was under previous Labour Governments? What advice will he give to constituents such as mine, Mr. and Mrs. Cook, who have worked all their lives for a little bit of works pension which is 36p a week above any kind of benefit level? What kind of assistance will they get with the crippling increase in gas and electricity charges when value added tax is applied?

The Prime Minister: If the hon. Gentleman was really concerned about the tax burden, which allegedly he is said to be, perhaps he would withdraw his support from all the spending increases that Opposition Members propose week after week after week.

Coal Industry

3.30 pm

The President of the Board of Trade and Secretary of State for Trade and Industry (Mr. Michael Heseltine): With permission, Madam Speaker, I should like to make a statement on the conclusions of the Government's coal review. I must ask the indulgence of the House for what will be a lengthy statement. I understand that my right hon. Friend the Leader of the House will be making arrangements for a debate early next week.

The House will recall that this wide-ranging review was to look at the prospects for the 21 pits proposed for closure by British Coal last October in the context of the Government's energy policy.

First, I should like to pay tribute to the Trade and Industry Select Committee for the detailed work in its report.

I have a number of important new announcements to make about future opportunities for the British coal industry. I am pleased to be able to tell the House that the generators and the regional electricity companies have now formally confirmed their intention to enter into base contracts and the necessary back-to-back contracts which will enable British Coal to supply 160 million tonnes of coal over five years, with 40 million tonnes in the first year and 30 million tonnes in each of the next four years.

The Select Committee identified the central issue—that it is only sensible to produce coal for which there is a market. The key question then becomes how big that market is. There is inevitably great difficulty in predicting the size of a long-term market as complex as the one for coal. The dominant market is in the England and Wales electricity supply industry. Estimates of the size of this market vary widely and a number of different fuels compete for it.

It is central to the Government's energy policy to help create competitive energy markets within which consumers can obtain electricity produced from a diversity of sources at competitive prices. This is the best way to keep consumers' costs down and thereby strengthen our industrial competitiveness. Let me comment therefore on the fuel sources that compete with British Coal: gas, oil, nuclear, orimulsion, coal from various sources and electricity supplied through the interconnector with France.

I agree with the Select Committee that it would be wrong not to take advantage of the massive public investment in nuclear power. Electricity produced from existing nuclear stations has the lowest marginal cost. The benefits should not be denied to British industry and other consumers. We will, however, wish to look closely at any requests from Nuclear Electric for approval for capital investment in relation to proposals for extending the life of any Magnox stations. We will also be bringing forward our review of the future prospects for nuclear power.

Let me deal next with gas. It has been suggested that I should withhold further planning consents for gas-fired power stations. In considering this, I must have regard to my statutory powers and responsibilities. I do not intend to interfere with existing power station consents, or to alter my policy in taking future consent decisions under section 36 of the Electricity Act 1989. Consequently, matters such as the need for a generating station, its capacity, choice of fuel and type of plant remain commercial matters for applicants.

The House will appreciate that, whatever decisions I might take on new section 36 consents, they could not be relevant to the market for coal for at least another three years, since it would take at least that long for any new station to be brought into operation. In this context, I have decided that the Connah's Quay development in north Wales should be allowed to proceed. This is a sour gas project of a kind that the Select Committee favoured. I am also today granting consent to two smaller projects, one using sour gas at Ryedale in North Yorkshire and a combined heat and power scheme at Aylesford in Kent. Together, the three projects will involve investment of over £2 billion and will lead to the creation of over 5,000 construction jobs, as well as several thousand in related industries.

I have considered carefully the position of orimulsion. As my right hon. Friend the Chancellor of the Exchequer announced on 16 March, orimulsion, like other oil substitutes, will be subject to hydrocarbon oil duty. As such, it will bear duty at the same rate as heavy fuel oil. It will also be subject to the normal environmental controls for which Her Majesty's inspectorate of pollution is responsible. There are existing binding contracts for the import of orimulsion into the United Kingdom, with which the Government have no powers to interfere. The Government have, however, been informed that orimulsion imports to the United Kingdom are likely to be reduced by at least 500,000 tonnes equivalent of coal a year from current levels and to remain at the minimum contractual level for the foreseeable future.

In one area I have been driven to a different conclusion from that reached by the Select Committee. It recommended that I should remove Electricité de France's non-leviable status and ensure that British-produced electricity should gain access to the French electricity market and to third markets through France. I have considered this carefully and I published on 18 March a summary of the legal advice that I had received. The position is clear. Any governmental measure to prevent or restrict imports of electricity across the interconnector with France would run counter to article 30 of the treaty of Rome. Further, the Government would be at financial risk under the indemnity given to the National Grid Company at the time of electricity privatisation and reported to this House.

Electricité de France's electricity's non-leviable status could not be removed without giving EdF the benefit of levy payments. In other words, EdF could have to be given the same premium for its electricity as is now given to Nuclear Electric and financed by the levy. Far from reducing imports from France, this would reinforce their position, and our consumers would end up paying more for their electricity.

I have to tell the House that I see no prospect of reducing the net amount of electricity coming across the interconnector to zero, as indicated by the Select Committee. However, my hon. Friend the Minister for Energy and I have explored the scope for sales of electricity to France across the interconnector. The Minister has had talks with his French counterpart and the indications for sales in later years are good. Confirmation of this came in the announcement earlier this week of an eight-year export contract representing potential sales in excess of

£100 million from the United Kingdom to France. The House will also wish to note that the latest forecast shows that sales by EdF in the United Kingdom are likely to decline progressively and significantly.

I must now address that section of the market which is supplied by deep-mined, opencast and imported coal. The base contracts that I have just announced secure 160 million tonnes over five years at a value of £5·5 billion. This leaves British Coal as one of the world's largest coal producers. Opencast coal is a significant generator of employment providing jobs, whether directly or indirectly, for some 17,000 people throughout the United Kingdom. It is an economic source of energy which needs no subsidy from consumers or taxpayers. It can also play an important role in reclamation and redevelopment of derelict land.

While the Government do not think it would be right to impose arbitrary limits, British Coal has indicated in its evidence to the coal review that it expects its opencast output to fall over the next five years from the current level of 16 million tonnes to 12 million tonnes. British Coal's latest expectation is that opencast output will be lower still.

I welcome the increased scope for deep-mined coal which this represents. It will not affect British Coal's current contracts with companies that operate their opencast sites; nor will it affect the private sector opencast producers licensed by British Coal. My right hon. and learned Friend the Secretary of State for the Environment is currently reviewing the guidance to planning authorities on opencast coal. He will be announcing today how we will be carrying this forward in the light of the White Paper.

British Coal's prospects of winning and holding a share of the wider market for coal depend on increased competitiveness. There is a critical role here for the private sector. We believe that privatisation is the only way of enabling this industry to take full advantage of the opportunities that the market offers. British Coal will therefore begin immediately to prepare for full privatisation. It has confirmed that, in advance of full privatisation, any pits which the corporation does not itself wish to keep in operation will be offered to the private sector. The Government will be making available up to £1 million to assist in funding consultancy studies for management and employee buy-outs.

To provide a further impetus for this, I intend to appoint a board member who will have special executive responsibility for privatisation. This will be supported by a new unit within my Department. The Government will consider legislation to remove the manpower limit for private mines if this proves necessary.

The Government have looked carefully at the position of large electricity users. I am working with the Director General of Electricity Supply to examine the circumstances under which they might bypass the pool. I will also embark shortly on further consultations with the director general, the electricity industry and large users on whether demand-side bidding would improve the workings of the electricity market. In addition, the Government are reviewing the current regulation of on-site generation, which could offer large users an alternative source of electricity.

I turn now to the most important of the Select Committee's recommendations. I have authorised British Coal to negotiate for future contracts on the basis that it would supply at a world market-related price. The Government are prepared to subsidise the difference between this price and British Coal's cost of production. This subsidy will apply for any additional tonnages that British Coal is able to sell to the generators, whether or not these are on long-term contracts. The subsidy will reduce progressively over the period to full privatisation. The amount of subsidy will depend on the outcome of commercial negotiation, but we are prepared to embrace the range of figures put forward by the Select Committee. These arrangements will be notified to the European Commission under the relevant state aids provisions.

Private sector mines will also be able to seek Government financial backing for supplementary sales at world-related prices on the same basis as British Coal and consistent with the relevant EC provisions, provided that they can demonstrate that this was for genuinely additional tonnages.

I cannot guarantee that supplementary sales will be achieved by British Coal, but both generators have said that they will continue negotiations for such sales. To the extent that these sales fall short of the level envisaged by the Select Committee, expenditure will of course be less than that which they estimated.

I am also aware that coal stocks are at very high levels. There are 33 million tonnes with the generators and a further 12 million tonnes at the pithead. Some reduction in coal output is therefore essential.

As the House would expect, we have kept British Coal closely in touch with our thinking and we have provided it with an advance copy of the White Paper. Having considered this, British Coal has announced today that it is to consult on closure proposals for two of the 21 pits under review—Bolsover and Sharlston—whose reserves will shortly exhaust. Any redundancies will be subject to statutory consultation and notification requirements.

British Coal has also announced that, again subject to consultations, it proposes to place the following six pits on a care-and-maintenance basis—Bevercotes, Clipstone, Easington, Rossington, Shirebrook and Westoe. These six pits and the two proposed for closure in the coming months will be made available to the private sector.

Twelve of the 13 remaining pits will continue to produce while British Coal, with Government financial backing, looks for additional sales at world-related prices. British Coal is proposing that, again subject to consultations, one further pit—Maltby—will be placed on development. This will help to ensure that its reserves are available into the next century. The future of coaling in individual pits will depend on the extent to which intensive efforts over the coming months identify a market for their product or realistic prospect of sale to the private sector.

Safety must continue to be paramount. The Government are determined to ensure, in consultation with the Health and Safety Commission, that the existing high safety standards in such mines are maintained after they pass into the private sector.

I have a general responsibility for competition, which of course includes the electricity market. Both I and the Director General of Electricity Supply have a statutory duty to exercise our functions under the Electricity Act 1989 to promote competition. The director general has the full support of my Department in rigorously policing the competitive electricity market.

I have taken the opportunity of the review to consider a number of long-term issues about the future of the industry. Clean coal technology will be vital to ensuring

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that coal continues to play a long-term role in the energy industries. The Government intend to make available an additional £12 million over the next three years to secure the future of the Coal Research Establishment before its transition to the private sector. The Government also intend to encourage links with international research programmes.

The Government intend to publish an annual energy report to provide information relevant to business and investment decisions. In keeping with a recommendation of the Select Committee, the Government, in preparing the report, will be advised by a new energy advisory panel of independent experts.

The Government are acutely aware of the impact that any mining closures have on miners, their families and their communities. We announced a substantial package of measures in October to help areas that might be affected by closures. The Government have decided to increase the amount available to £200 million. The additonal funds will allow major new projects to go ahead. These include a flagship business park in the Nottingham area and advance factory provision in several areas. The regeneration measures are to be co-ordinated by Lord Walker.

I can also announce our intention that the headquarters of the new coal authority proposed under our privatisation measures will be located in Nottinghamshire. In addition, my Department will support the establishment of a new regional development organisation based in Nottingham to attract inward investment to the east midlands.

Finally, let me remind the House of what I said earlier. There can be no guarantees. The market for coal is complex and unpredictable. Even among the experts, opinions differ. I have done all that I reasonably could, consistent with economic realities and legal constraints, to increase the opportunities for British Coal.

It is now for British Coal to make the most of these opportunities. The outcome will be settled, as it should be, in the marketplace. Our policies will give the industry every chance of strengthening its position and achieving future success. It is now up to the people who work in the industry to build on this.

Mr. Robin Cook (Livingston): The House has just heard a comprehensive admission of failure. There was little in what the President of the Board of Trade said to the House that he could not have said on 13 October and there was much in the statement that he did say on 13 October.

The right hon. Gentleman promised that he would look for new markets for coal. He has just admitted that he has failed to find a market for one single extra tonne of coal. The contracts, which the right hon. Gentleman was pleased to announce to the House today, are precisely the same tonnage as the contracts on 13 October which forced the closure of 31 pits. How can the right hon. Gentleman claim to have saved 12 pits when he has not sold a single additional tonne of coal?

Will the right hon. Gentleman concede that his negotiating skills have delivered a bargain in which he has provided a subsidy on coal to the generators without getting them to agree to one extra tonne of coal? Does he really believe that a two-year subsidy will change anything? That is not a rescue plan; it is only a stay of execution.

Why does not the right hon. Gentleman admit that the period of two years has nothing to do with the time to turn round those pits and everything to do with his timetable to privatise the coal industry and wash his hands of it? The right hon. Gentleman complained that coal is a complex market in the electricity system. He should know: the Government created that complex market. They created a rigged market which is denying coal a fair chance to compete.

Why did the statement do nothing to cool the dash for gas which is closing the coal mines? Why does not the right hon. Gentleman challenge the sweetheart deals between the electricity companies and the new gas-fired power stations which guarantee them sales, not for two years, but for 15 years? Is not the conclusion from the statement that the only thing that the right hon. Gentleman is prepared to do about the dash for gas is to license three more contracts for new gas-fired power stations?

Why does the statement—[HON. MEMBERS: "What about jobs?"] What about jobs? Conservative Members should consider the 30,000 miners' jobs, the 20,000 people who work in factories, the 10,000 people who shift coal on the railways and the 100,000 who will be made unemployed as a result of the statement.

Why does the statement do nothing to check imports of electricity from France—electricity which is more expensive than electricity produced from British Coal? Does the right hon. Gentleman or any Conservative Member imagine that the French Government would import electricity from us if they had to close French pits to do that? Why do we continue to accept that Community rules oblige us to import electricity from France when we cannot get the French to agree to carry our electricity to Spain?

Why does the statement do nothing to create a level playing field for competition between coal and nuclear electricity? Does the right hon. Gentleman appreciate that, if coal received subsidy as large as that received by Nuclear Electric, it could deliver half its coal to the power stations for free? What kind of competition is that?

Why does the White Paper do nothing to provide stability for coal sales by postponing next year's cut in the guaranteed market to the power generators? Is that why PowerGen withdrew its offer of 4 February to take an extra 55 million tonnes over five years? Why is it that, the longer the review has continued, the less the right hon. Gentleman has been able to deliver?

Can the right hon. Gentleman confirm that we are about to hear in the business statement that the House will be expected to debate a White Paper on Monday which has only just been placed in the Vote Office? Is not the reason for that panic timetable the fact that the right hon. Gentleman is afraid that, the longer the public consider the White Paper, the more they will see through it? The right hon. Gentleman has taken five months to write a White Paper which he dare not allow the House five days to analyse.

Britain's pits have doubled productivity in eight years. They are modern and efficient pits which have cut the price of coal by one sixth in the past five years. What a contrast that is with a Government who have just put up fuel bills by one sixth by slapping VAT on them.

The White Paper does not save a single pit beyond two years; it does not save electricity consumers from paying, through their bills, the extra costs of constructing new gas-powered stations; it does not save the balance of trade from the extra costs of importing coal and gas; it does not save public spending from the cost of closing pits which it would be cheaper to keep open; and it will not save the right hon. Gentleman's reputation.

This mix of short-term subsidy and long-term betrayal may be enough to buy off the rebels on the Government Benches, but it will not buy off the nation, who will not forgive the Government for abandoning Europe's richest coal reserves.

Mr. Heseltine: I think that the whole House will have noted the central accusation of the hon. Member for Livingstone (Mr. Cook) that this was an admission of failure. It is, if I may say so, characteristic that when I have committed hundreds of millions of pounds of taxpayers' support and agreed with the Select Committee report in substance, the hon. Gentleman should think that is a question of failure.

The fact of the matter is that an all-party Select Committee with a majority of Labour members *[Interruption.]*—a majority of Conservative members and a Labour Chairman—indicated the way forward and I have broadly accepted the thrust of its central recommendation. That is not failure; that is listening to the House of Commons and responding to it.

It is characteristic that, whenever the Government provide an opportunity for British industry to win, the first thing the hon. Gentleman does is to run down the prospects of success. It is quite apparent that he has missed the central point about the nature of the market which the Select Committee and I have identified. What he has done is to fall back on the old arguments about a rigged market.

Why did I not suppress the demand for gas? First, because it is efficient; secondly, because the market has demanded it should be there; thirdly, because a large number of jobs are dependent on it; and, fourthly, because I agree with the Select Committee that we should not do it.

Let us consider the easiest response to the hon. Gentleman. "Why did you not deal with the French?", he said. In the House, on 3 August 1978, the right hon. Member for Chesterfield (Mr. Benn), when Secretary of State for Energy—*[Interruption.]*—had this to say:

"I am informing the Central Electricity Generating Board that it has my approval in principle for investment in the proposed 2,000 mw cross-Channel electricity cable to be constructed and operated jointly with Electricité de France . . . The expected cost to the CEGB is £131 million. The link is planned to come into operation in stages, the first 1,000 mw in 1982 and the second in 1983."—[*Official Report*, 3 August 1978; Vol. 955, c. 545-6.]

The problem is that, when he gave permission in principle to the CEGB, he had not wrapped up the details of the contract.

I do not think that we want to preoccupy ourselves only with the unreconstituted left. The right hon. Member for Copeland (Dr. Cunningham) was the Parliamentary Under-Secretary of State for Energy all through the time when this was going on. The right hon. Member for Chesterfield might say that he was only a little fish. The Leader of the Opposition, the right hon. and learned Member for Monklands, East (Mr. Smith), however, was Minister for Trade.

Hon. Members: Resign.

Madam Speaker: Order. The House must come to order. A great many hon. Members want—and are expecting—to put questions. Therefore, time should not be wasted with a lot of noise.

Mr. Heseltine: It was not rigging the market; it was selling out the market. That is what the Labour Government did.

Mr. Jimmy Boyce (Rotherham): Shame on you.

Mr. Heseltine: No, shame on the party that did it.

The next phoney accusation of selling out is the nuclear allegation that the hon. Member for Livingston paraded before the House. Once again, the right hon. Member for Chesterfield, on behalf of the Government of which he was a Member, explaining what he felt to be the future for nuclear provision, said:

"If we look ahead at the mix of fuels which we think we shall need in this country in the year 2000, it is not possible to abstract the nuclear component without running a serious risk which no energy Minister could recommend to this House. —[*Official Report*, 15 May 1978; Vol. 950, c.174.]

That is the argument that has to be presented. I join the right hon. Gentleman, for the first and perhaps the only time in my life, in presenting that argument to the House.

The right hon. Gentleman gave the figure. On 25 January 1978, he told the House——

Several Hon. Members: On a point of order, Madam Speaker.

Madam Speaker: Order. I remind the entire House, including Ministers, that we are not into debate. Debate comes on Monday. *[Interruption.]* Order. I am on my feet. Hon. Members are expecting to be called, so they should keep quiet now and they might then be called. I seek brisk questions—*[Interruption.]* Order. Allow me to finish. Equally, I seek brisk responses to those questions so that we might make some progress this afternoon.

Mr. Heseltine: I fully understand your ruling, Madam Speaker. I was merely trying to respond to the inquiries from the hon. Member for Livingston. Let me help you, Madam Speaker. I believe that we have shown British Coal the way forward. We have offered it a chance. We have recognised what the Select Committee said and I commend the White Paper to the House.

Dr. Michael Clark (Rochford): Does my right hon. Friend accept that Conservative Members appreciate his statement this afternoon and would like to compliment him on his hard work and diligence in coming up with a statement that will be so helpful to the British coal industry? Is my right hon. Friend aware that, in recent years, British Coal has been saying that, by 1995, it will be able to produce and sell coal at world market prices if it is given the opportunity to have assistance through to 1995? Does my right hon. Friend agree that his statement this afternoon gives British Coal not only that very opportunity but the opportunity to have a long and viable future?

Mr. Heseltine: I say at once to my hon. Friend and to his colleagues on the Select Committee on Trade and Industry that I have listened as carefully as possible. It has been an extremely constructive dialogue and I am extremely grateful to my hon. Friend, who has particular knowledge and expertise. I and the Government are trying to give British Coal and, as soon as it can be arranged, the

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private sector the opportunity to seek markets with a competitive price for their product. We are all well aware that the more we have privatised the former nationalised industries, the more they have gone out into the world and won for Britain.

Mr. Malcolm Bruce (Gordon): Will the Secretary of State accept that we welcome the fact that he has listened to the recommendations of the Select Committee on Trade and Industry? However, he should not anticipate that he has the Committee's whole-hearted support, because he has not been able to accept the recommendations in full or to an extent that would have saved more of the pits. I welcome his assurances on gas, but does he acknowledge that it is unfortunate that the Chancellor of the Exchequer did not consider the confidence of the North sea oil and gas industry when he introduced the tax change in the Budget? There could have been a more helpful combination.

The energy industry is in its present state precisely because of the Government's privatisation of gas and of electricity, which was carried out in ways that failed to create a genuinely competitive market. Is not that why Sir James McKinnon now demands the break-up of British Gas? Is not it high time that the Secretary of State reorganised the electricity industry to make the market work? Will he, therefore, accept that the only consistency of Government energy policy is not to have had a policy for the past 13 years? Is not that a denial of the White Paper, which he claimed was to be a comprehensive energy review? There is no mention of an energy review, but just a discussion of a market for coal. This is a short-term fix, which does not meet the long-term needs of the nation.

Mr. Heseltine: The hon. Gentleman must have failed to hear what I said. I said that there would be an independent group of energy experts and that there would be an annual energy report. Those ideas were included after consultation with my colleagues, as a result of the Select Committee's proposals.

I disagree with the hon. Gentleman's views about the North sea. When a tax regime is changed, some win and some lose. Many companies in the North sea can look forward to an improved position from the lower levels of petroleum revenue tax which have been announced by my right hon. Friend the Chancellor of the Exchequer. The hon. Gentleman would not expect me to be drawn on the issue of British Gas because it is the subject of a Monopolies and Mergers Commission inquiry.

Mrs. Elizabeth Peacock (Batley and Spen): Is my right hon. Friend aware that I recognise the work undertaken by him, by the Minister for Energy and by many in his Department to produce the White Paper? However, will he assure the House today that the White Paper provides an extra and further market for coal? If it does, what will be the immediate effect?

Mr. Heseltine: My hon. Friend has taken an acute interest in the matter and I have been especially grateful to her for her advice on the ways in which we should make speedy progress towards privatisation. What both the Select Committee in its report and the Government in the White Paper have emphasised is that we are dealing with the marketplace. One can analyse and make predictions about the marketplace, but in the end one is dependent on customers. British Coal must now, with the advantage that we have given it of being able to compete at world market prices, secure that market. We shall give British Coal every help in doing that.

Sir Harold Walker (Doncaster, Central): Did not the Select Committee make it clear that its recommendations should be taken as a comprehensive whole? It is therefore wrong for the Secretary of State to pick the bits that suit his case and then to claim to support the report. Is he aware that his statement today is an economic disaster for Doncaster? He talks about the marketplace. I am concerned about the job marketplace in Doncaster through which the right hon. Gentleman has driven a big hole today. He spoke in October about the support that would be given to areas affected, yet we have seen none of that yet in my area. When will we get that support? What does he intend to do about the disaster that he has created for my constituency?

Mr. Heseltine: I think that I can help the right hon. Gentleman. I am very concerned to ensure that where closures take place, there is the help that I have announced. It is self-evident to those who understand these matters that no one is allowed to prejudge consultative procedures that are under way. Until British Coal comes to a conclusion, through the consultative processes, about the way forward, we do not know exactly what closures will take place. It is therefore not possible to anticipate and to start spending money.

The House will understand that one of the great advantages of Select Committees, which I strongly supported when they were extended in 1979-80, is that they can range over a subject and put forward many different proposals. The Select Committee on Trade and Industry has done a commendable job. However, nobody believes that a Select Committee is a substitute for Government. We have to study the Select Committees' proposals and we have to take the decisions. There are often lonely questions about the allocation of priorities. I hope that, on reflection, the Select Committee will feel that its work has been taken extremely seriously.

Sir Michael Grylls (Surrey, North-West): Does my right hon. Friend accept that his statement proves that the Government are determined to do all that they can to help the British coal industry—whether it is in the private sector or the public sector—to become competitive so that it can supply coal to the market at the price that the market demands? Will he ensure that the subsidies are prudently spent, because they come from taxes paid by other successful businesses throughout the country? It is very important that they are spent carefully.

Mr. Heseltine: My hon. Friend is absolutely right. He addresses the central issue that faced me last October and has faced my colleagues ever since. If my announcement leads to extra contracts, it will cost the taxpayer hundreds of millions of pounds. We will therefore ensure that the negotiations that lead to such potential are carefully and rigorously conducted and that they are of a tapering nature to ensure that British Coal continues to have the incentive to improve productivity.

Mr. Richard Caborn (Sheffield, Central): Will the President of the Board of Trade, through the usual channels, allow a debate on Monday not just on the White

Paper but on the 39 recommendations made in the Select Committee report to give the House the right to make decisions on them? I am concerned that, after six months of delay by the Government—the President of the Board of Trade knows that the Select Committee report was published on 29 January—we are now to be forced to debate a serious issue in an unacceptable time span of about 48 hours. I ask the usual channels to allow a little more time not only for the House to reflect on the issue, but—*[Interruption.]* As the President of the Board of Trade has raised the subject of the Select Committee report, and if it is not too much for Conservative Members to listen, the Chairman of the Select Committee has the right at least to put down one or two markers.

May serious consideration be given to the report to allow the nation time to reflect on the content of the 152-page White Paper, which will be debated on Monday? My quick analysis—and it has been quick—of the main provisions of the White Paper suggests that all 31 pits will be closed in the next three or four years. That will cost the British taxpayer about £2 billion. Eighteen of those pits and 18,000 jobs will be lost this year alone. This package is merely a change of tactics—[HON. MEMBERS: "Ask a question".] I want to deal with the points that the President made——

Madam Speaker: Order. I know that the hon. Gentleman heard me earlier when I reminded the House that hon. Members should not ask questions. A debate will be held on Monday. We want to hear the hon. Gentleman put his question to the President of the Board of Trade.

Mr. Cabom: I will ask the President of the Board of Trade specific questions. Why has he, again, failed to question whether there is a larger market for coal—the very question he posed to the House on 21 October? Why has he chosen price support for British Coal in the full knowledge that his proposals do not provide the market beyond the 40 million tonnes this year and 30 million tonnes in the subsequent four years? Why has he not answered the Select Committee report, which addressed the question whether there is a larger market for coal? Will he now answer questions on the licensing of gas, on the baseload of gas, on the letter that I wrote to him about EDF and on opencast mining by British Coal and the private sector? Why has he chosen not to comment on the franchising of the regional electricity companies—which is mentioned in the report that he has ignored—which would make a further market for 20 million tonnes? The right hon. Gentleman has ducked those questions this afternoon, but he should answer them.

Mr. Heseltine: The hon. Gentleman, who, as the House knows, is Chairman of the Select Committee on Trade and Industry, misunderstands the nature of what I have said today. While it is entirely for my right hon. Friend the Leader of the House to determine the subject of the debate, within my White Paper there is reference to every recommendation of the Select Committee and a Government response to it. It would be difficult for us to debate the issue without referring to the Select Committee report. We are under pressure to make progress on the matter because the contracts for British Coal run out on 31 March, so there is great uncertainty in the industry and it is important that the House has an opportunity to debate the matters.

The hon. Gentleman mentioned the central issue, to which I have referred many times already—the market-place. As I understand it, the view of the Select Committee about the market place is that we should do certain things to expand it, some of which I have been able to do in part. Secondly, it recommended that we should provide a subsidy to enable British Coal to obtain part of the additional market space. I have accepted that recommendation. It named certain rates of subsidy that might be necessary and I have already said that I am prepared to embrace figures broadly in line with those of the Select Committee.

The only issue is whether I could have been expected, by now, to have seen British Coal sign up the additional contracts. The Select Committee never told me to come back to the House with signed contracts. It told me to allow British Coal to go out and negotiate for contracts. That is what I have announced that I shall do.

Sir Trevor Skeet (Bedfordshire, North): I congratulate the President of the Board of Trade on maintaining a competitive energy industry and on his recognition of the fact that it is no good curing unemployment in one industry only to create it in another. Will he keep a watchful eye on coal stocks which, at 45 million tonnes, are excessive, so as to ensure that they do not deteriorate and go to waste?

Mr. Heseltine: My hon. Friend touches on another central dilemma in the debate. It is that it is often a question not of protecting jobs in general but of protecting jobs in one industry or another. The more that one chokes off the market to enable coal to fill it, the more one destroys jobs and confidence in a range of alternative industries, many of which are doing extremely well. The House will have recognised that I have today announced the go-ahead for a project with which 5,000 jobs are associated. It is very much a question of priorities, but British Coal now has a chance to compete in the market place with a product that is priced competitively.

Mr. Tony Benn (Chesterfield): Is the Minister aware that what he has done today is to confirm unemployment for between 80,000 to 100,000 people and condemned to death the communities whose pits will close at a time of mass unemployment and that, for those people, his statement will have been the most cynical, arrogant and inaccurate that has been heard in the House for many years? That is so not least because the aim of the interconnector with France was to export British coal to France. As he knows, that is the purpose. The Labour Government launched the Selby coalfield and authorised the Drax B coal-fired station.

The most dishonest thing of all is that the money that was supposed to be given to help the areas has been diverted to subsidise the pits for privatisation. When private owners buy pits, they will find them already subsidised. If the Minister is interested in history, will he look back and find that, when the pits were last privately owned, in the 1930s, 1,100,000 miners were injured and 7,800 killed?

The amount of money made available, allegedly to help that group of people whose livelihood is ended, contrasts with the £10 billion made by market forces when the currency collapsed last September. The Minister has made an utterly unacceptable statement and, apart from the

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cheering crowds behind him, nobody in the country will believe that he has done anything but confirm the betrayal of his earlier statement.

Mr. Heseltine: When the right hon. Member stands before the House and says that really what the EdF deal was about was exporting to France—he nods his head—I can only ask the House who is misleading whom. I will quote from *Hansard*. The right hon. Member, when he was in power, said:

"The link will add to the security and diversity of the CEGB's sources of electricity".—[*Official Report*, 3 August 1978; Vol. 955, c. *546*.]

Who, I ask again, is misleading whom?

Sir Cranley Onslow (Woking): I assure my right hon. Friend that, just because an hon. Member happens to be Chairman of a Select Committee, that does not mean that he owns the Committee or speaks for it. As a member of the Select Committee, I can assure him that some of the criticisms which the hon. Member for Sheffield, Central (Mr. Caborn) has levelled at him are not shared by the majority of the members of the Committee. We are very willing indeed that this matter should be debated as soon as possible so that we have an opportunity to emphasise what really matters. British Coal must save itself by its exertions and my right hon. Friend has given it the opportunity, with privatised industry, to do just that.

Mr. Heseltine: My right hon. Friend has been immensely helpful to me in advising me on many matters in this connection. I believe that the views that he has expressed represent the views that anyone reading the Select Committee report would form. I very much welcome the fact that the Select Committee said as clearly as it did—and, in the report it published, as fairly as it did —what the reality of the opportunities was.

Mr. Kevin Barron (Rother Valley): May I ask the President of the Board of Trade what I should say to my constituents who work at Maltby colliery, the most modern deep mine single complex in Europe, which has just had £190 million spent on it, now that it has been announced this afternoon that the work force is to be sacked?

Mr. Heseltine: The hon. Member should tell his work force that we intend to put the pit into a development phase in which £30 million of taxpayers' money will be invested in order to carry on the life of that pit into the next century. If the hon. Member would look to the positive opportunities and stop trying to undermine every opportunity created, his constituents would be better off.

Mr. Winston Churchill (Davyhulme): I thank my right hon. Friend for the very considerable distance that he has travelled since 13 October last year. Can confirm that the purpose of providing a short-term subsidy to these 13 pits is to put them in a position to carry forward into the future once they have reached world market prices, and that he and the Government will use their best endeavours to help carve out a wider market for coal? Specifically, can he undertake that the Government, once there is a new French Government in place in Paris, will conduct political discussions at the highest level in order to arrive at a situation in which there is a more neutral flow across the interconnector and for exploring the prospects for exports to third countries?

Mr. Heseltine: My hon. Friend has taken a particular interest in this matter and I am most grateful to him for what he has now said. Within the legal constraints which I have explained to the House and on which I have taken advice, we are in discussion with the French Government. This is not, perhaps, the best moment in history at which to pursue these discussions, but I certainly give my hon. Friend the assurance for which he asks: they will be continued. We have seen some welcome developments since these discussions got under way and my hon. Friend has played a conspicuous part in that.

On the central issue which my hon. Friend put to me, we are trying to give British Coal the opportunity to seek out these additional markets, partly because we have been able to show where some of those markets will be and partly because the generators are now saying that they wish to negotiate supplemental contracts over and above the base contracts which have been concluded effectively today. So the only lasting position for their future is to seize that opportunity at a moment when there is a drive to competitive positions.

Mr. Doug Hoyle (Warrington, North): Does the President of the Board of Trade realise that his statement today does nothing for the long-term energy future of this country? Nor, indeed, does it do anything to save Parkside, the last pit in the north-west that is viable and has long-term reserves. What has happened to the right hon. Gentleman's promise to intervene? Does he no longer eat breakfast, lunch and dinner? Does he not realise that his reputation and career are in tatters?

Mr. Heseltine: The pit to which the hon. Gentleman refers is one of the 10. He will know that it is now subject to consultation and it would be inappropriate for me to comment on it. If British Coal is determined to proceed to closure, there will be an opportunity for the private sector to make arrangements to take it over.

Mr. Tom King (Bridgwater): While everybody regrets the loss of any jobs, particularly in the mining industry, is not the truth that no Government of either party has been able to guarantee jobs in the mining industry, an industry which as recently as 1955 employed no fewer than 750,000 people, and that the only guarantee comes from the level of the market?

Does my right hon. Friend accept that his statement will be seen as a genuine and thorough attempt to give the coal industry the best chance for the future without undermining the competitive position of the rest of British industry? Will he also give an assurance that the energy market, the review of the Magnox stations and new investment will be looked at fairly, on their merits?

Mr. Heseltine: My right hon. Friend knows a great deal about this market and I can readily give him the assurance that he has sought. I am grateful to him for the way in which he has described the work that we have tried to do. This is about an opportunity, but I think that British Coal is only too anxious to respond to that opportunity. Some of the recent productivity gains that have been achieved will help them on their way.

Mr. Dennis Skinner (Bolsover): Is the Minister aware that he has just delivered a confidence trick that would have done Paul Daniels proud? This is set against a background of more than 4 million people out of work, so I plead with the Government not to weep crocodile tears today about unemployed people. More than 50,000 people will lose their jobs in the mining industry and elsewhere as a result of this statement. The Minister said that his hands were tied, but if he had taken the import levels back to 1979 and the opencast levels back to 1979—he always quotes that year—and if he had stopped orimulsion, he would have saved 25 pits. If he got rid of the Magnox nuclear reactors he would save another five pits and if he had had the guts to say to the French that we were not going to have their electricity sold here in Britain, just as the French are saying that they will not buy our fish, we could have saved another six pits and thus saved all 31.

The truth is that we are faced with a gutless and spineless Government who should be got rid of as soon as possible.

Mr. Heseltine: The real question for the hon. Member is, what was he doing before 1979 pursuing policies, the logic of which we are discussing today?

Mr. Tim Devlin (Stockton, South): Is my right hon. Friend aware, that since this review began, not one new exploration platform has been authorised for the North sea and not one new platform has been commenced at any yard in the north-east of England? While all of us in the north of England want to save the coal industry in our part of the country, by any means that we can, we also realise that the benefits of the future rest on the North sea and the riches that it possesses, and we look forward from today's statement for a further development there in the very near future.

Mr. Heseltine: My hon. Friend comes to the heart of the matter. The announcement I made today about Connah's Quay is very important to British industry. Creating jobs there might have a very attractive long-term potential, for work not only in the North sea but in the international exploration industry.

Mr. Greville Janner (Leicester, West): Why did the President of the Board of Trade studiously ignore, in his statement, the unanimous report of the Select Committee on Employment on the employment consequences of the pit closures? Could it be because it was the unanimous view of all the members of the Committee, whatever their political views, that both the true national costs and the social effects of pit closures should have been, and were not, taken into account and that no pit should be closed, unless and until there has been full consultation and complete consideration of all the factors in that unanimous report, and every effort had been made to safeguard not only the miners concerned, but the other affected workers, of whom there are twice as many?

Why did not the Government permit their response to the report to be made available to members of the Committee until after the President had sat down, when the report was placed in the Library? Could it be because the Government's response to the unanimous report included this disgraceful sentence:

"The Government considers that the estimation of the financial costs of unemployment referred to in the Select Committee's conclusions would not be meaningful"?

Surely it is meaningful that there are national costs, personal costs, social costs and misery in the devastating effect referred to in this unanimous report on all the pit closures. Will the President please consult the Employment Secretary and come back with a worthy reply that will help the people whose lives will be wrecked by his statement?

Mr. Heseltine: The hon. and learned Gentleman will know that my right hon. Friend the Secretary of State for Employment has replied to the Select Committee's report —an entirely proper course. Let me take one central issue. When jobs are created, very few people go round multiplying the number by three to indicate the number of potential jobs in the economy. However, when jobs are destroyed, people immediately multiply the number by three in order to show the harm that is being done. In my view, in both cases people are likely to be far short of the real world.

Mr. Michael Alison (Selby): Does my right hon. Friend recognise that the new hopes and the new opportunities that his statement gives to British Coal as a whole will be even more advantageous to the low-cost, high-productivity, Conservative-financed pits, such as the Selby complex? Does he recognise that he may even have underestimated the scope for exporting British coal to Europe, particularly from pits like Selby, where the cost of production is already at the low world-cost level?

Mr. Heseltine: My right hon. Friend has a deep interest in the matter. I am very well aware of the excellence of the Selby pit. British Coal is now beginning to achieve remarkable advances in productivity. The sad reflection —indeed, the tragedy that lies behind this entire debate —is that, if there had been such achievements years ago, we should be having a very different sort of debate today.

Mr. William O'Brien (Normanton): What we have had from the President of the Board of Trade today indicates that he has no knowledge of the mining industry. The fact that he has named Sharlston colliery—my colliery—for early closure amounts to a stab in the back for 700 men who work at that pit. Will the President of the Board of Trade explain to those men why, with the fuel fossil levy that all of us pay through our electricity bills, which will be 10 per cent. of the total account from next April, they cannot have a share of that levy to help save the pit? The reserves are there. What we need is investment and a visit to Sharlston by the President of the Board of Trade to hear what the men have to say about his decision to close their pit early.

Will he also explain why, in an area where there is to be early closure of pits, assisted area status is not being afforded to the local authority? What we are witnessing is a stab in the back from the President of the Board of Trade for miners in general, but for Sharlston in particular.

Mr. Heseltine: The hon. Member will be fully aware that decisions about moving a pit to closure are a matter for the board of British Coal. It is a little unwise of the hon. Gentleman to suggest that the members of that board do not bring a very great degree of expertise to such matters. It would not be appropriate for me now to comment on the individual pits that are the subject of this announcement. [HON. MEMBERS: "Why not?"] Because they have to move to statutory consultation procedures. That is a matter for British Coal to continue, which is what it will do.

Mr. Richard Alexander (Newark): Is my right hon. Friend aware that, despite the decision to locate the headquarters of the energy commission in Nottinghamshire, the pit closure programme that he has announced today will cause devastation in north Nottinghamshire, particularly at Bevercotes, where I have 500 constituents who will be out of work immediately? Does he recollect giving an undertaking to the president and secretary of the UDM that he would do everything that he could to keep UDM pits open? *[Interruption.]* How does he square that with the fact that, at the end of the day, only three of the formerly seven UDM pits will remain open?

Mr. Heseltine: I am aware of the acute interest that my hon. Friend has in today's announcement. It is not possible for me or British Coal to distinguish between pits on the basis of which unions happen to represent them. We are acutely aware of the remarkable contribution that the UDM made towards the advances of the industry in the early 1980s. While that is true, it is not a factor that can enter into the consultative procedures.

My hon. Friend said that there would be an immediate change and people would lose their jobs. That is not the case. The procedure is that the pit moves into a closure consultation procedure, not for closure, but for a regime of care and maintenance, so that, if the market should prove to be even larger than we are talking of in respect of those that remain open, there is the possibility of reactivating the pits.

But should Bevercotes move through the consultation procedures and as a result British Coal decides that it should close, at that stage there would still be the opportunity for the private sector to make an offer to take it over.

Mr. Ted Rowlands (Merthyr Tydfil and Rhymney): Is the right hon. Gentleman aware that, if Taff Merthyr colliery closes, it will be the end of one of the greatest and proudest traditions, the end of mining in the Merthyr valley, even though that valley has more than 20 per cent. of men out of work and another 20 per cent. economically inactive? We passionately believe that we have economic reserves that could go to a power station no more than 15 miles down the road by direct rail line. Will the so-called consultation procedures now allow us to put before an independent review body the case that we want to make for Taff Merthyr colliery?

Mr. Heseltine: My reply to my hon. Friend the Member for Newark (Mr. Alexander) is relevant to the questions that the hon. Gentleman is asking. If British Coal determines that the pit should close, it will be available for sale to the private sector. It is already in the consultative process and it would not be right for me to interfere in that process. Anyone who knows south Wales as well as the hon. Gentleman does—and I have some knowledge of the area—knows that there has been a dramatic rundown in the coal mining industry in recent years, a wide diversification of the Welsh economy and a substantial improvement in prosperity as a result.

Mr. Michael Jopling (Westmoreland and Lonsdale): Is my right hon. Friend aware that few fair-minded people will wish to argue that he and the Select Committee have not worked extremely hard to find as good a future for the coal industry as is reasonable? How much will the package that he announced today cost the taxpayer? He said that it could cost several hundred million pounds. I am sure he had to be more specific than that with the Treasury. How much is it likely to cost, and did the Chancellor of the Exchequer include that sum in the PSBR estimates that he gave in the Budget last week?

Mr. Heseltine: There is a complication about the questions that my right hon. Friend asks. I cannot know what level of contracts will follow from the opportunites that I have created, so I have given an indication. The Select Committee mentioned rates of subsidy that would, in its judgment, take the price of British coal from the present production costs to world market prices. The language that I chose, to indicate as much support as I could, was that I would embrace the range of figures that the Select Committee had given.

But I am not prepared—the House will understand—to put a sum of money on the table in public, because we are negotiating with private sector companies, which have their own self-interest for which to negotiate, and the moment they see our price, they will seek to increase it or to give less for it than we would wish to achieve.

While I have discussed this matter fully with my right hon. Friend the Chancellor of the Exchequer, it would be naive to put one's negotiating cards face up on the table.

Mr. Lawrence Cunliffe (Leigh): Why does the right hon. Gentleman not accept what every financial fuel consultant and accountant in the energy industry accepts, that the aging Magnox power stations are the most expensive fuel on base load for the electricity grid? *[Interruption.]* Hon. Members can say what they want. It is a fact. Why does not the right hon. Gentleman understand that even half the £1,270 million subsidy to the nuclear industry, which is roughly the amount that should have been given in an answer to the hon. Gentleman from the Chancellor of the Exchequer, or about £500 million, would save seven collieries, not only in the short term but guaranteeing their long-term security for nearly 15 years?

Mr. Heseltine: On reflection, the hon. Member may feel that he has not totally reflected the situation as it is. British Coal today is coming to the end of a contract which was worth something like £1 billion a year to it in the prices that it was receiving, over and above the market price of coal. In addition, as my right hon. Friend the Prime Minister said during questions, about £18 billion has been put into the industry since 1979, so there is no question but that the coal industry has received, and is receiving, substantial subsidies.

Dr. Keith Hampson (Leeds, North-West): Is my right hon. Friend aware that all the members of the Select Committee agreed that there were severe limits on how far one could extend the coal-generated electricity market? There are no easy answers such as the acceleration of the closure of Magnoxes. The 16 million extra tonnes we thought might be possible could not be written in stone, simply because it was predicated on a total closure of the French link. Will he therefore confirm that, in offering his subsidy to British Coal, he is seeking to increase the market in that range of 12 million to 15 million tonnes a year, and will he confirm that to bring the price of British coal down to import price levels, it is vital that the productivity of British pits is enhanced as quickly as possible? That will need assistance from the House,

enabling British Coal to improve management practices and working practices in the pits and enabling the private sector to do a better job than it otherwise would do.

Mr. Heseltine: As a member of the Select Committee, my hon. Friend knows a good deal about the subject. He is right to point to the essential need for British Coal to achieve its productivity levels, not just in the pits but in the management of individual pits and in headquarters staff. These gains must be achieved if there is to be a competitive future for British Coal. I am assured by the management of British Coal that it intends to move forward with dispatch in this direction.

My hon. Friend then asked whether I would give a broad indication of market. I would have to say, having looked at the Select Committee report, that even if one takes out the calculations included for EdF, the assumptions of the Select Committee are still at the top end of the range. They are significantly above, for example, what my own consultants, Caminus, indicated and Caminus are above what British Coal indicates as the likely market, so there is a judgment to be made. The only way to determine the market, however, is for customers to sign contracts, and the customers in this case are bound to be, significantly, the electricity supply industry. It has its own views of what the market will be. It is only on that view or any other market that we can find that contracts will be forthcoming.

Mr. John Evans (St. Helens, North): Is the President of the Board of Trade aware that 800 miners and their families at Parkside colliery in my constituency will have listened to his statement today with anger and dismay? In a 20-minute presentation to the House, he said not one word about Parkside and the other nine collieries which, it would appear from his statement, are doomed. Will he confirm that British Coal is determined to close Parkside colliery, a colliery that has been profitable in each of the past six years, and throw 800 miners on to the scrap heap in an area where there is already more than 15 per cent. unemployment, at considerable cost to the taxpayer? Is it not a fact that the short-term fix that he has offered to the House today will do nothing for the British mining industry and, in fact, seeks to save his own job?

Mr. Heseltine: The hon. Member will be aware that 30 per cent. of the miners from Parkside have already accepted since last October the redundancy terms that we have made available to them. *[Interruption.]* He will also be aware that the reason why I did not mention the 10 collieries in my statement is that they are subject to the procedures of consultation and it would be wholly inappropriate for me to refer to them.

Mr. Patrick Cormack (Staffordshire, South): In view of the immense time and trouble that my right hon. Friend has taken to produce this report, for which I thank him, and in view of the detail that it contains, would not it make sense if we debated it slightly later next week, when people have had a chance to digest it and make representations to hon. Members? If we were to debate it on Wednesday or Thursday, it would still be before Easter.

Mr. Heseltine: My hon. Friend raises a matter that is essentially for my right hon. Friend the Leader of the House. I must allow him to judge the order of priority of Government business.

Mr. Joseph Ashton (Bassetlaw): Is the Minister aware that he has offered nothing to the coal-mining industry today? Will not the subsidy simply come out of the VAT that is to be levied on electricity in a year's time? Will that subsidy simply go to encourage the privatisation people, who will come into the industry to try to lower wages and make miners work longer hours and then, if the miners refuse, close the pits because they are not interested in digging coal, but rather in getting cheap land, railway sidings, the property, everything else that is attached to a pit——

Mr. Eric Clarke (Midlothian): Yes, and miners' pension rights.

Mr. Ashton: And pension rights, as my hon. Friend says. They will use his subsidy to make massive profits without producing one extra tonne of coal.

Why has the right hon. Gentleman said nothing about assisted area status? He quotes 1979, when my area was given assisted area status by the Labour Government, but his Government took it away, with no promise at all of ever putting it back.

Mr. Heseltine: I assure the hon. Member that there will be no threat to any pension rights of any miners in whatever circumstances develop. *[Interruption.]* The longer Labour Members tell their constituents the sort of things that we are hearing in the House, the longer the threat to British Coal will exist. If we had faced the need to modernise the coal industry throughout the early decades of this past half-century, we would have seen the coal industry of this country enjoying a far larger market than it currently does. It is because the Labour party told them that there was some other way that we have delayed making many of these difficult decisions.

Mr. John Butterfill (Bournemouth, West): Does my right hon. Friend accept that the Select Committee will wish to study in some detail the White Paper that he has presented to the House today? We are all very grateful that he has accepted our principal recommendation, that British Coal be given a subsidy to enable it to become world-competitive over the next few years. As my hon. Friend the Member for Leeds, North-West (Dr. Hampson) said, that will require considerable productivity gains. While we accept that he has done a great deal to try to influence the French, will he also accept that, whatever the legal technicalities may be, it is not really acceptable in terms of Community spirit that the traffic across the interconnector should be all one way?

Mr. Heseltine: My hon. Friend is right. I can assure him that, of all the subjects we have had to look at in the context of this review, it would be fair to say that the interconnector has taken a disproportionately large amount of time. It merited a great deal of time, and I was the first to recognise that, but I had no choice but to publish for the House the summary of the legal opinions —because I did not rely on one alone—that I was presented with. I could find no way through and I have published it for the House. So one must adopt the only alternative route, which is to discuss the thing with our French opposite numbers. This my hon. Friend the Minister of State has done, and I believe that we will have an improved position as a result.

Mr. Adam Ingram (East Kilbride): Is it not the case that the President of the Board of Trade inadvertently misled the House this afternoon when he said that he had considered every recommendation of the Select Committee report? Having read through it very quickly, I do not think that that is the case, and the record will prove different. Is he aware that Scottish Power and its Scottish consumers take a disproportionate share of the sulphur dioxide emission reductions? What guarantee can he give Scottish consumers that their electricity prices will not go up and that they will not be further disadvantaged by his statement today?

Mr. Heseltine: I hope that the hon. Gentleman is wrong; certainly, he is describing something entirely different from my intention. I have assured the Select Committee, and instructed my Department, that I want the White Paper to respond thoroughly and comprehensively to the report that I have praised in the House. I believe that the White Paper covers each of the Select Committee's substantive recommendations. Of course, we shall debate these matters further; if the Select Committee wishes to pursue them with me in its own way, it is fully entitled to do so and I shall co-operate.

The hon. Gentleman asked me for assurances about future prices. That is not a realistic question to put to a Minister, who cannot be expected to give hard and fast views on prices in a complex marketplace without any time constraints.

Mr. Michael Spicer (Worcestershire, South): Opencast coal is cheap and sulphur-free; there are large stocks of it and, when blended with deep-mined coal, it greatly improves the marketability of such coal. Will my right hon. Friend tell us a little more about why he believes that production of opencast coal will fall from 16 million tonnes a year to 12 million?

Mr. Heseltine: I have consulted British Coal about that. As I said in my statement, in evidence to the Select Committee, British Coal anticipated that the present output of 16 million tonnes would fall to 12 million; it now believes that it will fall further.

I appreciate the considerable advantages of opencast mining, particularly in derelict land reclamation. I also understand the arguments for fuel mix, which render opencast coal especially important in terms of both price and technical qualities. There is another side to the matter, however. My right hon. and learned Friend the Secretary of State for the Environment will this afternoon publish his planning guidance, which suggests that the environment and its protection must also be weighed in the balance. It is on that basis that judgments can be made in the future.

Mr. Eric Illsley (Barnsley, Central): Is it not the case that 12 pits will close now, six will be mothballed—which means that they will never open again—and one, Maltby, will gain development status? Nineteen pits will be closed, while 12 will not be subsidised for two years, until the union members accept the redundancy terms that they will be encouraged to accept during that period.

The right hon. Gentleman talks of the market and the loss of the market. Has not the market been rigged against coal ever since privatisation? Gas-fired stations can bid into the pool at a negative price: in other words, they bid their electricity into the pool at nothing, knowing full well that they will then be brought on to the grid. They must compete with orimulsion—which can be piped in for next to nothing because it comes from Venezuela—and with opencast coal. Such coal is not from derelict sites; 93 per cent. of it comes from green field sites that are left as green field sites afterwards. It is a rigged market, and the right hon. Gentleman knows it.

Mr. Heseltine: I know that the Select Committee raised some aspects of the hon. Gentleman's point, but, although the Committee asked me to examine the question of bidding into the pool, I felt that it was not convinced that a simple solution existed. Having considered the issues, I concluded that the Committee was right to have its doubts.

I wholly reject the suggestion that the market is rigged. As I said in my statement, even if British Coal secures no further contracts, it will still be a substantial company in world coal terms. That in itself is an opportunity. I also wholly reject Labour's defeatist view that when I accept the Select Committee's recommendations, I enable British Coal to negotiate for additional markets. The thrust of Labour's view is that there is no additional market, but I do not accept that.

Mr. Rod Richards (Clwyd, North-West): Is my right hon. Friend aware that his statement will be widely welcomed in north Wales, especially by those who work in Point of Ayr colliery? Is he further aware that the section 36 consent that he has given to the Connah's Quay power station heralds a new economic era for north-east Wales, generating thousands of jobs and many hundreds of millions of pounds in investment?

Mr. Heseltine: My hon. Friend is absolutely right. The Connah's Quay announcement is a good one. Along with my right hon. Friend the Secretary of State for Wales, my hon. Friend will know better than most that we went through a similar difficult readjustment in the context of Shotton. Without doubt, the Shotton area has experienced a transformation as a result of investment and diversification. We must always look at how we can help declining industries to reach a position where new jobs, investment and companies and a better future are on offer.

My hon. Friend is absolutely right to point to Connah's Quay. Not only will it help jobs in north Wales, which is extremely welcome; it will be a signal to one of Britain's most successful industries.

Mr. Geoffrey Hoon (Ashfield): The right hon. Gentleman seems to be keen on quotations. May I draw his attention to page 68 of the White Paper, which states:

"The United Kingdom undoubtedly has the lowest cost coal in the Community."

How will the Secretary of State explain to the miners of Silverhill—whom he appears today to have finally condemned to lose their jobs—that the German, French and Spanish industries will continue to produce 100 million tonnes of coal? Why are those countries' Governments so successful at subsidising their industries, while our Government sell our miners so short?

Mr. Heseltine: I am afraid that the hon. Gentleman is misinformed about what is happening to the coal industry in Europe. I, too, have looked at the figures and perhaps on Monday we shall have a chance to debate these matters. By and large, the coal industry is in decline across Europe and in Community countries such as ours.

Mr. James Pawsey (Rugby and Kenilworth): Can my right hon. Friend elaborate on the part of his statement that referred to privatisation? Can he say what interest the private sector has displayed in acquiring the pits that it is proposed to mothball? How many pits will be involved and how many jobs?

Mr. Heseltine: It is encouraging that we have received a number of inquiries, but it is fair to add that, at the stage that we have reached, such inquiries are bound to be tentative. My hon. Friend the Minister of State, in partnership with British Coal, hopes tomorrow to see a number of people who have approached us in the context of privatisation.

I very much hope that, as the position has now been clarified, we shall be able to see how far the interest that has been expressed can be extended. As I told the House, I have announced £1 million of Government support for those who want to prepare management buy-outs. As I have said before, I do not wish miners to buy into pits that have no significant future, as an emotional reaction to admittedly traumatic circumstances. I shall do my best to warn them of the difficulties; I think that that is only fair.

Mr. Michael Clapham (Barnsley, West and Penistone): Today's statement shows that the President of the Board of Trade has not been listening and has not been reading. He talks of the subsidy. The Select Committee suggested that the subsidy paid to British Coal as price support should be paid within the context of the franchise market, but there has been no mention of the franchise market. Has the right hon. Gentleman explored the possibility of extending that market? Has he examined the other recommendations to which my hon. Friend the Member for Sheffield, Central (Mr. Caborn) referred? Has he looked at the conclusion of the Select Committee report, which states that there is a substantial market in excess of that which the Select Committee recommended for price support?

The Committee's recommendations add up to a market of 62 million tonnes, enough to keep all 50 collieries working. It should be borne in mind that seven of those collieries will be exhausted in the next five years. Will the right hon. Gentleman confirm that his recommendations, and today's statement, have more to do with preparing the industry for privatisation than with developing an energy policy?

Mr. Heseltine: Preparing the industry for privatisation is a very important part of an energy policy. I believe that, with hindsight, that will prove to have been the case with coal, as it has proved in so many other privatised industries that have been able to develop potential in the private sector that they were denied in the public sector.

I have considered the protection of the franchise, but I decided that it would not increase the size of the available market. I have said that the subsidy that we are prepared to make available is not dependent on extending the market. It is an offer that British Coal and the private sector—if it can find additional markets—are now able to exploit.

Mr. Barry Porter (Wirral, South): I am the one member of the Select Committee who did not vote for its report, on the basis that I thought that the extension of the market was on the optimistic side. I am grateful, however, to my right hon. Friend for dealing in detail with the Committee's recommendations. His response has been extremely realistic and sensible. I wish to thank him especially for the decision that has been made in respect of Connah's Quay and gas.

We must accept that there will be severe social difficulties in the mining communities. Will my right hon. Friend examine again, in the context of the entirety of the White Paper, what redundancy payments can be made to miners? Bearing in mind that it must be accepted that jobs will go, let us make the terms of redundancy as sensible and remunerative as possible, as we did for the dockers in days gone by.

Mr. Heseltine: I am grateful to my hon. Friend. I hear what he says about not having voted for the central recommendation contained in the Select Committee's report. As I have done my best to praise that recommendation, I hope that he will not hold that against me when it comes to any decisions that the House might have to make.

The redundancy scheme that I announced last year is a generous one. It is almost without parallel anywhere else in the public or private sectors. It would be to let down the members of the coal industry who have accepted it over the past few months if I were now to increase the payments. The Government have no plans to increase the level of the already extremely generous redundancy scheme.

Mr. Mark Fisher (Stoke-on-Trent, Central): As the President of the Board of Trade has not mentioned the 10 pits that are to be closed, will he undertake to return to the House to make a further statement, or are they condemned to closure in silence? Does not he understand that the deep anger that people expressed following his closure statement in October 1992 will be refired and redoubled by his statement today? Last October, the British people expected the right hon. Gentleman to work for a proper, unrigged market for coal and an energy policy that made use of all our assets. What they have instead is a political stitch-up that will destroy industry and create only unemployment. Does the right hon. Gentleman realise that the British people will not forget the smirk that played over his face when he answered questions following a statement which condemned hundreds of thousands to unemployment in the years ahead? He smirks and they will suffer.

Mr. Heseltine: When the hon. Gentleman and his colleagues can get elected to speak for the people of Britain, I shall listen to what they say on behalf of the people of Britain. I reject the sneering and contemptible way in which he has dismissed one of the best offers that I have been able to make to the coal industry.

Mr. Patrick Nicholls (Teignbridge): Is my right hon. Friend aware that what he has said this afternoon will substantially reassure the many hundreds of people who contacted me in my constituency last year? Does he agree that there is a conclusion that they could draw from his statement and the evidence to which he has referred? That conclusion is that the economic analysis that my right hon. Friend made last year was right then and is right now. He has enabled those within the industry to face the consequences of that analysis.

Mr. Heseltine: Certainly, my hon. Friend is right. The decision that I announced in October 1992 was an extremely harsh one, and I felt anguish at having to make

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it, but economically the arguments were clear. Public opinion took the view that it did. As a member of a democratic political forum, I would be the first to recognise the strength of public opinion in such circumstances. We have come forward, therefore, with a set of proposals that have the virtue of maintaining a realistic background but giving a new opportunity, at least in part, to significant parts of the industry. It is possible to do that only at a cost of hundreds of millions of pounds to the taxpayer. That means that other people in other industries will have to pay the bills that are necessary to make my announcement possible today.

Mr. George Stevenson (Stoke-on-Trent, South): Does the right hon. Gentleman understand that as a result of today's announcement, which must be described as one of the greatest examples of industrial butchery that the country has ever seen, he will qualify his nickname of Tarzan to become the political equivalent of Hannibal Lecter? He never mentioned the unemployment that will be created when the measures contained in the statement are implemented. Similarly, he did not refer to the fact that he has been presented with effective arguments on behalf of the 10 collieries that are earmarked for immediate closure. Those omissions will be seen as nothing short of a national disgrace and a betrayal of his commitment to intervene in the market.

Mr. Heseltine: The hon. Gentleman has heard me say many times that I cannot comment on the 10 pits that are subject to the consultative processes. British Coal must undertake those processes and reach conclusions on the basis of them. I cannot interfere in that.

Mr. Jacques Arnold (Gravesham): May I welcome the emphasis that my right hon. Friend put on measures to help large electricity users? Is it not the position that excessive electricity costs in heavy industry, such as the Blue Circle cement works, Scotts and other plants in my constituency, put thousands of jobs at risk? We have heard nothing from Opposition Members about jobs outside the coal mining industry.

Mr. Heseltine: My hon. Friend, as I would expect, seeks to preserve the proper balance. A huge number of customers and a great deal of British competitiveness are at stake as a result of the issues that we are discussing. There is an important opportunity to enter into discussions—I cannot predict the outcome of them—with the large users.

Mr. Derek Enright (Hemsworth): Did not the President of the Board of Trade have the opportunity to put in place a long-term strategy for energy? Instead, he has produced a mish-mash of contradictory tactics. I ask him a specific question concerning the 10 pits that are destined for closure. Bearing in mind the fact that the right hon. Gentleman has had much to say about the consultation process, will he condemn British Coal for announcing in its press release, on the day that it announced that it would undertake consultation procedures, that it would close all 10 pits? Will he defend the 10 pits from closure, or will he hand them over to his right hon. Friend Herr Himmler, the Secretary of State for Social Security?

Madam Speaker: Order. I am sure that the hon. Member will do the honourable thing and withdraw.

Mr. Enright: I shall certainly withdraw, Madam Speaker.

Mr. Heseltine: The hon. Gentleman may feel that his observations are not in keeping with the reality. He must be fully aware that I cannot and will not become involved in the slagging match that he requests over the management of British Coal.

Mr. Spencer Batiste (Elmet): In his welcome and balanced statement my right hon. Friend spoke of the continuing negotiations between the generators and the coal industry and of the privatisation process. In that context, will he be encouraging those who will be seeking to put pits and coal-fired power stations together so that coal can have more direct access to the energy market?

Mr. Heseltine: My hon. Friend understands one of the potentials. It is not easy to see precisely how to bring about what he says, but it is something that is on the table for discussion. Many complex arguments are involved and I have had discussions which have focused on them. There are no announcements that I can make today.

Mr. John Cummings (Easington): Is the President of the Board of Trade aware that the consequences of the closure of the Vane Tempest colliery and the mothballing of Easington are not confined to the many tens of millions of tonnes of coal lying under the North sea, which will never be extracted by means of an opencast operation? In Easington, with a population of 20,000, 1,693 unemployed people are chasing 12 vacancies. It is clear that unemployment will rise to over 20 per cent. Does not he believe that there are markets around the Thames and in Europe and that we can provide the necessary resources —for the benefit of the people of Easington and of Europe?

Has the right hon. Gentleman applied himself to the question of the pumping arrangements that are absolutely necessary in the county of Durham to prevent an ecological time bomb from going off? Will he join me in applauding the magnificent efforts of the miners since October last year? They have broken all productivity records—a fact that the right hon. Gentleman failed to mention.

Mr. Heseltine: The hon. Gentleman will know that more than 51 per cent. of the miners in Vane Tempest have already gone. I believe that some of them have already secured alternative employment.

The hon. Gentleman has raised an important subject which I happen to regard as one of the most tragic aspects of this whole affair. In February, the shortest month, British Coal mined at an annual rate of 60 million tonnes, with 10 pits not coaling and with 9,000 fewer workers. Had that escalation of productivity been going on earlier, British Coal would have been incomparably more competitive. The longer the Labour party denies this, the longer they deny the spirit and determination of the miners, who have to go and negotiate the supplementary contracts that I am talking about.

Mr. Stephen Milligan (Eastleigh): May I add my congratulations on my right hon. Friend's statement? I notice that it received a near-unanimous welcome among Conservative Members. It struck a balance between the

interests of preserving coal miners' jobs at a time of high unemployment and developing a real market which is in the interests of other industries. Does my right hon. Friend agree that it is hypocritical of the Opposition to accuse the Government of rigging the market when it is their policy to keep every pit open, regardless of the economics and even if the coal has been exhausted?

What would be the likely cost in terms of jobs in other industries and the likely bill to the taxpayer if we adopted the foolish policies of the Opposition?

Mr. Heseltine: My hon. Friend is right. The Labour party is talking the language of opposition. It never talked that way when in government, when it closed pit after pit —and Opposition Members know it.

Mr. Eric Clarke: May I put the record straight? I have fought the pit closures imposed by all Governments, including the Labour Government. I am here today to say the same as I told the Labour Government in the past.

I am disappointed. This has been a wasted opportunity to maintain a viable coal industry and the freedom to have cheap indigenous fuel. I must tell the right hon. Gentleman that many bitter people back home will not even be disappointed, because they are cynical enough to realise that he is going to sell them out. How can the Secretary of State claim to have negotiated? The Government own 100 per cent. of the coal industry and 40 per cent. of the electricity industry, yet they cannot do a deal. The right hon. Gentleman must be some Minister.

Mr. Heseltine: The hon. Gentleman illustrates the dilemma. I do not dispute his sincerity in fighting for pit after pit. The real test, however, is whether his colleagues, if they were sitting on the Treasury Bench and had to confront the decisions that I face, would have acted any differently. They did not—and the hon. Gentleman's remarks clearly show that, although he fought, he always lost.

Mr. Raymond S. Robertson (Aberdeen, South): Is my right hon. Friend aware that he has today allayed the deep fears of tens of thousands of workers in the North sea oil and gas industries who know all too well that, had the Labour party had its way, the miners' subsidy would be their redundancy notice? Does he accept that I care just as passionately about the jobs in my constituency as Opposition Members care about the jobs in theirs? Just as it is unacceptable for them to tell their constituents to prepare for redundancy, it is unacceptable for me to go to mine and say the same?

Mr. Heseltine: There is no more eloquent case than the one that my hon. Friend has paraded. That is the dilemma. My hon. Friend represents a constituency at the heart of one of Britain's great industries. Am I to subsidise and keep going the pits, the effect of which will be to keep jobs in the pits which will be denied to the North sea oil industry? That is the choice; there is no escape from it. I therefore agree with my hon. Friend.

Ms Joan Walley (Stoke-on-Trent, North): The right hon. Gentleman is the President of the Board of Trade. He has had 14 years to produce a coherent energy strategy, but none has been forthcoming.

Why has not the right hon. Gentleman mentioned what is to happen to the 10 pits earmarked for closure? How can he pretend that the contracting procedure is nothing to do with him? He is the President. We need a proper energy policy. We do not want coal imports coming into our ports. We want a coherent opencast policy. What am I to tell constituents when they hear the results of this statement?

Mr. Heseltine: I think that I can help the House, because I have with me the "Plan for Coal" published in 1974—*[Interruption.]* This was the heyday of national planning; it was all about prediction—*[Interruption.]* I know that the Labour party does not want to listen, even though Opposition Members keep harking back to how they would have done things differently—forgetting what they actually did. So I shall tell them what they did. They published the "Plan for Coal". This is what it said—*[Interruption.]*

Madam Speaker: Order.

Mr. Heseltine: On second thoughts, I will forbear. There is a debate on Monday.

Mrs. Jacqui Lait (Hastings and Rye): My right hon. Friend referred to special measures to help the large energy users. Has he any estimate of the number of jobs that would be lost in steel and chemicals if they were not recipients of energy at internationally competitive prices?

My right hon. Friend referred to the nuclear review. Can he give us an estimate of whether we can expect it this year?

As there is 14 per cent. unemployment in my constituency, can my right hon. Friend assure me that we will have a statement on the assisted areas map before we rise for the Easter recess——

Madam Speaker: Order. That last question is totally out of order. It should be addressed to the Leader of the House—if ever we get to business questions.

Mr. Heseltine: I can assure you, Madam Speaker, that I share your ambition to get to business questions.

My hon. Friend raises an important point about the large industrial users. They are a tough lot. They will tell me what they think potential job losses are. I have to stand back a little before accepting their forecasts hook, line and sinker, but I accept that there is a case. I intend to examine it in the way that I have described. My hon. Friend was right to bring it to my attention.

Mr. Harry Barnes (Derbyshire, North-East): Today we have witnessed a performance by the Secretary of State and he has promised us another on Monday. It was silly, knockabout, political stuff when what we needed was an act of statesmanship. That is what my constituents, many of whom are miners, want for their future.

The Opposition, the Liberal Democrats, the Nationalists and the Unionists should unite in opposition to the White Paper measures, and we hope that those in the Conservative party who say that they are rebels will join us.

Madam Speaker: Order. Ask a question, please.

Mr. Barnes: If we unite against the proposals successfully, will the Secretary of State resign?

Mr. Heseltine: My job is always at the disposal of the Prime Minister.

Mr. Keith Mans (Wyre): Will my right hon. Friend look again at the £95 million levy paid to EdF each year, with

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a view to stopping this money being paid to the French until they make it clear that it is being used to pay for the decommissioning of their nuclear power stations, not to subsidise their operating costs?

Mr. Heseltine: Complex discussions about all these matters are being held with EdF, so I ask my hon. Friend not to draw me too far on that one. The discussions have moved in a positive way and I will continue to hold such discussions—I hope, with the new French Government.

Mr. Chris Mullin (Sunderland, South): Is the President of the Board of Trade aware that I have constituents working in four of the pits on his original hit list and that they will not be under any illusions as a result of the statement? We have heard the nonsense about care and maintenance before when the right hon. Gentleman's Department came for our shipyards. There is now a large, deserted hole in the ground where the shipyards used to be. Everyone knows that, to understand why we are in the current situation, we need go back no further in history than to the moment of electricity privatisation. Would it be in order for the right hon. Gentleman to say a small "Sorry" for that folly for which we are all now paying the price?

Mr. Heseltine: I am sure that the hon. Gentleman would wish me to convey his message to the 5,000 new job holders that I announced this afternoon.

Mr. Alan Williams (Swansea, West): During the past week, the Government have tried to justify VAT on fuel in terms of energy efficiency. In that context, what sense does it make to be burning large quantities of our gas resources in power stations with 40 per cent. efficiency, when that gas could be used in our homes and factories with 80 per cent. to 90 per cent. efficiency? Is not today's statement a frittering away of our gas resources? Does not it sound the death knell of the coal industry which we will desperately need in the longer term?

Mr. Heseltine: That argument was carefully explored by the Select Committee and the hon. Gentleman will find that it did not accept his analysis. However, I am sure that the hon. Gentleman will recall that the Labour party and the whole House are committed to achieving our environmental targets. We cannot achieve those targets without taking decisions about constraints on energy use.

Mr. Gerald Bermingham (St. Helens, South): Will the right hon. Gentleman give me a little assistance? I represent a constituency which had two coal mines, at Bold and Sutton Manor, which have both now closed. The employees of those mines went to Parkside in the constituency of my hon. Friend the Member for St. Helens, North (Mr. Evans) which is now about to close. In other words, the mining fraternity has nowhere to go in St. Helens. Can the right hon. Gentleman tell me, so that I can tell them, what he is going to do for areas like St. Helens which have lost a whole industry?

Mr. Heseltine: What we did for Shotton, for Corby and for the whole of the south Wales mining industry. We will provide an opportunity for new investment, new jobs and diversity of hope and the opportunity to spread employment in a range of new industries that will cope with the market of tomorrow.

Mr. Boyce: Is the right hon. Gentleman aware that the people in the mining industry, in engineering and in all the other industries that will lose workers as a result of the plan are not the slightest bit interested in what happened 15, 20 or 40 years ago? They are interested in what will happen in the next six months. Is the right hon. Gentleman further aware that his squalid attempt to link the report of the Department of Trade and Industry with the report of the Select Committee, to which, after all, the Government referred the matter, fools no one? If he is serious about the Select Committee recommendations, why will not he follow the recommendation to return the 10 pits to coaling and go immediately into the review procedure? Or does the right hon. Gentleman not have the guts to do that?

Mr. Heseltine: I realise that it may be necessary for the hon. Gentleman to say those things. Of course the people who face the uncertainties and who may lose their jobs are not interested in what happened five weeks ago, let alone five or 15 years ago. That is not the real issue for the House. The issue is whether we should tell those people the truth and the truth was as clear and as truthful for the Labour party when it was in government as it is for me. I can no more save the industry artificially than the Labour party could when it was in Government. However, now that Labour is in opposition, it tries to pretend that that is not the case. If there has been a time when Labour refused to close pits because it had some magic way of saving them, I would listen to Labour Members. The Labour party has forgotten what it did.

Mr. Terry Lewis (Worsley): The right hon. Gentleman will accept from me that it would be grotesque in the extreme if Parkside pit, in the constituency of my hon. Friend the Member for St. Helens, North (Mr. Evans), was closed while, at the same time, British Coal was allowed to opencast what is essentially a huge area of green belt in my constituency and that of my hon. Friend the Member for Leigh (Mr. Cunliffe) in the not too distant future.

The right hon. Gentleman's contribution on opencast was a little disingenuous. He talked about 17,000 people being employed in the industry. In most opencast sites that I am aware of, there is also a downside. Many industrialists and businesses go out of business as a result of the intrusion of opencast in their areas. In addition, areas with hugh opencast sites discourage inward investment. There are two sides to the story and I urge the right hon. Gentleman to take that into account.

The figures to which the right hon. Gentleman referred do not bear any relationship, in terms of tonnage, to the information given by British Coal to the Select Committee.

Mr. Heseltine: The information that I gave to the House was the information that I received from British Coal. Naturally, British Coal will read what the hon. Gentleman has said. However, with regard to opencast, I hope that the hon. Gentleman heard my words because, frankly, they were almost indistinguishable from the comments that he made.

Mr. Mike O'Brien (Warwickshire, North): Is the right hon. Gentleman aware that up to 20,000 people in north Warwickshire face the threat of opencast and that 587 miners at Daw Mill pit face redundancy? If he really wanted to save miners' jobs, should he not have accepted

the Select Committee's plan virtually to halve the production of opencast by giving local people a veto—the right to say no to opencast?

Mr. Heseltine: The hon. Gentleman knows that we cannot just say that local people have the right to say no. There is no way of measuring how to judge the right of an individual to make such a decision, over a particular period or in which representative forum. We therefore have a planning regime. Hon Members will want to consider the new planning regime that my right hon. and learned Friend the Secretary of State for the Environment published this afternoon.

Sir Peter Emery (Honiton): Having sat through all the questions this afternoon, may I ask my right hon. Friend whether he will accept the point made by the right hon. Member for Chesterfield (Mr. Benn), as I was the respective Minister before him? When the cable under the channel was first considered, it was to be introduced to bring electricity into this country for peak shaving purposes. Will my right hon. Friend also emphasise the fact that every Minister since Alf Robens has tried to present at the Dispatch Box a way in which the coal industry could save itself? That dates back decades. In my judgment, no Minister has tried, from the Dispatch Box, to put together a better package to assist the coal industry than my right hon. Friend has today.

Mr. Heseltine: Since I have been a Member of this place, I have been aware of my right hon. Friend's deep interest in and knowledge of the industry. I deeply appreciate what he said. We have done our best to respond to the work, which I have praised, of the Select Committee. We have tried to recognise that, in the end, it is about competitiveness and marketplaces, as the Select Committee indicated. We have given British Coal the best chance that we prudently think that we can, within the constraints of public expenditure, to go out and win a place in that marketplace. I cannot do more than urge hon. Members to encourage their constituents to recognise that there is a huge opportunity here, which is not to be disparaged or undermined by the language that Opposition Members have used to describe it.

Mr. Martin O'Neill (Clackmannan): May I remind the right hon. Gentleman that, on 21 October, he said that he would examine the ways and means to increase the use of coal? However, paragraph 31 of the report states that the increase in stocks, which I realise are not the right hon. Gentleman's responsibility as the good winter has been a major contributory factor, has resulted in the need for a reduction in coal output. He said that he cannot guarantee supplementary sales. Does he accept that the Minister for Energy, sitting next to him, has already indicated that there will be a 2 per cent. drop in coal output this year as a consequence of the imposition of VAT?

In all these matters, the statement today is a testament of failure. The right hon. Gentleman said that the coal industry, and anyone else who can do so, will have the opportunity to find new markets. No Opposition Member is impressed by the failure, after five and a half months of hand-wringing, to provide any new or substantial markets for coal.

Will the right hon. Gentleman tell us how many people will be made redundant as a consequence of the announcement? We know that six collieries will be placed on care and maintenance and that Maltby will go into development. Development work is not carried out by British Coal employees but by contractors. Will he say what will be the net effect on jobs at those seven collieries of the development work which is to be carried out?

A number of people are not prepared to be impressed by the failure that the right hon. Gentleman has announced or by his soft-soaping and avoidance of giving us the serious figures of the unemployment which will follow as a consequence of today's statement.

Mr. Heseltine: There has been an immensely depressing response from the Opposition. If the House were considering today a review by the Government, it would at least be understandable if it were criticised by Her Majesty's Opposition, but when an all-party Select Committe has crawled over every conceivable opportunity —and I have accepted the bulk of its recommendations —it is lamentable that the Opposition are now trying to wriggle away from what was an agreed all-party report. It undermines the credibility of the Select Committee procedures of the House.

I hope that the Opposition will not mislead their constituents into thinking that there is nothing in the opportunities of the sort that I have provided.

Business of the House

5.31 pm

The Lord President of the Council and Leader of the House of Commons (Mr. Tony Newton): With permission, Madam Speaker, I should like to make a statement about the business for next week.

MONDAY 29 MARCH—Proceedings on the Consolidated Fund (No. 3) Bill.

Motion to approve the White Paper entitled "Prospects for Coal: Conclusions of the Government's Coal Review".

TUESDAY 30 MARCH—European Communities (Amendment) Bill: Progress in Committee—19th day.

WEDNESDAY 31 MARCH—Until seven o'clock, motions on the Legal Aid Regulations. Details will be given in the *Official Report*.

Motion to take note of EC document No. 4608/93 relating to the common agricultural policy.

THURSDAY 1 APRIL—Motion for the Easter Adjournment, followed by debates on the Adjournment.

FRIDAY 2 APRIL—Debates on the Adjournment.

The House will also wish to know that European Standing Committees will meet on Wednesday 31 March at 10.30 am to consider European Community documents as follows:

Committee 'A'

Documant No. 4439/93 relating to guaranteed prices for cane sugar.

Committee 'B'

Document No. 9910/92 on co-operation with developing countries over demography and family planning.

[Wednesday 31 March:

Legal Aid Regulations

1. Civil Legal Aid (Financial Conditions and Contributions) (Scotland) Regulations 1993.

2. Advice and Assistance (Financial Conditions) (Scotland) Regulations 1993.

3. Advice and Assistance (Scotland) (Prospective Cost) Amendment Regulations 1993.

4. Advice and Assistance (Assistance by Way of Representation) (Scotland) Amendment Regulations 1993.

5. Legal Aid (Scotland) Act 1986 Amendment Regulations 1993.

6. The Civil Legal Aid (General) (Amendment) Regulations 1993 (S.I. 565)

7. Civil Legal Aid (Assessment of Resources) (Amendment) Regulations 1993. (S.I. 788)

8. Legal Aid in Criminal and Care Proceedings (General) (Amendment) Regulations 1993. (S.I. 789)

9. Legal Advice and Assistance (Amendment) Regulations 1993. (S.I. 790).]

Mrs. Margaret Beckett (Derby, South): Does the Leader of the House recall that the Opposition have repeatedly asked for a statement on the coal industry, which the House has been promised from the early part of this year? We consider that it is an outrage that the statement should be left so late that the House has only between now and Monday to consider the White Paper and the options that the Government have put before the House. Will the right hon. Gentleman confirm that amendments to the Government's motion must be tabled tomorrow to be in order? When do the Government expect to have the motion ready so that we can scrutinise and amend it?

As it is inevitable that there will be less than 24 hours for hon. Members to consider what amendments they may wish to table, may I suggest to the right hon. Gentleman, with all the force at my command, that it is the duty of the Leader of the House and his colleagues to table a business motion—which it is only within their power to table—to allow Madam Speaker to consider selecting more than one amendment for debate and Division? That is the only way that we can be certain that hon. Members will have the chance, in the brief period open to them, to draft their amendments and to acquaint themselves with the range of options that might be considered by the House. As the President of the Board of Trade made such a feature of his approval of the Select Committee's report, I am sure that the Lord President will find it easy to accept such a request as, in effect, this is the only way in which we can be sure of a Division on that report.

Secondly, in view of what has been said in the House about stock-taking on the developments in Scotland—the way in which Scottish business will in future be handled—I ask the right hon. Gentleman to find Government time for a debate in which we can follow up the statement and consider its implications.

Will the Leader of the House give serious consideration to early-day motion 1596?

[That this House notes that the Standing Committee on Regional Affairs has not met since 26th July 1978; finds it inconsistent that there is a forum for English regions within the European Community but not one within Parliament; and calls upon the Lord President of the Council to refer appropriate matters to the Standing Committee on Regional Affairs, as provided by S.O. No. 100.]

It draws attention to the potential existence of a Committee of the English regions. There is considerable support from the Opposition side—and I suspect from the Government side—for the reinstatement of the Standing Committee on Regional Affairs, which has not sat since 1978. I ask the right hon. Gentleman to consider that.

Will the Leader of the House tell us when it is likely that we will have another Opposition day, and when he will be in a position to tell us the business of the House for the week after the Easter recess?

Mr. Newton: Taking first the right hon. Lady's remarks about the coal statement and intended debate, I hope that she will acknowledge that the statement on which my right hon. Friend the President of the Board of Trade has just completed answering questions reflected a huge amount of work in a very complex area, and it understandably took more time than I suspect even he would have wished. The work needed to be done thoroughly, and it was right that he should make a statement in the House before the Easter recess. If that has meant a little less time than the right hon. Lady would have liked between the White Paper and the debate—I am sure that the House would have wished to have had that debate before the recess—I think that that is preferable to not being able to proceed before the Easter recess. We are now proposing, in the light of today's statement, to have the debate on Monday.

I hope that the motion will be tabled tonight in order to ease the problem to which the right hon. Lady referred. I will undertake to reflect on the other points she made, but that is very much without commitment and there will be discussions through the usual channels.

As to the Select Committee report, it is clear that the interrelationship between my right hon. Friend the

President of the Board of Trade's statement, the White Paper and the Select Committee report, and what my right hon. Friend said about it—subject to your judgment, Madam Speaker, at the time—means that reference to the content of the Select Committee's report would be bound to be in order in the course of the debate.

As to the right hon. Lady's request about Supply days and Scottish stock-taking, it is manifest that I cannot undertake to find time for either before Easter, but I will consider what possibilities there may be afterwards, particularly in respect of her understandable request for some Supply day time.

Mr. Harry Greenway (Ealing, North): I ask my right hon. Friend, for the second time, to find time next week to debate early-day motion 1222, which has been signed by hon. Members on both sides of the House.

[That this House deplores the growing number of vicious and mutilating attacks upon horses; notes the appalling suffering this causes to the dumb animals in question; and calls upon all who have a responsibility for or care about the welfare of horses and other animals to spare no effort to stamp out this sick and evil practice forthwith.]

Attacks on horses are increasing and are now happening from Yorkshire to Land's End. Horses are being killed, maimed, and brutally assaulted, including an attack yesterday on a racehorse that had its tongue cut out. These attacks are causing much concern all over the country and great distress to animal lovers and others.

Mr. Newton: Again, I am conscious of the persistent and proper interest that my hon. Friend has taken in the matter. I noticed another report of an horrific incident in the newspaper either this morning or yesterday—after last night, I am having a little difficulty in distinguishing between the two. I note my hon. Friend's request, but I cannot add to what I said in response to him last week.

Ms Liz Lynne (Rochdale): When can we expect an announcement about assisted area status? It is particularly important for the people of Rochdale who already have assisted area status, the loss of which would make it difficult to attract new businesses. Will the Leader of the House make time for a debate on that subject next week as a matter of urgency?

Mr. Newton: Again, that is a subject about which I have been asked several times in recent weeks when I have referred to the review to which the hon. Lady herself referred. Clearly, the Government are in no way anxious to delay the outcome on those important matters, but they, too, demand careful consideration. I regret that at present I cannot give the hon. Lady a clear indication about timing, let alone about the timing of a debate.

Sir Roger Moate (Faversham): Will my right hon. Friend find some way whereby the House can consider early-day motion 1489, on worldwide unitary taxation?

[That this House deeply regrets the continuing delay in resolving the use, by the State of California, of worldwide unitary tax; and calls upon Her Majesty's Government to implement the retaliatory provisions in section 812 of the Income and Corporation Taxes Act 1988, if the issue has not been satisfactorily resolved by 31st December 1993.]

The matter is of such importance that it was initiated by leading Members of most parties in the House and has been signed by no fewer than 210 Members from all parts of the House. There is a general understanding that, if anything goes wrong, there could be grave consequences for British companies in the United States, for American corporations trading in the United Kingdom and for international tax treaties. Can we get the message through to the United States Administration that we must have President Clinton's support if things go seriously wrong in this important respect?

Mr. Newton: I am aware of the importance of the matter and my hon. Friend is right to say that the continued imposition of worldwide unitary taxation on United Kingdom-owned companies in California has been of great concern to hon. Members on both sides of the House for many years. My hon. Friend will well know that my right hon. Friends the Prime Minister, the Chancellor of the Exchequer and the Foreign Secretary have all, within the recent past, impressed on their opposite numbers and others in the United States Administration the importance of an early solution to the problem.

I cannot at this moment promise a specific debate, but it occurs to me that the House is likely to spend some time in the not too distant future discussing the Finance Bill, and my hon. Friend's ingenuity will probably permit him to work out a way of raising the matter in the course of those proceedings.

Mr. Peter Kilfoyle (Liverpool, Walton): Will the Leader of the House answer the question put by my right hon. Friend the Member for Derby, South (Mrs. Beckett) about early-day motion 1596 on the Standing Committee for the Regions?

Mr. Newton: I was conscious, even as I sat down, that there was something that the right hon. Member for Derby, South (Mrs. Beckett) had said of which I had failed to make a note and had therefore missed in responding to her. I promise the hon. Gentleman and the right hon. Lady that that was not a deliberate attempt at evasion. However, I am afraid that they may find rather less than satisfactory my reply, which is that I am not persuaded at the moment that there is a sufficiently strong case for bringing back into use this procedure which, as the right hon. Lady said, it has not been found necessary to use since 1978. I do not rule it out, but at the moment I am not persuaded.

Mr. Patrick Thompson (Norwich, North): Bearing in mind that it is just over a year since the report of the Select Committee on Sittings of the House was ordered to be printed, and that that Committee, under the chairmanship of my right hon. Friend the Member for Westmorland and Lonsdale (Mr. Jopling), made excellent suggestions on the timetabling of Government legislation and other matters, some of us are disappointed that we cannot make progress or have a debate on the matter. Can my right hon. Friend assure me that we will be able to make some progress at the earliest possible time?

Mr. Newton: I can certainly assure my hon. Friend that I have in no way forgotten or ceased to be concerned to make progress in the direction suggested by the report. He will know also that there is, as I have said several times in recent weeks, continuing interchange in the usual channels on the matter, but it has not yet been possible to make as much progress as I would like. In case it is the most recent events of parliamentary proceedings that are in my hon.

[Mr. Newton]

Friend's mind, I remind him that the proposals in the report did not relate to proceedings on Bills that are taken in Committee of the whole House.

Dr. Norman A. Godman (Greenock and Port Glasgow): The Leader of the House and your good self, Madam Speaker, know that early this morning five of my constituents perished in a house fire in Auchendarroch street in Greenock. Four of those who died were brothers aged four, three and one, and their infant sister aged four months. I am sure that the House will extend its deep sympathy to the family, my constituents. The Strathclyde firemaster, Mr. John Jamieson, said that it was a tragedy and that they had all died for the sake of £5—the cost of a smoke detector.

The Secretary of State for Scotland has plans to lay regulations before the House concerning the installation of mains-operated smoke detectors in new houses. In the immediate aftermath of that terrible tragedy, may I ask the Leader of the House to impress upon his right hon. Friend the need to lay those regulations next week and to extend them, if he can, to existing houses in the public sector where most of these terrible tragedies take place?

Mr. Newton: I am grateful to the hon. Gentleman for courteously giving me notice that he wished to raise that matter if he had an opportunity to do so. I share entirely his sadness at this morning's tragic incident in Greenock when four young children and one adult died in a house fire, particularly as it comes so soon after a number of other fire fatalities in Fife in recent weeks. The Strathclyde fire brigade is investigating the full circumstances of the incident. In the meantime, I, on behalf of the Government, and I am sure on behalf of everyone in the House, endorse the expression of sympathy that the hon. Gentleman included in his remarks.

My right hon. Friend the Secretary of State for Scotland has the issue under consideration and will bring forward regulations as soon as possible to make the fitting of wired-in smoke detectors compulsory in all new dwellings, but I am afraid that I cannot give the hon. Gentleman an immediate promise that that will happen next week.

Mr. Peter Luff (Worcester): Will my right hon. Friend join me in welcoming the excellent progress that we are now making on the European Communities (Amendment) Bill? What comfort can he give me about the prospect of time for debates on a wide range of other equally important issues which have been squeezed out by the disturbing delaying tactics used, I regret to say, by hon. Members on both sides of the House. I am thinking in particular of an early debate on law and order and a review of the Criminal Justice Act 1991, the shortcomings of which are becoming daily more apparent.

Mr. Newton: I share my hon. Friend's satisfaction at the further progress that we have been able to make in recent hours, or recent days, however one wishes to describe it, on the European Communities (Amendment) Bill. I would wish to have a little more evidence of continued progress before responding as openly as my hon. Friend would like, but I shall bear his request in mind. However, despite the pressures to which he has referred, I have found time—I accept that it was on a Friday—within the recent past for a full day's debate, effectively, on law and order matters.

Mr. David Trimble (Upper Bann): I remind the Leader of the House of a request for an early debate by my hon. Friend the Member for Belfast, South (Rev. Martin Smyth) and myself on the recent television revelations about the origins of the Provisional IRA, which confirm the widespread belief that successive Irish Governments assisted in the creation and support of that organisation and that successive British Governments knew about that and did not make an adequate response. Does the Leader of the House realise that his actions in building a wall of silence round this by refusing a debate and by blocking questions, confirmed by a letter that I received today, will only lead to the conclusion that the Government still have something to hide?

Mr. Newton: I am sure that the hon. Gentleman will understand that I do not for a moment accept the implications that he chooses to read into what I have said on one or two occasions in recent weeks, what I think some of my right hon. Friends have said and what I have just written to him. I certainly shall not seek to add to that this afternoon.

Mr. Jacques Arnold (Gravesham): May we have a debate next week, before the Easter recess, on the rates of council tax set by individual local authorities for next year? During that debate we could highlight the fact that the average council tax set by Labour-controlled authorities is £100 higher than the rate set by Conservative-controlled authorities.

Mr. Newton: I need hardly say that nothing would please me more than to be able to respond to my hon. Friend's request, but I am afraid that I literally cannot find time for that specific debate. However, he is not doing badly himself in drawing attention to that important fact.

Mr. Roland Boyes (Houghton and Washington): Is the Leader of the House aware that there are groups of dreadful people who spend much of their time looking at and exchanging photographs of naked children in obscene poses? To get even more compromising poses, some sick people, who should be banned and locked up for ever, are using digital imaging techniques to create ever more terrible, obscene pictures. Will the Leader of the House co-operate with the Metropolitan police and with other police forces to get this practice stamped out and, more importantly, to get the perpetrators caught so that they can be locked up for life?

Madam Speaker: Order. That is barely a business question. The hon. Gentleman should be asking the Lord President whether there will be a debate on the matter.

Mr. Boyes: The Lord President has known me long enough by now.

Mr. Newton: The hon. Gentleman is right to say that I have known him a long time. I not only bear him no ill will, but understand the spirit in which he has asked his question. He will understand that the proper response is for me to undertake to draw his remarks to the attention of my right hon. and learned Friend the Home Secretary, which I shall do.

Mr. John Garrett (Norwich, South): The duty of the Leader of the House is to uphold the rights and privileges of the House. Does he think that he has carried out that duty with regard to the White Paper, "The Prospects for Coal: Conclusions of the Government's Coal Review"? Does he have any plan to improve the House's powers of scrutiny? If he has, will he make a statement?

Mr. Newton: The hon. Gentleman makes his own point in his own way. I think that I have demonstrated in recent weeks a number of ways, some of which are better known in the usual channels than more openly, in which I have considered the interests of the House as a whole and of the Opposition parties in particular. I do not apologise for having contributed to the statement having been made before Easter and for having provided an early opportunity, on Monday next week, to debate it. I do not regard that as a failure of my responsibilities to the House; I regard it as the fulfilment of those reponsibilities.

Mr. George Howarth (Knowsley, North): Will the Leader of the House consider providing an opportunity as early as possible, preferably next week, for the House to discuss the role of receivers and liquidators in cases in which factories have closed and an alternative bid has been made? That would give me an opportunity to discuss the case of Pendleton's Ice Cream in my constituency. Following the closure of Clarke Foods, a viable business plan was put together by myself and others. The plan has been financed, and it has been supported by the Department of Trade and Industry and by the local authority, yet the receiver Robson Rhodes, headed by Mr. Ipe Jacob, has refused to reach a deal over a licence on the lease for the site. At this very moment, Nestlé is ripping out the machinery, plant and equipment, although there could have been a viable business on the site.

Mr. Newton: I cannot promise a debate on that matter next week. There are substantial opportunities for a wide range of matters to be raised within the business announced because we are due to have a number of Adjournment debates towards the end of the week. The hon. Gentleman may prefer not to or may be unable to raise the matter in that way. As he acknowledged by the direction of his gaze at one stage, my hon. Friend the Under-Secretary of State for Corporate Affairs has heard his remarks and will no doubt reflect on them.

Mr. Brian Donohue (Cunninghame, South): Will the Leader of the House make time next week for a debate on early-day motion 1669?

[That this House condemns the decision of the Chancellor of the Exchequer and the Home Secretary in intervening in the long standing successful pay formula adopted by the Fire Fighters National Organisation which has meant many years of trouble-free operation; and calls on the Government to support its continuation as failure to follow this advice may lead to a damaging unnecessary dispute.]

The motion has been signed by more than 170 Opposition Members. Given the long-term industrial peace among the fire brigades, does the Leader of the House agree that it is important that, at the very least, a statement on that important subject should be made by the Home Secretary?

Mr. Newton: My right hon. and learned Friend the Home Secretary, as I recall because the subject was raised at business questions last week, made a number of points in the wake of his meeting with a number of members of the firemen's union in the middle of last week. He made it clear then, and I make it clear now, that my right hon. Friends have made no decision to do away with the fire service pay formula, to which the Government are not a party. As the hon. Gentleman well knows, the Government's policy is that, in the current pay round, the pay rises of all public sector workers should not exceed 1·5 per cent. The Government do not consider that fire fighters should be an exception to that policy.

Mr. Andrew Mackinlay (Thurrock): In contemplating future business of the House, will the Leader of the House have regard to the fact that this week alone the Government have made two major announcements which affect millions of people in south-east England—the statement in the House on the channel tunnel rail route, and yesterday, without coming to the House, the announcement of the east Thames corridor proposal? Does he agree that both those announcements justify a separate debate in Government time? If he feels unable to agree to that, will he contemplate a debate in Government time on south-east England, which was the battleground at the 1992 general election and will be at the next? A debate would give hon. Members on both sides of the House an opportunity to refer to the high levels of unemployment and of business failure in south-east England, and to discuss the proposals, parts of which are quite absurd and not in the best interests of the 10·5 million people living in south-east England outside Greater London.

Mr. Newton: I do not accept, despite the county we have in common, the thrust of the last part of the hon. Gentleman's remarks. The major infrastructure improvements about which we are talking are an advantage to many parts of south-east England and not simply to Essex and to Kent, although they happen to pass through those two counties and through parts of London. Leaving aside whether or not I agree with the hon. Gentleman, I cannot undertake to find time as he requested, but I shall bear his request in mind. I suspect that his request may interrelate with some of the suggestions made earlier about the Standing Order concerning a regional committee, or whatever one wants to call it.

Mr. George Foulkes (Carrick, Cumnock and Doon Valley): When will the Leader of the House be able to implement the recommendation of the Procedure Committee that we should have two weeks' business in one announcement? That would bring a little less chaos into our lives. Next Tuesday we are to have what is described as progress on the European Communities (Amendment) Bill—the 19th day. Last night, I saw Ministers with folding beds in their rooms in the House. Who pays for those beds? Are they available to Opposition Members? We may need them in future.

Mr. Newton: I regard it as progress, whether the hon. Gentleman does or not. I managed to snatch an hour or two's sleep in a chair and not on a bed, folding or otherwise. I slightly envy those to whom he refers.

Mr. Foulkes: Two weeks' business?

Mr. Newton: It is probably the relatively modest amount of sleep I had in a chair that is leading me to miss some of the questions. I do not seek to evade the hon.

[Mr. Newton]

Gentleman. I made some comment on that matter when we debated the Jopling report last July. It was not a report by the Procedure Committee in the technical sense. There are real difficulties about going as far as the Committee suggested in terms of the way in which we deal with Government business and the planning of the House's programme. I hope that it has been clear in the period since July, although I accept that this may be masked a bit at the moment by the European Communities (Amendment) Bill, that I have been making every endeavour to move in the direction that the Jopling report recommended in a number of matters, including having announced the Easter recess so far in advance that some people did not realise that I had announced it.

Easter Adjournment

5.58 pm

Madam Speaker: I have a short statement to make about arrangements for the debate on the motion for the Adjournment, which will take place on Thursday 1 April rather than immediately following the passing of the Consolidated Fund (No. 3) Bill. Hon. Members should submit their subjects to my Office not later than 10 pm on Tuesday 30 March. A list showing the subjects and times will be published the following day.

Normally the time allotted would not exceed one and a half hours, but I propose to exercise a discretion to allow one or two debates to continue for rather longer, up to a maximum of three hours. Where identical or similar subjects have been entered by different hon. Members whose names are drawn in the ballot, only the first name will be shown on the list. As some debates may not last the full time allotted to them, it is the responsibility of hon. Members to keep in touch with developments if they are not to miss their turn.

May I take the opportunity to remind hon. Members that on the motion for the Adjournment of the House on Friday 2 April up to eight hon. Members may raise with Ministers subjects of their own choice. Applications should reach my Office by 10 pm on Monday next. A ballot will be held on Tuesday morning and the result made known as soon as possible thereafter.

Orders of the Day

European Communities (Amendment) Bill

Considered in Committee [Progress, 24 March]

[MR. MICHAEL MORRIS *in the Chair*]

Clause 1

TREATY ON EUROPEAN UNION

Amendment proposed [24 March]: No. 81, in page 1, line 9, after 'II', insert

'(with the exception of those Articles and Protocols set out in Schedule *[Second stage for achieving economic and monetary union.]*)'.—*[Mr. Denzil Davies.]*

Question again proposed, That the amendment be made.

The Chairman of Ways and Means (Mr. Michael Morris): I remind the Committee that we are also considering the following: Amendment No. 83, in page 1, line 9, after 'II', insert '(other than Article 109h)'.

Amendment No. 170, in page 1, line 9, after 'II', insert '(except Article 73e on page 14 of Cm 1934)'

Amendment No. 171, in page 1, line 9, after 'II', insert '(except Article 73f on page 14 of Cm 1934)'.

Amendment No. 172, in page 1, line 9, after 'II', insert (except Article 73g on page 14 of Cm 1934)'.

Amendment No. 196, in page 1, line 9, after 'II', insert 'except Article 3a(2) on page 10 of Cm 1934'.

Amendment No. 200, in page 1, line 9, after 'II', insert 'except Article 73g(2) on page 14 of Cm 1934'.

Amendment No. 204, in page 1, line 9, after 'II' insert 'except Article 109e(2(a)) on page 25 of Cm 1934'.

Amendment No. 206, in page 1, line 9, after 'II', insert 'except Article 109e(5) on page 25 of Cm 1934'.

Amendment No. 207, in page 1, line 9, after 'II', insert except Article 109(f)'.

Amendment No. 210, in page 1, line 9, after 'II', insert 'except Article 109m(1)'.

Amendment No. 211, in page 1, line 9, after 'II', insert 'except Article 109m(2)'.

Amendment No. 319, in page 1, line 9, after 'II', insert '(except Article 3a(3) on page 10 of Cm 1934).'.

Amendment No. 333, in page 1, line 9, after 'II', insert '(except paragraph 5 of Article 109e on page 25 of Cm 1934)'.

Amendment No. 363, in page 1, line 9, after 'II', insert 'except Article 3(a) Paragraph 3 as referred to in Article G on in page 10 of Command Paper number 1934'.

Amendment No. 366, in page 1, line 9, after 'II', insert 'except Article 73b as referred to in Article G on page 13 of Command Paper number 1934'.

Amendment No. 367, in page 1, line 9, after 'II', insert 'except Article 73b as referred to in Article G on page 13 of Command Paper number 1934'.

Amendment No. 368, in page 1, line 9, after 'II', insert 'except Article 73c as referred to in Article G on page 13 of Command Paper number 1934'.

Amendment No. 369, in page 1, line 9, after 'II', insert 'except Article 73D as referred to in Article G on page 14 of Command Paper number 1934'.

Amendment No. 370, in page 1, line 9, after 'II', insert 'except Article 73H as referred to in Article G on page 15 of Command Paper number 1934'.

Amendment No. 380, in page 1, line 9, after 'II', insert 'except Article 109g as referred to in Article G on page 27 of Command Paper number 1934'.

Amendment No. 381, in page 1, line 9, after 'II', insert 'except Article 109i as referred to in Article G on pages 27 and 28 of Command Paper number 1934'.

Amendment No. 382, in page 1, line 9, after 'II', insert 'except Article 1091 as referred to in Article G on pages 29 and 30 of Command Paper number 1934'.

Amendment No. 409, in page 1, line 9, after 'II', insert '(except the Protocol on the Convergence Criteria referred to in Article 109j of the Treaty establishing the European Community on page 112 of Cm 1934).'.

Amendment No. 440, in page 1, line 9, after 'II', insert '(except from "(79)" to "force" on page 58 of Cm. 1934)'.

Amendment No. 51, in page 1, line 10, after '1992', insert

'but not Article 109c in Title II thereof'.

Amendment No. 60, in page 1, line 10, after '1992', insert

'but not the Protocol on the statute of the European Monetary Institute.'.

Amendment No. 205, in page 1, line 10, after '1992', insert

'except Article 109e of Title VI of Title II thereof'.

Amendment No. 208, in page 1, line 10, after '1992', insert

'but not Article 109j of Title VI of Title II thereof'.

Amendment No. 209, in page 1, line 10, after '1992', insert

'but not Article 109k(1) of Title VI of Title II thereof'.

Amendment No. 225, in page 1, line 10, after '1992', insert

'but not the Protocol on the Transition to the Third Stage of Economic and Monetary Union'.

Amendment No. 400, in page 1, line 13, after 'Community', insert

'with the exception of the Protocol on certain provisions relating to the United Kingdom of Great Britain and Northern Ireland on pages 114 to 116 of Cm 1934.'.

Amendment No. 444, in clause 2, page 1, line 19, after 'intends', insert 'not'.

Amendment No. 35, in clause 2, page 1, line 23, at end add

'; but in circumstances where convergence in economic performance as established in Article 109 has been achieved and where other major member states have decided to move to the third stage, the proposal for the United Kingdom to do so shall be placed before Parliament for affirmation.'.

Amendment No. 42, in clause 2, page 1, line 23 at end add

'and the decision in principle so to move has first been approved by a separate Act of Parliament'.

Amendment No. 420, in clause 2, page 1, line 23, at end add

'and unless Her Majesty's Government has reported to Parliament on its proposals for the co-ordination of economic policies, its role in the European Council of Finance Ministers (ECOFIN) in pursuit of the objectives of Article 2 as provided for in Articles 103 and 102a, and the work of the European Monetary Institute in preparation for Economic and Monetary Union.'.

Amendment No. 39, in clause 2, page 1, line 23, at end add—

'(2) As from the beginning of the year 1993 the Secretary of State shall—

(a) not less often than once in every six months, lay before Parliament a report stating what, if any, steps are being taken by the United Kingdom with a view to moving to the third stage, and

(b) seek Parliamentary approval for any such steps as are being, or are proposed to be, taken with that objective in view.'.

New clause 56—*Convergence for economic and monetary union: reporting fulfilment*—

'In complying with the requirement to submit information under Article 103(3), Her Majesty's Government shall report annually to Parliament on the extent of its fulfilment of the criteria set out in Article 109j, and shall include within its reports a statement on the implementation of a programme to

[The Chairman of Ways and Means]

improve economic performance, including measures for investment and employment measures to realise the objectives of Article 2.'.

Amendment No. 82, new schedule:—

'SECOND STAGE FOR ACHIEVING ECONOMIC AND MONETARY UNION

(1) Article 109e.

(2) Article 109f.

(3) Protocol on the Statute of the European Monetary Institute.'.

6 pm

Mr. Stephen Byers (Wallsend): On a point of order, Mr. Morris. You will remember that, when the Committee met on 4 March, in response to a point of order by my hon. Friend the Member for Hamilton (Mr. Hamilton) about whether you would be in a position to permit a further debate on the protocol on social policy, you said that the nearer we get to a Division the better your position would be to judge whether to accede to requests for a further debate. As we have had the opportunity of spending 20 of the past 26 hours in Committee on the Bill, I assume that we are now substantially nearer to a Division. Do you intend to allow a further debate on social policy and, in that context, are you minded to rule new clause 74 in order?

The Chairman of Ways and Means (Mr. Michael Morris): I shall comment only on the substantive point that the hon. Gentleman raised. I am well aware of the Committee's concern about this matter, but I stand by my undertaking to make an announcement in good time.

The Financial Secretary to the Treasury (Mr. Stephen Dorrell): At our last sitting, we made good progress on the treaty's implications for Britain of economic and monetary union. Under the first group of amendments, we considered the implications for monetary policy of stage 3, if we choose to go that far.

Under the second group, we considered the implications for fiscal policy at stage 3. This group concentrated on the obligations and implications for our national law of the interim stage—stage 2 of the process of economic and monetary union. For Britain, stage 2 is different from stage 3 because, as the right hon. Member for Llanelli (Mr. Davies) rightly said at the beginning of the debate, we have a treaty obligation to move to stage 2 at the beginning of stage 2, which is envisaged in the treaty to be 1 January 1994. In addressing the question of obligations in stage 2, therefore, we are indeed addressing the obligations that will rest on Britain from the beginning of stage 2.

The right hon. Member for Llanelli said, I think, that he saw no clear divide between stage 2 and stage 3 within the treaty. I do not think that he meant to suggest that there was not a clear divide between the legal obligations that arise under stages 2 and 3, because it is clear from any reading of the treaty that there are fundamental and radical differences in the legal obligations. In stage 2, in so far as there is a Community monetary institution, it is the European Monetary Institute, not the European system of central banks. It is clear from the treaty that stage 2 envisages that monetary policy will remain a national Government responsibility.

In stage 2, as we discussed in an earlier group of amendments, the treaty's provisions on deficits do not have the teeth that are envisaged in stage 3. If one looks at the treaty's text on stage 3, one finds that, by that time, the EMI will have dissolved itself and become the European system of central banks. It is clear that, for at least 10 of the 12 member states, stage 3 involves a single currency and does not therefore involve national responsibility for monetary policy. It also involves clear enforceable powers in the deficit provisions that we discussed earlier.

It does not seem to be a sustainable argument that there is not a clear divide in terms of legal obligation between stage 2 and stage 3. I think that the right hon. Member for Llanelli was seeking to develop the argument that the web of obligations that is envisaged under the treaty is "seamless", and that the obligations that arise in stage 2, which are identifiably different from the obligations under stage 3, elide into each other in a way that does not allow for an effective break-point. He sought to argue, therefore, that it would be impossible for us to opt out of stage 3 because of the indivisibility of the obligations that arise between stages 2 and 3.

It must be accepted in all parts of the House that there is a clear and fundamental difference between the obligations as defined in stage 2 and those as defined in stage 3. The question is whether the United Kingdom protocol effectively allows us a break-point so that we can choose whether we move from the stage 2 obligations, which we have accepted, to the stage 3 obligations, which in the Government's contention we have not yet accepted.

Mr. Ted Rowlands (Merthyr Tydfil and Rhymney): The hon. Gentleman has a fair case: the protocol makes it clear at what stage the break-point is reached. I am puzzled by the first paragraph of article 109j, which proposes that the Commission and the EMI will report on the progress of all member countries in moving towards EMU. That is not excluded from the process under the protocol, but it is under paragraph 2, because the United Kingdom will have to notify the Council before the Council makes an assessment under article 109j. Paragraph 1 of article 109j, which proposes a pretty formidable process, is not broken by the protocol.

Mr. Dorrell: I understand that the provisions of paragraph 1 of article 109j apply to all 12 member states, but the obligation under that paragraph is for the Commission and the EMI to report to the Council. I shall deal later with the nature of the convergence obligations that rest on individual member states. That is indeed a substantial issue, and I should like to go through that for the Committee so that it can be fully understood.

Sir Trevor Skeet (Bedfordshire, North): My hon. Friend has been dealing with the obligations that arise under stage 2, but there are a few others, such as responsibility for maintaining some connection with the EMS—he has already said that he proposes to rejoin at the first opportunity—and his obligation to exchange rates.

Mr. Dorrell: My hon. Friend is right that I have not sought to give an exhaustive list of the obligations that arise in stage 2. I sought to draw out three of the obligations that are clearly different between stages 2 and 3 to substantiate my proposition that are that there are clear and identifiable differences of obligation between the two stages. The question is whether we can make an effective choice not to move, if we choose not to do so,

from stage 2, for which we have a treaty obligation, to stage 3, for which, the Government contend, we have no obligation.

Mr. Christopher Gill (Ludlow): Will my hon. Friend give the Committee a categorical assurance that the British opt-in will not be overturned by the European Court?

Mr. Dorrell: My hon. Friend can be assured that the protocol, which has been accepted by all 12 member states, would not be overturned by the European Court—for two reasons. First, no party would wish to take us to the European Court over that issue; secondly, the protocol is robust in law and makes clear the implications that are supposed to flow from it.

Mr. Tim Renton (Mid-Sussex): Will my hon. Friend give way?

Mr. Dorrell: Let me just finish dealing with the last intervention.

The terms of the protocol are clear. The first sentence reads:

"The United Kingdom shall notify the Council whether it intends to move to the third stage"

Mr. Renton: I am following with interest what my hon. Friend is saying, and I listened to much of the speech made by the right hon. Member for Llanelli (Mr. Davies) in the early hours of the morning. While there was much that he said with which I did not agree, at one point I thought that he was on, at least, interesting ground—the starting of the process leading towards the independence of the central bank.

I understood my hon. Friend to say clearly this morning that there was no intention of starting towards that process. I agree with moving towards an independent central bank, because I think that it would be better if monetary policy were run by a central bank that was more or less independent of us politicians. That is by the way. In this, at least, there is an elision between stages 2 and 3, to use the elegant word that my hon. Friend has just used. It is hard to envisage a process whereby we do nothing in this respect while we are holding our horses and deciding whether to move on to stage 3.

Mr. Dorrell: I hope that my right hon. Friend will forgive me if I do not answer that question now. I intend to address it later, as I agree that it was one of the substantial points that came up in the debate.

Mr. Nicholas Budgen (Wolverhampton, South-West): Will my hon. Friend comment on the information that the Treasury Select Committee received in Spain, France and Germany, where we visited the Finance Ministers and central bankers? They were all of the view that, if the pound continued to float and, as they put it, obtain an unfair competitive advantage, that would be contrary to their idea of the single market, and that they would use all political and legal pressures available to them to get us back into the ERM as quickly as possible. It is possible that, if we do not go back into the ERM after 1 January of next year, we shall come under severe pressure from our European allies.

Mr. Dorrell: I propose to make a little further progress in my speech before replying to my hon. Friend's point, so I shall have to give him the answer that I gave my right hon. Friend the Member for Mid-Sussex (Mr. Renton). That is, that I intend to cover precisely that ground because I know that it is of concern to hon. Members. However, I shall do so at the point in my speech when I intended to deal with it because that is the best way to develop the argument.

The question is whether there is a break-point that allows use effectively to exercise the choice contained in our protocol. For 10 of the 12 member states, it is clear that there is no break-point. Stage 2 is envisaged, as I think it was put by the hon. Member for Great Grimsby (Mr. Mitchell) in a letter to me, as a bridge to stage 3. Ten of the 12 member states of the Community are under an obligation to cross that bridge, because they have a treaty obligation to join stage 3.

That is not the same as saying that there is no clear divide between the two stages. As I have said, radically different legal consequences flow from whether one is in stage 2 or stage 3. However, they are clearly obliged to move from stage 2 to stage 3, according to the terms of the treaty. For the United Kingdom and Denmark, however, the position is different. I hope that the Committee will forgive me if I do not enlarge at great length on the position of Denmark. I imagine that we are more interested in the position of the United Kingdom.

Not only are there radically different legal consequences for the United Kingdom, as for all other member states, between stage 2 and stage 3, but we have, as a result of the protocol and the provisions of our domestic law, a clear right to choose—subject to the provisions of the Bill, which require that the House of Commons passes an Act of Parliament before the Government can communicate the decision to join—whether we move from stage 2 to stage 3. That is the difference between us and the other 10 member states.

I shall deal now with the legal obligations that arise during stage 2. The key question during stage 2 is monetary policy. Some, like the right hon. Member for Llanelli, have argued that the effect of the terms of the treaty is to pass significant, if not all, amounts of monetary authority, even at stage 2, to the European Monetary Institute. I shall go through the treaty next so as to show that I do not believe that that is true.

Mr. Denzil Davies (Llanelli) *rose*——

6.15 pm

Mr. Dorrell: If I have misrepresented the right hon. Gentleman, I shall be happy to give way.

Mr. Davies: I did not say that. I said that the monetary institute was obviously going to prepare the way for monetary union, and had a considerable part to play. I accept that, until one gets to stage 3, the member states have the main jurisdiction.

Mr. Dorrell: In that case, I shall not dwell on the point at any length. I thought that the right hon. Gentleman was arguing that, at stage 2, there was a significant qualification of the monetary responsibility of major states. If the Committee accepts that, until we get to stage 3, the monetary authority in each member state is that member state's national monetary authority, I need not develop that argument at length.

I simply refer any hon. Member who is interested in that subject to article 3 of the EMI statute, the general principles article, which clearly states that anything in it is without prejudice. On page 104, article 3 states:

[Mr. Dorrell]

"The EMI shall carry out the tasks and functions conferred upon it by this Treaty and this Statute without prejudice to the responsibility of the competent authorities for the conduct of the monetary policy within the respective Member States."

Earlier, we debated the effect of article 8, page 107, of the EMI statute, headed "Independence", which covers the independence of the members of the council of the EMI. I conceded in interventions in the speech of the right hon. Member for Llanelli that that article was not a model of clear drafting. However, its effect is to safeguard the existing responsibility, within national law, of the members of the council of the EMI, in exactly the same way as is currently provided for in the Committee of Central Bank Governors. It is only the council as an institution that undertakes not to take instructions from community institutions or governments of member states.

Dr. Norman A. Godman (Greenock and Port Glasgow): Will the Minister clear up a concern that I have about the review of monetary and financial situations of the member states? Am I right in thinking that, during stage 2, the monetary committee, as set out in article 109(2) on page 24, will have the right and the power to review the monetary and financial situations of all 12 states, whereas, when we reach stage 3, the monetary committee is to be dissolved and, in its place, we have an economic and financial committee? Is that committee responsible only for the reviewing of the monetary and financial situation of the 10 countries that have signed up to stage 3? Will it have the right to examine the financial circumstances of Denmark and the United Kingdom?

Mr. Dorrell: Both the monetary committee and the economic and financial committee have the right to examine the conditions in all 12 member states, because the monetary committee, re-formed under article 109c, is exactly the same body as currently exists, is regularly reported on television, and has its roots in the treaty of Rome. The functions of the monetary committee in the indents to which the hon. Gentleman was referring are not changed from the present arrangement; it is only the later indents that add new tasks to the activities of the monetary committee—that is, the last two indents of paragraph 1 of article 109c.

Mr. Michael Spicer (Worcestershire, South): Before my hon. Friend leaves the question of monetary restraints in the second stage, could he say something about article 109m, the question of the common interest as it affects the exchange rate, and the effect that that would have as a constraint on monetary policy, where the exchange rate is apparently being put first, and the monetary policy is subservient?

Mr. Dorrell: I hope that my hon. Friend will forgive me if I return to article 109m when I am addressing the question of the ERM. I am now concerned with the responsibility of the EMI and the extent to which it is a monetary authority.

I have sought to argue that the EMI is not in any meaningful sense of the term a monetary authority. If the Committee looks at article 109f(2), it will see clearly set out the tasks of the EMI in stage 2, and the two leading ones are to strengthen co-operation between national central banks and the co-ordination of the monetary policies of member states with the aim of ensuring price stability. We do not need at the moment to go into the question whether price stability is desirable. It is a co-operation and co-ordination role; it is not a policy-making role.

Mr. Peter Hain (Neath): I am grateful that the Minister is just as generous about giving way in normal debating hours as he was in the middle of the night.

On the specific points about the powers of the EMI and the argument that he is advancing, which puts up a Berlin wall between stages 2 and 3, which I dispute, I draw his attention to article 109j, on page 28, and in particular to the point that is made in the opening sentence:

"The Commission and the EMI shall report to the Council on the progress made in the fulfilment by the Member States of their obligations regarding the achievement of economic and monetary union."

We are still in stage 2, but the EMI is reporting on the progress that is being made in fulfilling obligations regarding stage 3. There seems to be a clear contradiction in the Minister's argument there, which shows that the argument that some of us have been seeking to advance —that stage 2 is a precursor to stage 3 and is almost umbilically linked to it—is correct.

Mr. Dorrell: I have not sought to argue that there is not an umbilical link. I have accepted the proposition that, to use a different metaphor, it is a bridge across which we have to pass to get to stage 3. The question is whether this country is under the same obligation as the other member states of the Community to pass over that bridge. The only obligation which arises under article 109j is an obligation to produce a report. The convergence criteria which are set out in that article and are refined in the protocol are criteria against which the report will be judged. That article, in itself, does not impose an obligation on any member state to satisfy those criteria.

I will come back to the question of convergence criteria, how they have developed and how they apply to individual member states later in my speech.

Ms Diane Abbott (Hackney, North and Stoke Newington): The Minister insists on using the analogy of a bridge; he says that stage 2 is a bridge over which member states have to pass. Would not a better analogy be a moving train, and is not the real question whether this is a moving train that we can leave at intersections between stages 2 and 3?

Mr. Dorrell: I am rather wary of analogies about trains and platforms on the whole subject of the European Community. So, if the hon. Lady will forgive me, I will stick to the bridge.

Mr. Bill Walker (Tayside, North): Like my hon. Friend, I am not too happy about trains, but I want to ask him about bridges. Surely the question is how long the bridge is and at what point we expect to be on the bridge, and where on the bridge, at any given time. Any careful reading of article 109j shows very clearly, in my view, that, if this were to go to the European Court, it would determine clearly what point on the bridge we were supposed to be at.

Mr. Dorrell: I will, if I may, make a little more progress in my speech, because I suspect that members of the Committee are beginning to think that I am playing into the long grass with no intention of finding the ball again. That, I can assure them, is not true.

Mr. Barry Legg (Milton Keynes, South-West): One point that needs clarification is the fact that the first sentence of article 109j clearly states that member states have obligations. So I hope that we all accept that member states have obligations within stage 2.

Mr. Dorrell: Member states certainly have obligations within stage 2. Indeed, as I shall come on to discuss when we look at the question of convergence criteria, all member states have some obligations in this regard. The point that I shall seek to argue in a minute is that the obligations with regard to convergence criteria that rest on the two member states that have an opt-out from stage 3 are different from the convergence obligations that rest on the other 10 member states.

I come now to the point raised with me by my right hon. Friend the Member for Mid-Sussex (Mr. Renton), the former Chief Whip, whom I always treat with great respect. He asked me to address the question of the independence of national central banks and whether it was true that we would be able to pursue the policy that I described as our policy—to maintain our existing arrangements for the Bank of England unless and until we decided to make the choice to move to stage 3. I will take the Committee through the relevant texts which the Government believe safeguard our right to leave the Bank of England in its present condition indefinitely, unless and until we choose to move to stage 3.

The first text that the Committee needs to examine is article 108, which says:

"Each Member State shall ensure, at the latest at the date of the establishment of the ESCB, that its national legislation including the statutes of its national central bank is compatible with this Treaty"—

in other words, provides for independence.

Article 109e provides:

"each Member State shall, as appropriate,"—

those were the two words that were regularly missed out by those asking me about these provisions earlier in the debate—

"start the process leading to the independence of its central bank, in accordance with Article 108"—

the article that we have just examined. The Committee could be forgiven for concluding that the significance of the words "as appropriate" is a little obscure, but those two words were written in to accommodate the fact that the United Kingdom, under its protocol, has no obligation to move to stage 3, and therefore no need to provide for the independence of its central bank within the terms of the treaty.

The key phrase is "as appropriate". It is the inclusion of those words which exempts the United Kingdom from what would otherwise be a treaty obligation to initiate a process to provide for the independence of the central bank.

6.30 pm

Mr. Austin Mitchell (Great Grimsby): I cannot understand the compatibility between that and the other provisions of the treaty. The protocol on certain provisions relating to the United Kingdom says:

"1. The United Kingdom shall notify the Council whether it intends to move to the third stage before the Council makes its assessment under article 109j(2)."

We turn to article 109j which says:

"The Commission and the EMI shall report to the Council on progress made in the fulfilment by Member States of their obligations regarding the achievement of economic and monetary union."

That is in stage 2, and we will not be going into stage 2 until we give notice that we are not going into stage 3. This is before we have given that notice, and it says that the obligations

"shall include an examination of the compatibility between each Member State's national legislation, including the statutes of its national central bank and Articles 107 and 108 of this Treaty."

Mr. Dorrell: The hon. Gentleman correctly observed that the United Kingdom is under an obligation to give notice before the examination, which takes place, not under article 109j, paragraph 1 which we have been examining, but under article 109j, paragraph 2. That obligation arises from paragraph 1 of the protocol. Paragraph 10 of the protocol provides that, if the United Kingdom does not move to the third stage, it may change its notification at any time after the beginning of that stage.

In other words, the position is that we have to give notice before the examination under article 109j, paragraph 2, takes place. If we decide in that notice to join stage 3, clearly that is a commitment and we sign up to the obligation. If we decide not to join, that is without prejudice to our right to change our minds at a later date.

Mr. Mitchell: But the obligation and the examination of our national legislation including the statutes of the central bank, arise under article 109j(1), which we accept before article 109j(2) comes into force. It is under 109j(2) that we shall be giving notice.

Mr. Dorrell: Article 109j(1) does not of itself give rise to obligations. It provides that the Commission and the EMI report on the performance of member states against obligations which arise from outside that article. The argument that I am advancing is that, because of the inclusion in article 109e(5) of the phrase "as appropriate", the United Kingdom does not have an obligation to provide for the independence of its central bank.

Mr. Legg: We are getting to the heart of this point about the United Kingdom's obligations under stage 2. I think that references to the protocol and the United Kingdom option at this stage are probably not appropriate. The United Kingdom, to coin a phrase, is on a level playing field with other member states during stage 2. It may never exercise that opt-out. It is only when the United Kingdom exercises the opt-out that the United Kingdom becomes in a different position from the other 11 member states. That is what is at the heart of stage 2. If my hon. Friend is telling us that the United Kingdom Government intend to exercise their opt-out, as they could do, on 1 January 1994, I should be most interested to hear that.

Mr. Dorrell: No. I have said many times in the course of our debates that the United Kingdom Government do not intend to reach a decision about the desirability of joining a single currency or not doing so until we are far better informed about the nature of the circumstances in which that decision had to be made.

Mr. Budgen: On the construction of the words "as appropriate" in article 109e, paragraph 5, those are words to which my hon. Friend attaches considerable

[Mr. Budgen]

importance, but the important question there is surely who decides "as appropriate". Is it a subjective decision which is taken by the British Government, perhaps even assisted by the British Parliament; or is it a test of appropriateness which may be imposed upon us by some form of majority will, by the remainder of the countries of the EEC? It is by no means clear that it is a decision which is exclusively within our national power. Knowing, as we all do, the resentment felt against the United Kingdom because of the advantages gained by having a floating pound, it seems to me to be highly likely that "as appropriate" will be "as appropriate" as judged by the other countries.

Mr. Dorrell: All I am seeking is to explain the interpretation that was placed on the words that were written into the treaty by the people who signed it. The writing of the words "as appropriate" in that section of the transitional provisions chapter was intended to accommodate the fact that the United Kingdom protocol gave us a clear opportunity to make a decision later whether we were going to join the single currency or not.

Mr. Gill: May I remind my hon. Friend of the answer that he gave me when I intervened previously, when he said that he could not think that there would be any other nation that would wish to take this nation to court over the justiciability of our opt-out? Is the Minister saying that he cannot envisage circumstances under which other nations of the Community recognise that we have a competitive advantage as a result of the floating exchange rate referred to by my hon. Friend the Member for Wolverhampton, South-West (Mr. Budgen), and that they would not therefore wish to take us to court to invalidate the opt-out?

Mr. Dorrell: The point I was seeking to make was that our Community partners unanimously signed up to a United Kingdom protocol which says, in terms, that the United Kingdom is not obliged to join stage 3. The more important of the two points I made in reply to my hon. Friend's earlier intervention is that we are absolutely confident that the protocol is enforceable at law, that its terms are clear, and that there cannot be any reasonable doubt of what the people signing the treaty meant the words to mean.

I want to move on now to deal with convergence, because it is another of the issues which have been raised and about which there is concern in some parts of the Committee. My first point is to stress that the concept of convergence is not new in Community law. It was not invented at Maastricht, or even in the years before Maastricht. When I asked for a trace of the development of the concept of convergence, I was taken back to article 2 of the treaty of Rome, which was signed 36 years ago today.

Article 2 of the treaty of Rome says:

"The Community shall have as its task, by establishing a common market and progressively approximating the economic policies of member states"

to promote the Community, and so forth. Progressive approximation of economic policy of member states was there in article 2 of the treaty of Rome. It was developed by a Council decision dated the 18 February 1974, which provided in loving detail that the Council was going to hold three meetings yearly

"to examine the economic situation in the Community, to adopt guidelines for the economic policy of the Community which each member state"

had to follow in order to achieve harmonious economic development and so forth. I will not read the whole decision to the Committee, but in that decision of February 1974, there is not the slightest doubt that there was a clear political will to establish a machinery by consent to take the concept of convergence significantly further.

That decision was replaced on 12 March 1990 by a further Council decision headed "Decision on the Attainment of Progressive Convergence of Economic Policies and Performance during stage 1 of Economic and Monetary Union". Once again, I shall not burden the Committee with the precise commitments and provisions of that decision. It was clearly intended to promote the concept of convergence. In fact, it is the Council decision that first introduced the concept of multilateral surveillance, which finds further expression in the treaty. The principle of convergence criteria—the principle that, as a member state of the Community, we have accepted obligations going right back to the treaty of Rome to approximate our economic policies alongside those of other member states—is not new, and it should not come as a surprise to the Committee.

Mr. Tony Marlow (Northampton, North): It may or may not come as a surprise to the Committee, but I am sure that my hon. Friend knows that, in the past, this has always been a pious statement of intent. In terms of achieving anything, there is much more divergence than convergence, and it looks as if that will continue to be the case for a year or two. What is new is that the Commission has the right to initiate beastly reports, which can be put to the Council. By a majority vote, we can have our wrists slapped—a totally undignified state for a sovereign nation like the United Kingdom to find itself in. This is not the slightest bit necessary unless we decide to go for stage 3. Why is it happening so early?

Mr. Dorrell: It is not true to say that there is something new about the idea that the Commission may launch inquiries into the activities of member states. Article 3 of the decision of March 1990 says:

"Multilateral surveillance shall focus on the macro-economic and micro-economic and structural policies. This surveillance will be conducted by the Council on the basis of reports and analyses submitted by the Commission. These shall include:—indicators of economic performance, including monetary and budgetary policies such as supply and demand trends, price and cost developments, employment, regional development, financial markets, public finance, monetary aggregates, interest rates, exchange rates and external imbalances."

That is a pretty impressive list, which is already the basis of reports submitted regularly by the Commission to the Council and considered regularly, before ratification of Maastricht, at meetings of ECOFIN.

Mr. Ron Leighton (Newham, North-East): Is not the difference that dates are now being set and that Governments are expected to do something? Especially now that we are in recession, attempts by Governments to satisfy convergence criteria will be very deflationary and extremely damaging.

Mr. Dorrell: It is not part of my argument that there is no difference. For the moment, I am seeking to establish that we had already travelled a substantial way down the

road of convergence before getting to Maastricht. What is the nature of the new obligations assumed at Maastricht? Here, I want to develop a point that I made a moment ago. The convergence obligations that rest on the 12 member states as a consequence of Maastricht are divided. The convergence obligations of the 10 member states that are committed to moving to stage 3 are different from those of the other two member states—the United Kingdom and Denmark—which do not have an obligation to move to stage 3.

Mr. Budgen: The recommendations and findings of this committee, if published, might have a very considerable and adverse effect upon the Government's capacity to borrow large sums of money. The £50 billion that the Government propose to borrow next year is massively outside the convergence provisions. I know that my hon. Friend, in his loyal way, would have made a great deal of the then Labour Government's borrowing requirement —much smaller than the current figure—and of their humiliation at the hands of the IMF. Does not my hon. Friend agree that we shall suffer humiliation at the hands of our European partners, and will not this make it even more difficult to raise such an enormous amount of money?

6.45 pm

Mr. Dorrell: I should like to make a minor point of detail. My hon. Friend is not quite right to say that the Budget deficit of the period 1974-79 was lower than the one that we are running now. In fact, at that time it peaked at more than 9 per cent.—*[Interruption.]* It is projected to be just over 8 per cent., which is less than 9 per cent. This is a nit-picking point.

Mr. Budgen: The important point is the market point.

Mr. Dorrell: My hon. Friend is on to a good point when he says that there is clearly a difference between a report being prepared and considered in private in ECOFIN and a report being made available, with opinions expressed to the wider world. That arises mainly as a policing mechanism under the budget deficit provisions, which we discussed in the debate on an earlier group of amendments.

As I said in that debate, the purpose of those budget deficit provisions is to recognise that, if we move to stage 3, each nation state in a single currency area will have an interest in reasonable official deficit performance on the part of the other nation states in the area. If official borrowing in a part of a single currency area were to go out of control it would lead to market distortions and possibly to market disturbance, which would damage the interests of member states other than the one that was running the excessive deficit.

Mr. Bill Walker: I should like to draw my hon. Friend's attention to article 109k(6), which says quite clearly:

"Articles 109h and 109i shall continue to apply to a Member State with a derogation."

Does that mean that at stage 2 we would have an IMF-type obligation, particularly with regard to our balance of payments?

Mr. Dorrell: Articles 109h and 109i deal with balance of payments assistance. They are already in the treaty. Of course, they will become otiose at stage 3, as it will not be necessary to give balance of payments assistance to one part of a single currency area.

Sir Trevor Skeet: I am following this argument very closely indeed. The Minister has been developing a point about the revision of the treaty of Rome under article 2. But the final revision, which appears in this treaty, says:

"The Community shall have as its task . . . a high degree of convergence of economic performance".

There is a convergence obligation, which will go right through state 2.

Mr. Dorrell: My hon. Friend confirms the point that I was seeking to make. There is indeed a Community convergence obligation. The word used in 1957 was "approximation", which I have interpreted as having substantially the same meaning as "convergence". There has been a commitment to convergence since the day the Community was established. As the Community has developed, more meat has been put on the concept of convergence, and we now have a clearer understanding of its meaning.

Dr. Lynne Jones (Birmingham, Selly Oak) *rose*——

Mr. Dorrell: I want to make a little more progress. I have already been speaking rather longer than was my intention. However, I promise that I shall give way to the hon. Lady before finishing.

I want to consider the nature of the convergence criteria that are the consequence of the Maastricht treaty. The 10 member states that are committed to stage 12 are committed to crossing the famous bridge. The conditions set out in article 109, which are elaborated in the protocol, take the form of conditions precedent for the establishment of a single currency.

The obligation that rests on the 10 member states which are obliged to join the single currency is an obligation to match those convergence criteria because they are under an obligation to join the single currency. They are therefore committed to the criteria, and there is a clear date and mechanism for their establishment. In the case of ourselves and Denmark, there is not a treaty commitment to join a single currency. So there is not a treaty base obligation to satisfy those specific convergence criteria. That is not to say that this country is not subject to a commitment to converge. I have already accepted that it is.

Nor would I argue that the Maastricht treaty makes no difference to our convergence criteria. I accept the proposition of my hon. Friend the Member for Milton Keynes, South-West (Mr. Legg) in an earlier debate that the words will be interpreted in context. It is true that the convergence criteria set out in the treaty will influence an understanding of the nature of this country's convergence commitment. But it is significantly different from the convergence commitments of those 10 member states which have a treaty obligation to move to stage 3, because we have not committed ourselves to the enforcement mechanisms of the convergence criteria to which they have committed themselves.

Mr. Shore (Bethnal Green and Stepney): We have committed ourselves to an obligation to converge, and we have accepted coercive measures which will operate if we do not converge. One such coercive measure is the weapon of publicity and public condemnation. So we are being, as

[Mr. Shore]

it were, forced to converge, even if it is not the same kind of coercion as the treaty obligation imposes on the other 10.

Mr. Dorrell: The right hon. Gentleman accepts that there is a fundamentally different convergence commitment resting on this country compared with the other 10 member states.

Mr. Andrew Smith (Oxford, East): I wish to follow up a point made earlier by my hon. Friend the Member for Newham, North-East (Mr. Leighton). I accept that the nature of the obligation is different for the 10 than for the two, but there are obligations on the two in the sense that if the United Kingdom wished to move to the third stage, we would, by a certain date under the provisions of the protocol and the treaty, have had to have done certain things.

I put to the Minister the example of the protocol and convergence criteria which would require member states to have been in the narrow band of the ERM without severe tensions for two years. Is it not a fact that if we were to move at the earliest opportunity to stage 3—that is, by the first examination—we would have had by 31 December 1996 to have been for two years in the narrow band of the ERM, so that we would have had to have taken the decision to enter the ERM by 31 December 1994?

Mr. Dorrell: It depends on the date on which stage 3 comes into force, and there is not a fixed date in the treaty. To satisfy the convergence criteria, one must have achieved the objectives for a given time before the point is reached at which one joins stage 3. So the answer to the hon. Gentleman's question is that it depends on the date on which stage 3 comes into effect, and there is no fixed date in the protocol which commits us to reach a conclusion on our opportunity to change our mind.

Several hon. Members *rose*——

Mr. Dorrell: I will not give way again. I have permitted many interruptions, and I am anxious to conclude my remarks. *[Interruption.]* I recall promising to give way to the hon. Member for Birmingham, Selly Oak (Dr. Jones).

Dr. Lynne Jones: I think the Minister accepts that we are obliged to try to meet the convergence criteria, whether or not we decide to go on to stage 3. That implies that we should be joining the ERM or at least pegging the pound to the ecu.

Mr. Dorrell: I do not accept that. I made it clear that I regard the protocol as giving this country a clear choice, on the terms set out in the protocol, whether to join the single currency at a date of our own choosing. The opportunity for this country is that, under the terms of the treaty, we have the opportunity to influence the nature of the single currency. That is the main chance negotiated by the Prime Minister at Maastricht which I am keen for this country to safeguard.

Mr. Cash: On a point of order, Mr. Lofthouse. The Minister makes certain allegations about the date on which the single currency comes into effect. Under the protocol which is adjacent to our opt-out, it is clear that it comes into effect on 1 January 1999. We cannot veto it, and it is irrevocable and irreversible, so——

The First Deputy Chairman: Order. That is in no sense a point of order for the Chair, and the hon. Member knows it.

Mr. Andrew Smith: It is over 25 hours since we began debating the economic groups of amendments. I have said before that it is appalling that, on issues of such importance, we are forced by a combination of the Government's preference and a deal done by the Government with the Liberal Democrats to discuss the issues in a condensed way when hon. Members are tired and we do not have a full opportunity to explore many important matters. Whatever view hon. Members take of the treaty or the Bill, this is a disgraceful way in which to handle such important matters.

I need not detain the Committee for long, not least because much of the territory of the debate overlaps the discussion of earlier groups of amendments. My right hon. Friend the Member for Llanelli (Mr. Davies) took us on a prolonged, perceptive and entertaining tour of the transitional provisions and the protocol of the European Monetary Institute. So entertaining was he that, despite the hour, we were disappointed when, in midstream, he leapt from article 8 to article 23 of the protocol.

My right hon. Friend made great play of the Financial Secretary's description of the Red Book as a set of multi-annual programmes. That was an apposite phrase, considering that this year we have had a multi-annual Budget containing multi-annual tax increases, providing for increases this year, next year and the year after that.

A consistent theme throughout my right hon. Friend's speech dealt with a question which the Government have refused to answer—whether they propose to take the steps necessary to move towards stage 3 of economic and monetary union. When, if at all, do they intend to take that decision? I had hoped that the Financial Secretary would give at least a hint of an answer.

Nor could the Financial Secretary give more clarification of the position of the poor old Governor of the Bank of England under article 8 of the protocol on the European Monetary Institute. He left us with the curious understanding that each of the governors could take instructions from their member states as individual members of the Council, but that none of them could take instructions in their collective capacity as members of the Council.

That was unconvincing and was typical of those whom my right hon. Friend the Member for Llanelli called the Januses on the Government Benches. The measure means either that the governor can be instructed or he cannot. To imagine the capacity in which he can be instructed as a member of the Council is fanciful beyond credibility.

Mr. Leighton: I got the impression from the Minister's response that he is rather agnostic about what we are debating. Does my hon. Friend support the convergence criteria? Does he think that they make sense, considering that they are all monetary in form? They are not concerned with real convergence in terms of growth, output and employment.

Mr. Andrew Smith: I made it very clear in responding to the previous debates that, taking all these criteria together, considerable reinterpretation and reapplication of the criteria is necessary and I intend to develop this point further towards the end of my contribution.

Mr. Austin Mitchell: I am grateful to my hon. Friend because he is generous in giving way, but we are eager on these Benches to know how many basic Labour party principles are going to be chucked away in our enthusiasm for this monstrosity of Maastricht. Would we as a Labour Government, if we were in power, or do we as a Labour party in Opposition, want to invoke the protocol, or do we want to move straight away with the others, as opportunity allows, to stage 3 and to full monetary union?

Mr. Smith: I can best answer that by citing the policy approved by the Labour party conference, which is:

"Conference believes that the Maastricht treaty, while not perfect, is the best agreement that can currently be achieved."

That is the basis of our policy and of our approach. I have been through on a number of occasions, and I will return to it later in my speech, the particular importance that we attach to the provisions of article 2a and the goals of high employment and social protection.

7 pm

Mr. Hain: My hon. Friend has laid great stress—and he has done so with considerable coherence—on the need for flexibility in interpreting the targets, convergence criteria and so forth. Does he apply the same flexibility to that Labour party motion?

Mr. Smith: I do not, because all of us are lectured on the Labour party manifesto and, as members of the party, it is incumbent on us to take very seriously the policy passed by our party, especially something, I might add, that was passed by such an overwhelming majority.

Ms Diane Abbott (Hackney, North and Stoke Newington): All of us sitting behind my hon. Friend are impressed with his reverence for party conference decisions——

Mrs. Gwyneth Dunwoody (Crewe and Nantwich): And we will remind him of it.

Ms Abbott: —but does he agree that when conference passed that resolution the text of the treaty was not before it?

Mr. Smith: I think that hon. Members knew full well what they were voting for when they voted for that resolution. *[Interruption.]* It is not as though arguments within our party, as well as among the public at large, on many of these issues have not continued for some time. I have great confidence and trust in the good sense of ordinary Labour party members when they vote for resolutions at conference.

Mr. Ken Livingstone (Brent, East) *rose*——

Mr. Smith: I would like to make some progress with my contribution.

I agreed strongly with the points made in the excellent speech of my hon. Friend the Member for Sheffield, Attercliffe (Mr. Betts), a speech which was all the more impressive as its quality betrayed no hint that he had been here all night, waiting to make it. The core of his argument was that Britain will be better able to take effective action for sustainable growth, for jobs, for investment and for environmental protection if we do so within the framework of Maastricht than if we attempt to do so outside it. That is the crucial choice.

Of course there are many things in the Maastricht treaty that we do not like. Of course many of these criteria must be subjected to further interpretation. Of course the whole question of the pace of progress towards economic and monetary union must be carefully examined. But, when it comes down to it, the choice is whether we are better off and can better serve the people of this country in moving towards the goals to which we all aspire by being part of the Maastricht process or whether we should turn our faces against it. Like my hon. Friend the Member for Attercliffe, I believe that we would better serve the people by being part of Maastricht.

My hon. Friend the Member for Attercliffe also rightly pointed out that the Government were directly responsible for many of the weaknesses in the treaty which have been the subject of debate in this group, not least because the Government squandered a great deal of negotiating capital, for example, on securing the wholly damaging opt-out from the social chapter which we on the Opposition Benches are determined to continue to seek to reverse.

Let me turn to our Front-Bench amendments in this group, which have not been a focus of the debate so far. They are important and I want to stress them. Amendment No. 35 would ensure that in the event of the United Kingdom satisfying the necessary economic convergence conditions and other member states deciding to move to stage 3, Parliament would have an automatic opportunity to decide whether this country should proceed to stage 3 and full economic and monetary union. We regard that as a very important amendment and wish to press it to a vote.

As the treaty and the Bill stand, it will be up to the Government to decide whether to propose to move to stage 3. It is left open to them simply to choose not to do so if they so wish. In this way, Parliament could be excluded from a decision which would or could consign the United Kingdom to the second division in Europe. It is surely right, whether or not the Government wish to proceed to stage 3, that the House should have the opportunity to express its view on this decision. That is why we regard the amendment as so important.

Amendment No. 420 is also important in seeking to strengthen and clarify the role of the European Council of Finance Ministers, ECOFIN, in the formulation of economic policy. I do not intend to go over all the arguments and discussions that we had in the night on the importance of ECOFIN. This amendment seeks to ensure that the Government do everything possible to see that the economic objectives of article 2, for which ECOFIN has responsibility under articles 102a and 103, are fully realised.

Should the amendment be carried, the Government would have to inform Parliament of their contribution to ECOFIN in the co-ordination of economic policy and in the achievement of a high level of employment and social protection provided for in article 2, as well as reporting on the work of the European Monetary Institute in preparation for economic and monetary union.

These matters are important. We have argued all along that the overall responsibility for economic policy must remain with elected Ministers, accountable to the European Parliament and to their own national Governments and Parliaments. ECOFIN must become an effective political counterpart to the European central bank. I therefore strongly urge the Committee to support that amendment.

Mr. Marlow: The hon. Gentleman said a few minutes ago that some of the provisions of the treaty needed amending. He has now made a suggestion. He says that ECOFIN must have political control. How will he secure those amendments to the treaty? How will he ensure that ECOFIN gets economic control? These are very detailed provisions in the treaty. How confident is he that, once the treaty is ratified and becomes the bible of the Commission and the European system of central banks, he will be able to get any change out of it? And if he cannot get any change out of it, why does he take it on trust and vote for it now?

Mr. Smith: These amendments do not seek to amend the treaty. They seek to amend the Bill and therefore to determine how the Government—this Government or a future one—should behave in operating the provisions of the treaty, and that is very important indeed, just as, for example, in the previous group, the effect of new clause 56 would have conditioned the information that the United Kingdom supplied to the Commission for the purposes of the evaluation of our compliance or otherwise with the excess deficit procedure. These are not trivial matters: they are important matters both of substance and of signalling the way in which we on the Opposition Benches believe that the treaty might be implemented so as to serve the best 16interests of the British people as well as of the people of the rest of Europe.

Mr. Cash: I am sure that the hon. Gentleman is going in the right direction in trying to improve political accountability; for heaven's sake, Conservative Members regard that as probably the most important central question. We do not want our monetary affairs to be taken over by unelected, unaccountable bankers, but that is what will happen, and that is what the Government are allowing.

Nevertheless, what the hon. Gentleman has just said does not solve the problem. He must bear in mind the fact that the treaty itself has been implemented in European law and that that basis will determine the manner in which it is implemented in the United Kingdom under section 2 of the European Communities Act 1972. I am afraid that the hon. Gentleman is putting the cart before the horse. He has fallen into a trap and his argument has collapsed. He is saying, "We would like to have a system in the United Kingdom that would enable us to implement what we wanted."

Unfortunately, when the matter gets to the House of Lords and, subsequently, to the European Court of Justice, the hon. Gentleman will find that he has been caught and will have to do what the European Community has already decided by treaty. That is the problem that the hon. Gentleman is up against—although I entirely agree with the direction in which he is moving.

Mr. Smith: If the hon. Gentleman agrees with the direction in which the amendments are going—even if he does not accept the reason for which they were tabled—I suggest that the best way of expressing that view is to vote for them. In his lengthy intervention, however, I detected signs of what we already know: that he is absolutely opposed to the way in which the European Economic Community, and subsequently the European Community, has developed. The hon. Gentleman makes no secret of the fact that he objects to the idea of a more closely integrated European Community.

Mr. Cash: The hon. Gentleman cannot get away with that. I have always wanted the European Community to work effectively: indeed, the Foreign Secretary invited me to write a paper on the future of Europe for the Conservative manifesto committee. In that paper, I said that I wanted the Community to work—and, moreover, I voted for the Single European Act. I will not allow the hon. Gentleman to get away with the suggestion that I do not want the European Community to work simply because I do not want this crazy treaty, which will make Europe dissolve and implode.

Mr. Smith: If the hon. Gentleman wrote the part of the Conservative party manifesto that dealt with this issue, he clearly made a bigger hash of it than those who drafted the original Maastricht treaty, given the consequent division and confusion in Conservative policy on such matters. *[Interruption.]*

The Second Deputy Chairman of Ways and Means (Dame Janet Fookes): Order. We cannot have seated interventions criss-crossing; it makes for confusion.

Mr. Smith: Thank you, Dame Janet.

Let me return to the amendments and new clauses that we wish to press to a vote. New clause 56 aims to ensure that the Government are accountable to Parliament in their fulfulment of the criteria for economic and monetary union. It would require them to observe the need for proper programmes to achieve the objectives of article 2 as they pursue those criteria.

At the heart of the amendments and new clauses, and those in earlier groups, are the provisions of article 2, the bridge between stages 2 and 3 and the way in which those stages can be tied to article 2—which, after all, sets the European Community's task. Article 2 asks for

"sustainable and non-inflationary growth . . . a high level of employment and of social protection, the raising of the standard of living and quality of life".

The Labour party believes that those aims are crucial to progress towards economic and monetary union. Through all the amendments and new clauses to which I have referred, we seek to tie the United Kingdom's interpretation of policy under the treaty more closely to the goals that I have quoted, so that there can be no doubt about the force for social and economic progress that we want our participation in the Community to realise.

7.15 pm

Mr. Legg: We have heard some excellent speeches, particularly that of the right hon. Member for Llanelli (Mr. Davies). He told us a good deal about stage 2, the obligations involved in it and the convergence criteria that we are required to follow. By covering so much of the ground, the right hon. Gentleman has made it much easier for me to make my speech.

Let me begin by addressing article 109j—which has been subject to some debate in the Committee—and article 109e. Article 109j sets out the stage 2 obligations for member states: they cover price stability, Government deficits and membership of the exchange rate mechanism. I commented during my intervention on the Financial Secretary's first speech that under stage 2 the United Kingdom has the same obligations as all other member states. Under the protocol, we have the possibility of exercising an opt-out during stage 3 so that we do not move to a single currency; but that will not happen until

stage 3. We may or may not exercise the opt-out. I contend that, until we do so, we shall be on a level playing field with all the other member states.

Yet again my hon. Friend the Financial Secretary has shown a positive attitude, suggesting that Britain wants to be at the heart of Europe and to play a full role in stage 2. The wish to ensure that Britain can influence developments that are happening at that time confirms my view that we are at one with the other 11 states in regard to stage 2.

I know that Ministers such as my hon. Friend the Financial Secretary—and, indeed, the Economic Secretary—often say that the criteria involved are admirable in themselves. Price stability? All Conservative Members agree that we want low inflation. Low Government deficits? Again, Conservative Members generally approve of that. The Committee must, however, accept the overall scheme of the treaty. In fact, the convergence obligations are secondary; the primary obligation is economic and monetary union. We are going through the process of convergence so that we can take part in, and be a full member of, economic and monetary union. That is the rationale of the treaty.

Sir Trevor Skeet: The convergence obligation arises from article 2, but does not my hon. Friend agree that a number of subordinate obligations are involved—for instance, the obligation to return to the exchange rate mechanism at the earliest opportunity? Obviously, we cannot subscribe to the conditions in article 109j unless we are within that arrangement. Moreover, we must have an exchange rate obligation.

Mr. Legg: My hon. Friend has raised a number of interesting and vital points, with which I shall deal later.

Let me retun to our obligations in the treaty, including our obligation to achieve economic and monetary union. My hon. Friend the Financial Secretary claimed that the treaty made no major change in economic obligations; he even suggested that member states should have foreseen all this when the treaty of Rome was signed 36 years ago today. Surely my hon. Friend the Financial Secretary is overstretching his argument.

Mr. Denzil Davies: I ask a question which perhaps I should have put to the Financial Secretary, who was arguing, apparently, that the conditions did not apply to the United Kingdom because there were conditions precedent, as it were, for those who wanted to enter stage 3. Has the hon. Gentleman noticed that the four criteria are described as criteria, and that to enter stage 3 it is necessary to fulfil the necessary conditions? Can he find anything that links the conditions to the criteria?

Mr. Legg: No, I cannot. The right hon. Gentleman makes an extremely good point.

Mr. Budgen: Will my hon. Friend give way?

Mr. Legg: I shall make a little progress and then I shall be pleased to give way to my hon. Friend.

In the Maastricht treaty we are seeing something quite different from that which was in the treaty of Rome. Article 2 of the treaty of Rome dealt with progressively approximating the economic policies of member states. That was loose terminology. We are now changing the objectives under article 2 to include that of economic and monetary union. It must be emphasised once again that the United Kingdom opt-out does not relate to economic and monetary union. Instead, it is a potential opt-out from stage 3, the single currency.

Mr. Budgen: My hon. Friend takes up the point made by my hon. Friend the Financial Secretary about our obligation under the treaty of Rome. When we first went into the treaty of Rome in 1972 we entered the snake, albeit for a short time. I think that it was for about two months. That was a preliminary attempt to get the United Kingdom into a fixed exchange rate mechanism. As the Committee knows, we came out of the snake. The danger that we now face is that many more legal pressures can be exerted upon us to re-enter the exchange rate mechanism.

Mr. Legg: My hon. Friend has made a valuable intervention. I shall speak about our membership of the exchange rate mechanism later in my speech.

All 12 member states are working towards the objective of economic and monetary union. Article 5 of the treaty of Rome puts obligations on member states to fulfil the tasks that are set out in articles 2 and 3 of the Maastricht treaty. The United Kingdom has an obligation under article 5 to facilitate the achievement of the Community's tasks, one of which is now economic and monetary union. It would seem that the other member states, possibly with the exception of Denmark, are keen to get on with economic and monetary union and do not wish to see one or two other members seeking to undermine their attempts to achieve that goal within the context of the treaty.

Furthermore, under article 5, the United Kingdom has an obligation to abstain from any measure that could jeopardise the achievement of the objectives of the treaty. That means that the United Kingdom must have the objective to abstain from taking actions in its economic, monetary and foreign exchange policies that could jeopardise the attainment of economic and monetary union which is being pursued by the other members of the Community.

Mr. Marlow: I draw my hon. Friend's attention to the speech made last night by my hon. Friend the Financial Secretary. We are, of course, committed to economic and monetary union, but that does not necessarily mean a single currency. There are other ways of achieving economic and monetary union. Perhaps my hon. Friend will tell the House what those other ways might be and what chance we might have of achieving or implementing them.

Mr. Legg: I ask my hon. Friend to be patient. I hope to deal with his point and others in a way that will ensure that they have the necessary cogency.

The Treasury has said that article 109m changes only slightly what is in the treaty of Rome. My hon. Friend the Financial Secretary did not follow that route this evening, and that may be significant. He followed it, however, in Committee on 14 January. When the Treasury submitted a memorandum on the ratification of the Maastricht treaty to the Select Committee on Treasury and Civil Service Affairs, it, too, referred to article 109m, and tried to argue that there was no effective change from our obligations under the treaty of Rome.

I maintain that the common interest that is set out in article 109m is a stronger obligation than the common concern that existed under the treaty of Rome. Secondly, and even more importantly, when it comes to common

[Mr. Legg]

interest, we must assess "common interest" and the meaning of it within the context and colouring of the Maastricht treaty. We find that common interest is clearly set out in the treaty, but what is it? It must be economic and monetary union. There is the obligation in article 109m that our exchange rate is treated as a matter of common interest to the other member states, with those states striving to achieve monetary union and wanting the United Kingdom to play its part in that process.

Mr. Cash: I much like my hon. Friend's style. He is taking us, with relentless but clear and cogent force, along the route of reality. I am sure that he will recall the protocol that is adjacent to the one that is supposed to be our opt-out. I am sure that he will agree with me that that makes irreversible and irrevocable that which is due to come into effect on 1 January 1999, come what may. Does he accept, like Chancellor Kohl, that there are those in the Community—most of them in the other member states—who say yes to economic and monetary union, but go on to say that that carries with it political union? That is where the rub comes. We are being taken in that direction.

Mr. Legg: My hon. Friend has made a significant point. It is one that has been made to me by members of the Bundesbank council. They say that there must be a political union alongside monetary union. Chancellor Kohl has made his position clear. Those who go to the Library and consult the *Financial Times* of 4 January will see set out the Chancellor's commitment to political union and his recognition that monetary union will work only with political union.

The United Kingdom's obligations in the context of the exchange rate mechanism are a source of concern to many of my hon. Friends. Article 109m is directly relevant in this respect. The other member states regard our exchange rate as a matter of common interest to them. I am sure that it will not have escaped the attention of Treasury Ministers that many of our Community partners have been somewhat startled and dismayed by Britain's exit from the ERM. A perusal of the press of the past six months since white Wednesday will elicit a range of comments by our European partners expressing this concern. The French Finance Minister, for instance, cannot understand why we are out and considers it necessary for us to return to the ERM. He cannot see how Britain can ratify the treaty and stay out of the mechanism.

7.30 pm

One does not have to be particularly sophisticated, reading between the lines, to understand the concerns of the Irish Finance Minister, Prime Minister, and Foreign Secretary, at the time of the Irish devaluation, about the financial problems that Ireland faced following Britain's exit from the ERM—especially in view of Ireland's close trading links with the United Kingdom.

Pedro Perez, Spain's Economic Minister, spoke even more forcefully on 23 October about Britain's exit from the ERM. He said that there could not be a single market without a single currency and that there could not be two systems in Europe—an exchange rate mechanism for some countries and a floating currency for others.

When Mr. Delors addressed the European Parliament, he made some trenchant remarks, without naming Britain, about countries that seek to devalue and thereby achieve a competitive advantage. We know, however, that many of our partners and members of the Commission are trying to play things fairly quietly at the moment, because ratification of the treaty is still in the balance.

Under the Maastricht treaty, member states that are unhappy with Britain's exchange rate policy will have the opportunity to do somethiong about that——

Mr. Cash: The Chancellor of the Exchequer has arrived.

Mr. Legg: I am sure that he does not want to intervene, however, even though he probably has first-hand experience of some of the unhappiness felt by our partners and by Finance Ministers on the continent.

Mr. Marlow: Will my hon. Friend give way to the Chancellor if he will confirm to the Committee that, if we were to re-enter the exchange rate mechanism when article 109m is in force, we would, at a later stage—if the economy demanded it—be able to leave again?

Mr. Legg: I thank my hon. Friend, but I must make some progress. It is certainly true that the treaty will provide the opportunity for our partners to press us, first informally and then more publicly, to return to the ERM. If Treasury Ministers resist that pressure, there are stronger powers in the treaty to compel Britain to return to the mechanism. The matter will not be solely in the hands of the Chancellor of the Exchequer during stage 2.

Mr. Iain Duncan-Smith (Chingford): Listening carefully to my hon. Friend it occurs to me that we are in the midst of a dispute about the Government's position in respect of stage 3—a dispute between us and Ministers. Bearing in mind the comments of other member Governments so far, when stage 2 has arrived and stage 3 is imminent, who will be forced to decide on the interpretation of our position? It will surely not be our Ministers; it will be the European Court of Justice that will be called to make the decision.

Mr. Legg: My hon. Friend makes one of his now customary interventions in which he puts his finger precisely on where we stand. The intervention will not be for Treasury Ministers or Members of Parliament. Ultimately, it will be for the European Court——

Mr. Bernard Jenkin (Colchester, North): A political body.

Mr. Legg: I think that we have already explored that aspect. Certainly, the court will have the power to decide, but I suspect that we will not be taken to the court to compel us to return to the mechanism. The mere suggestion will be enough to ensure that Britain does so.

I believe that many Ministers, perhaps even the Chancellor himself, feel as stongly about membership of the ERM as I and many of my hon. Friends do. The experience of the British economy, of British business and of the British people in the ERM was damaging—[HON. MEMBERS: "Disastrous."] Many right hon. and hon. Members share that view——

The Second Deputy Chairman: Order. I remind the hon. Gentleman that he should be addressing me and that he should bear in mind the practical consideration that his voice will be heard better if he faces the microphones insted of turning away from them—a thought that may not have occurred to him.

Mr. Legg: Thank you, Dame Janet, that is most helpful of you. I am afraid that I was distracted by some sedentary interventions.

Under stage 2, many provisions of the treaty will bring us closer to other countries of the Community in terms of economic policy making. As many hon. Members have said, we will find that we have common economic policies. The Treasury issued a rather strange statement to the Select Committee on Treasury and Civil Service in November 1992. It was about the operation of article 103.1, which concerns the Council of Ministers geting together to devise common economic policies for Europe. The Treasury line on that has been that, if some of the policies or guidelines drawn up under the article are of a sort that Britain would not like—setting out a timetable for a return to the ERM, say, or guidance about budget deficits—the United Kingdom can somehow block them in the Council of Ministers. It can block and spoil the overall economic policy devised by the Council of Ministers. That does not seem to be very much like being at the heart of Europe.

I take seriously the comments from the Government Front Bench about wanting to be at the heart of Europe and wanting to exercise influence. I do not believe that Britain will adopt the role of blocker or spoiler in Europe in stage 2 and in the coming years. I believe that Britain will sit down at the table with its partners and accept the reality of the treaty, the obligations in the treaty, and that it will operate accordingly. Regrettably, I believe that that will be extremely damaging to the British economy.

My hon. Friend the Member for Wolverhampton, South-West (Mr. Budgen) referred to previous experiments with fixed exchange rate regimes. To strengthen and legislate for this process, and to include in the supreme law of the European union the requirements to fix exchange rates must, in the current economic circumstances in Europe, be one of the most foolish and unwise economic decisions to be taken in Europe in the 20th century.

The statesmen of Europe, who do not recognise the economic changes in Germany, the costs of reunification, the implication of the borrowing requirement in the unified German state, and the effect that those factors have in transmitting their consequences to other member states through a fixed exchange rate, are playing fast and loose with the economic prosperity of the peoples of Europe. They are also threatening recession, unemployment and worse. The concept of the Maastricht treaty and its obligations are not an appropriate agenda or statutory framework that we should adopt in the mid or late-1990s.

Ministers have suggested that Britain might be able to continue to float its exchange rate during stage 3. Hon. Members should be aware that that idea is even more unlikely than the possibility that Britain can continue to float its exchange rate freely during stage 2. The idea that other member states like France, which had irrevocably fixed their currencies to the deutschmark, would then be content to see Britain floating its exchange rate and obtaining what they would consider to be unfair competitive advantages as a result is clearly inconceivable.

When we move to stage 3, and those other member states have irrevocably locked their currencies, they will expect the United Kingdom—if it decides to exercise the opt-out—to be playing a part in ensuring that monetary union is successful. They will certainly not be prepared to see Britain floating on the margins. I am sure that the requirements to return to the mechanism and to operate on the narrow bands of the exchange rate mechanism will be fully enforced.

We must then face the reality of the opt-out in stage 3 with Britain locked in the narrow bands against the European ecu. Britain would have no representation on the governing council of the European central bank, which would set interest rates for the ecu, while Britain was tied to the ecu within a narrow band. The governing council of the European central bank would effectively set interest rates for Europe as a whole. Is my hon. Friend the Financial Secretary really offering us that tonight as an attractive proposition resulting from the opt-out?

Mr. Cash: Does my hon. Friend recall that in the middle of the night I produced a document which had been leaked to me? That document stated quite explicitly that advice was being tendered, apparently to Ministers, after white Wednesday on 23 September last year, which clearly stated that the conclusion was that sterling should go into the narrow band. Does not my hon. Friend find that a very chilling observation?

Mr. Legg: Yes, that is a chilling observation, but hon. Members should not be surprised by it. In 12 months' time, I hope that hon. Members will not come to Members like me and express surprise if events such as that described by my hon. Friend the Member for Stafford (Mr. Cash) occur.

7.45 pm

Mr. Budgen: Why on earth should that be chilling? The Government have consistently said that they wish to approve the Maastricht treaty. They claim that they have democratic authority for that, having discussed it fully at the last general election and because there is widespread support for it. Plainly, we must return to the ERM as quickly as possible to fulfil our obligations on 1 January 1994. It would be monstrous if we were not trying to get back into the ERM.

Presumably, we will hear from the Government tonight a clear indication of how they believe the ERM has worked to the benefit of the British people during the two years we were a member of the ERM. If this is only the preliminary period, we must assume that the Government regard it as having been a very successful one.

Mr. Legg: Once again, my hon. Friend has made a valuable point.

I conclude with an argument which is not often heard in this Committee, but which is put forcefully in the Corridors and elsewhere in the House. That argument seems to be particularly attractive to right hon. and hon. Members on the Conservative Benches and even to Ministers. That argument is that there is no need to worry about the Maastricht treaty because its provisions will not be put into effect. The treaty is so deeply flawed and runs so strongly against the economic fundamentals to which I have referred that people say, "Don't worry. Support the treaty: it will not work." What a gamble that is to take with the future of the British people.

Sir Trevor Skeet: The people should have a say.

Mr. Legg: As my hon. Friend says, they should have a say in that gamble.

I urge all hon. Members to act with caution in this matter. They should not rely on assurances that what I

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have described will not happen. Hon. Members who visit our partners discover that there is a strength, will and determination for those things to happen. There is a strong commitment on continental Europe to economic and monetary union. There are many, what I would call unionists rather than federalists and they are strongly committed to such concepts. Hon. Members must weigh in the balance the benefits of the treaty against its risks, which are considerable.

The House has many honest federalists, with certain views about Europe and Britain, who have put their case clearly and powerfully. I respect those people. It is a good process to indentify what Europe would be like under the Maastricht treaty. If the case for Maastricht was spelt out and the British people gave their full-hearted consent to the treaty, I would be happy to work to try to achieve their vision of the future. My great fear, however, is that those people will not realise the implications of the treaty. We will face continuing disillusionment, unhappiness and lack of success in our affairs for many years.

Mr. Christopher Gill (Ludlow): Will my hon. Friend give way?

Mr. Legg: I will not take any more interventions.

I urge hon. Members to be cautious and not to gamble with the future of the British people. They must realise that what they are doing now is ratifying the supreme law of the European union.

Mr. Leighton: We are faced with an odd situation. The Government did not want a conference at Maastricht and they did not want the treaty. They have not said that they are in favour of monetary union or a single currency and they claim that they can exercise an opt-out from the treaty. I do not know how valid that option will be. As far as I am aware, the Opposition do not want an opt-out. They are all in favour of monetary union and a single currency. This odd situation is what psychiatrists term role reversal.

My hon. Friend the Member for Oxford, East (Mr. Smith) relies upon article 2 of the treaty for the basis of his support of it. We cannot take comfort from that article, because the treaty of Rome has a general, motherhood-and-apple-pie clause that contains vague good intentions, but what good has it done us? We now have between 17 million and 18 million people unemployed in the Community—the unemployment black spot of the world—so what good have those words done us?

I do not think that any socialist can support the Maastricht treaty. I base that claim on article 105 of chapter 2, with which I am sure my hon. Friend the Member for Oxford, East is familiar. Article 105(1) states:

"The primary objective of the ESCB shall be to maintain price stability. Without prejudice to the objective of price stability, the ESCB shall support the general economic policies in the Community with a view to contributing to the achievement of the objectives of the Community as laid down in Article 2."

That is without prejudice to price stability and I do not believe that there can be any doubt that article 2 is subordinate to price stability.

Mr. Clive Betts (Sheffield, Attercliffe): I believe that article 105 then goes on to provide a commitment to article 3a, which is in the treaty simply for the purpose of delivering article 2. One could read that part of article 105(1), which relates to article 3a, as unqualified support for article 2. I accept that the treaty is badly worded, but there are different ways of reading it.

Mr. Leighton: I do not believe that article 105 is badly worded; it is specific and states:

"The primary objective of the ESCB shall be to maintain price stability."

There is no ambiguity about that. It could not be clearer. The objectives laid down in article 2 are set without prejudice to the objective of price stability.

When this matter was raised before, one of my hon. Friends asked me whether I was in favour of price instability. Other things being equal, we would, of course, like low inflation, but since when has it been the sole policy of the Labour party to argue for price stability? Any fool can reduce inflation by destroying the economy, creating mass unemployment and bringing about a recession. That is what the Government have done, but they have now had to pull back.

The "Bank Briefing" for November 1992, published by the Bank of England, referred to price stability and stated:

"Had the United Kingdom remained in the ERM, it is quite possible that price stability would have been achieved during next year"—

which means this year.

"Although clearly desirable in itself, price stability attained so quickly might have intensified the problems of domestic debt inflation. Some easing of policy was, therefore, desirable."

We could have had that wonderful price stability, but it was causing so much trouble that it was dropped as official Labour party policy. My hon. Friends on the Opposition Front Bench should note that we want some price stability and low inflation, but we have other aims. We want balance of payments equilibrium, growth in the economy and high employment.

Article 2 makes no mention of high employment. Thousands of words, as well as protocols, have been printed about Euro-monetarism and price stability, but there is no mention of high employment, apart from a passing reference in article 2, which is itself subordinate to the idea of price stability. That must be anathema to socialists, and it is on that basis that I oppose the treaty.

The convergence criteria are all monetary; they are about inflation and budget deficits. There is nothing about real convergence, real growth and real people. Flesh and blood will be subordinated to the theory of money. Money will be the master, not the servant. I cannot for the life of me understand how the Labour party could support such an idea.

Mr. Budgen: I suspect that an observer of this protracted but useful debate would say to himself, "Well, they have, with great difficulty, defined what the position will be under stage 2, which is plainly the ERM with a large number of additional constraints added to it." No doubt that observer would say to himself how grateful he was for the elegant guidance that the right hon. Member for Llanelli (Mr. Davies) had given to the Committee to help us to decide the possible extent of those additional obligations.

The practical man listening to the Committee's deliberations, however, would say, "Surely, these chaps"—I must be careful—"these persons are not going to

recommend going into stage 2 unless it is obvious that stage 1 was a great success, because stage 2 is stage 1 with knobs on."

If we had found that stage 1 was such a great success, we might think of going forward, tentatively, to stage 2. If, however, stage 1 was a vast disaster which brought poverty, sadness and unemployment to the British people and was still exercising its most malign influence upon our economy, surely we would think rather carefully before going forward to a worse condition than that provided for in stage 1.

The disgrace of the Government's position is that they cannot say that the ERM was a success. They cannot do other than admit that the present condition of the economy does not result from the Government's wisdom, forethought, brilliance, or anything of that sort. We may reasonably hope for some recovery in the economy, not because of the Chancellor of the Exchequer's brilliance but because of the good fortune that speculators speculated against the pound and threw us out of the ERM, and because our central bank, having lost £3·5 billion of taxpayers' money, took the view that we could not afford to buy our pounds any more and stay in the ERM. The ERM was an absolute disaster. It is important to understand that the state of the economy when we came out was near to being in a credit crunch.

8 pm

Perfectly sensible, kindly, respectable business men ask, "Aren't you wasting an awful lost of time making a nuisance of yourself to the Government? Don't you think it would be better to think of ways in which you can help the Government to resuscitate the economy?" But most of the problems that business men have stem from the ERM. They ask, "What are you doing with the clearing banks? Why don't you get the clearing banks to lend more money to small builders?" The reason that clearing banks cannot lend any more money to small builders is that the clearing banks and the small builders are on the verge of going bust.

The clearing banks went in for a lot of silly and excessive lending between 1986 and 1988, a period when we were shadowing the deutschmark and when what could be described as the most disastrous Chancellor in recent history was talking about an economic miracle. At that time, the banks were lending far too much money to commercial property. They are now finding that their credit base is severely eroded, so severely eroded through the large losses that they suffered because of high interest rates that they cannot come to the aid of small business, as no doubt they would wish to do. That, I repeat, all stems from the ERM.

I remind my hon. Friend the Financial Secretary that it used to be the theory of the Conservative Government that we were, broadly speaking, monetarist, and that a change in the money supply took between 18 months and two and a half years to come through into the real economy. There has been a remarkably large relaxation of monetary policy since 16 September. It is not at all surprising that that relaxation is not yet fully showing itself in the economy.

But the irony is that, if we ratify the Maastricht treaty, only when we are under a legal obligation to go into stage 2 on 1 January 1994 shall we be finding that the relaxation, consequent upon our good fortune on 16 September, is starting to work through. We shall then find ourselves under a legal obligation to abort the good fortune of the monetary relaxation that has occurred since 16 September. The green shoots will be nipped off once again by the frost of economic and monetary union in its incipient stages.

Surely we should be explaining to those confused people who hoped that that was all part of being at the warm, friendly heart of Europe that that is the basis for yet more deflation to be imposed upon us by the Bundesbank, which will give rise to yet more trouble in our lending institutions.

Mr. David Winnick (Walsall, North): I am grateful to the hon. Gentleman, who always argues his case on these matters so well, for giving way. Does he agree that the conventional wisdom at the time—some of us, certainly including me, and, I am sure, the hon. Gentleman too, argued against it—was that the ERM was a necessity for the British economy and that it would be wrong for Britain for us to remain outside. That was the argument put by the Government and, unfortunately, by some Opposition Members. It was said that it was an inevitable step—the same argument that is being used on integration under the Maastricht treaty. Have we not been proved right, at tremendous cost to the British economy, on the ERM, and will we not be proved right again if, as the hon. Gentleman says, we go into stage 2 and return to the ERM?

Mr. Budgen: That was not much of a critical question. The hon. Gentleman was simply intervening to say that he agreed with me, albeit that he used rather different language.

Mr. Allan Rogers (Rhondda): I too congratulate the hon. Gentleman on marshalling his arguments and putting them forward in such a congent manner, as he always does. In doing so, he is projecting an image of being an objective commentator on the economic scene. Can he list the number of times and the occasions on which he objected or voted against the Government who introduced the policies that he is now condemning?

Mr. Budgen: I am consistent on that. I opposed the shadowing of the deutschmark between 1986 and 1988 and I voted against the ERM on every possible occasion. I do not remember ever being ill; I have quite good health. As far as I remember, I have voted against this European economic entanglement on every possible occasion. That does not mean that I am right, but it does mean that I have been consistent.

Mr. Rogers: I was not thinking particularly of the hon. Gentleman's voting record in relation to Europe, although I presume that he voted with the Government on the single market issue.

Mr. Budgen: No.

Mr. Rogers: If he says that he did not, I accept that. The hon. Gentleman talks about the Government's policies and the bank's inability to lend to small businesses, but when did he ever raise his voice against the Government's economic policies?

The Second Deputy Chairman: Order. I hope that we can keep to the substance of the debate.

Mr. Budgen: I respectfully agree, Dame Janet. I would simply say to the hon. Gentleman that I have done my incompetent best to raise these arguments fairly

[Mr. Budgen]

consistently over the years. I am sorry if I have not brought them to his attention, but I have done my best to bring them to other people's attention from time to time.

However, the Committee is interested not in my record but in the effect of the Government's disastrous policy on the British economy. The point that I wish to make as firmly as I can is that the only intellectually respectable argument that the Government could put forward tonight would be to say that the ERM had been a success and that, because of the success of stage 1, they wanted to build on that and move to stage 2.

The ERM has been a proven disaster. It has been a disaster in that it has cost us £3·5 billion in lost resources. It has been a disaster in that it has been a proximate cause of 3 million people being unemployed and has caused a credit crunch from which it will take us many years to recover. It has been a disaster in that it has created untold sadness for many people in the south-east who find themselves locked into houses that are now worth far less than the cost of their mortgages. It has been an utter disaster, which has been pursued not for economic reasons, but for political reasons.

Only a Government who were completely impervious to their mistakes and to the appalling humiliation of 16 September could have the effrontery to say, "Never mind all these proven disasters. Let us go into stage 2 at least at the beginning of January, cutting off the freedom that we have enjoyed since 16 September. Let us chastise the British people with a system that is even worse than the ERM."

Sir Russell Johnston (Inverness, Nairn and Lochaber): I have noticed over many years that debates on the European Community seem to attract to a disproportionate extent those who are generally opposed to progress in the Community. At the end of debates, one gets a rather lop-sided view of the balance of opinion, and the Committee is following that trend. I do not say that in praise of those who hold the views that I hold; on the contrary, the critics are more loyal in their appearance and in their contribution. I hope that the hon. Member for Wolverhampton, South-West (Mr. Budgen) will forgive me for not following directly his remarks, which I have heard him enunciate so fluently so often.

Although I disagree with the hon. Member for Milton Keynes, South-West (Mr. Legg) about Maastricht, I admit that he made a direct, forthright and logical speech. I thought that his catalogue of attitudes and responses within the rest of the Community to our economic and monetary union opt-out dealt most effectively with the Government's presentation, which is that they have somehow secured a unique discretion without losing any influence. I do not think that that is right.

Mr. Jenkin: Does the hon. Gentleman agree that the whole basis for the Government's position on the Maastricht treaty is that we are winning arguments all around Europe and that the direction of the Community will be away from a federal Europe? The speech by my hon. Friend the Member for Milton Keynes, South-West gave one example of one area of policy in which there is no evidence to support the Government's view that they are changing the mood of the European Community. Does the hon. Gentleman agree?

Sir Russell Johnston: I completely agree with that. The hon. Member for Milton Keynes, South-West quoted a number of individuals. One can quote many more. At one point in the Committee, Martin Bangemann was quoted endlessly as if he had suddenly said something startling, new and different. I have known him for years and he has been saying the same thing non-stop. It is the same with all the others.

Nevertheless, the Liberal Democrats remain committed to the things that the hon. Member for Colchester, North (Mr. Jenkin) and the hon. Member for Wolverhampton, South-West are against. Our position has been and remains distinct both from the position of the Government and from the position of Labour Front-Bench Members. For different reasons and to different degrees, both find the prospect of full economic and monetary union and the development of the ecu difficult to accept, although both have moved a long way.

The arguments against EMU have a great tendency to be based on emotion as much as on economics, although, in my humble and not very informed opinion, much of economics has a theological aspect to it. People believe passionately in certain economic solutions on the basis of certain theories which sometimes they find it difficult either to prove or to disprove. I believe that the arguments for EMU and for the single currency have an irresistible logic, whereas many of the contrary arguments tend to be conducted at a rather surreal level.

Mr. Bill Walker: The hon. Gentleman's integrity in terms of his views on Europe cannot be in doubt anywhere. Does he base his views on EMU and on all the other matters to do with political and economic union on the belief that they will be good for the people of the United Kingdom and good because they will help us as a trading nation to trade better? If he does, how does he square that with the fact that the Japanese appear to trade better than any of us do, although they do not enjoy any of the so-called benefits?

8.15 pm

Sir Russell Johnston: The situation in Japan and the situation in the United Kingdom are dramatically different. The arguments about access to a large market are part of the arguments that have been used throughout in respect of the United Kingdom's membership of the Community. A new trading pattern has developed as the old trading patterns with the Commonwealth have slowly declined. Japan's industrial structure is so different that it is difficult to make direct comparisons.

Much of the argument focuses on the points raised by the hon. Member for Northampton, North (Mr. Marlow), the main intervener, who has now vanished. He always talks about national sovereignty, which affects people's thinking about what is possible economically. Many people's thinking is based on a complex of beliefs which are still held almost as a matter of religious faith. It is believed that we are better, that we are more efficient, that we have better laws, that we are more democratic and that we are more able to trade in the world than to be successful in the Community.

It is difficult to argue with all those ideas, because people believe in them deeply and passionately. I recognise that because I have been listening for the best part of 20 years to the arguments of those who are against Europe. It is not that I do not know the arguments, or that I do not

respect the people who hold them. I have reached the conclusion that I shall never persuade them, and they may have reached the conclusion that they will never persuade me—*[Interruption.]* One sometimes wonders why we continue to debate the matter.

Mr. Winnick: It is called democracy.

Sir Russell Johnston: I suppose that democracy is about peaceful persuasion.

In the history of the Community, we have been guilty of many missed opportunities. The opt-out, which is a major part of our debate today, is one such missed opportunity and another example of our excluding ourselves from mainstream developments as a result of economic weakness, of shortsighted nationalism and of political delusion.

For those reasons, when the Bill first came into Committee, we tabled amendment No. 400 which aimed to delete the protocol and, as a consequence, the United Kingdom's opt-out from stage 3 of EMU. Such an amendment would now have the consequence of wrecking the treaty, so we shall not press it to a Division. However, we support the Labour party's amendment No. 35, which seems to be a positive contribution, because it would allow parliamentary affirmation before moving to stage 3, which would be perfectly reasonable if the economic convergence criteria laid down in article 109 were established.

We shall not support Labour's amendment No. 420 or new clause 56. We do not feel that they are necessary, despite the arguments advanced by the hon. Member for Oxford, East (Mr. Smith), to which I listened carefully.

Long before Maastricht, we were in favour of a single currency. The arguments in favour of economic and monetary union, such as the elimination of exchange rate uncertainty, are well rehearsed. I do not accept the catalogue of ills that the hon. Member for Wolverhampton, South-West attributed to our membership of the exchange rate mechanism. During our period of membership, like myself, he spoke to many business men, who are quite given to writing to one about these matters. They emphasised that they wanted to know what price they could offer in advance. They wanted some stability rather than the loss that resulted from unpredictability.

I am rehearsing old arguments, but it is recognised that the collapse of black Wednesday was related not to the intrinsic weaknesses of the system but to the fact that the level at which we joined was too high to sustain and to our subsequent refusal to realign although the opportunity to do so existed. It is not altogether fair to make the accusations that the hon. Gentleman made. Considerable savings would be made by the elimination of transaction costs, the obvious example of which is for the individual but it is also noticeable for business.

The ecu undoubtedly would become one of the world's three major currencies, with the dollar and yen. I shall quote Sir Leon Brittan, which I do not do often.

Mr. David Harris (St. Ives): Why not?

Sir Russell Johnston: I shall not go into that.

In 1990, Sir Leon said:

"Birmingham is considerably closer to Calais than to Glasgow. But even when the internal market is fully in place, selling from Birmingham to Calais is going to be more complicated, slower and more expensive than selling to Scotland, simply because, although we have a single market, we do not yet enjoy the benefits of a single currency."

I accept that argument.

The benefits of EMU, in addition to the ones outlined above, which are specific to a single currency, are based mainly on the assumption that this will render economic policy more effective by having it conducted, or major elements of it conducted, at a more appropriate level—by which I mean supranational level—and because economic policy will in any event be heavily influenced by the Community countries that are most successful. It is increasingly clear that macro-economic policy can no longer be effectively controlled independently by individual European Community states. Black Wednesday was not the only example of that.

We are unequivocally committed to a federal union. The Maastricht treaty, despite the Government's denial, represents a significant step towards such a European union. The hon. Member for Milton Keynes, South-West quoted Chancellor Kohl, saying that political union is meaningless without economic and monetary union. That is undoubtedly true. The Government's recognition of that was reflected in their lack of enthusiasm for a supranational structure and their desire instead to concentrate on intergovernmentalism, which led to the three-pillared structure of the treaty.

The core of the treaty, including the economic sections, is clearly within the supranational institutional core of the Community, which makes our opt-out all the more tragic. I take the Minister's point about continuing to participate in policy making on EMU, but, like the hon. Member for Milton Keynes, South-West, I think that a semi-detatched position does not increase one's influence.

We must recognise that the problems facing economic and monetary union are great indeed. Many circumstances have changed since the treaty was first negotiated, and the timetable in particular will have to be reviewed. One cannot be optimistic about the possibility of maintaining it. The convergence criteria—inflation performance, Government debt, membership of the narrow band for two years and the durability criteria reflected in long-term interest rates—may prove to be too strict within the confines of the current timetable. Last year, if I remember correctly, only two countries met those requirements—France, which is not looking forward to such a good position now, and Luxembourg. Even Germany did not meet them. Clearly there can be no monetary union without the deutschmark; that would be quite unthinkable. The problems will be overcome only if member states work together to resolve the reorganisation of the ERM, the problems of the timetable and the difficulties caused by convergence criteria. The economic and political advantages to be gained by full economic and monetary union in the interdependent world in which we live seem well worth fighting for.

The opt-out and our non-commitment to move to stage 3 occupied much of the Financial Secretary's speech. We regret the opt-out and, logically, regret the unwillingness of the Government to take the other consequential steps, particularly making the Bank of England independent as a prelude to the establishment of one European Community central bank.

It is not often that I agree with the hon. Member for Wolverhampton, South-West about European issues, but his interventions on the basis of his experience with the

[Sir Russell Johnston]

Treasury and Civil Service Select Committee in France, Spain and Germany were very apposite and foreshadowed what we certainly fear; that our opt-outs will either relegate us to some subordinate position or compel us to adhere to or to shadow what other people determine.

Sir Trevor Skeet: I have listened to the hon. Member for Inverness, Nairn and Lochaber (Sir R. Johnston) at length. Perhaps he will excuse me if I do not pursue him. Having been up all night, one is wilting a bit at this stage, so I shall cover the main points that I have in mind.

The most significant feature of last night's debate was that we covered three important groups of amendments on the banking system, economic policy and deficits, EMU, and traditional and second and third stages in the course of 24 hours. That is absolutely critical to the Government, because the success or failure of Maastricht will depend on monetary union and a single currency. It might have embarrassed the Government considerably if the arguments that we have been advancing appeared in local newspapers and on local radio. It is interesting that, of the 24 groups of amendments, only three relate to the economy, banking and the two stages. It is almost unique that these matters have been swept aside. After all, we are the representatives of the public and we are putting the arguments to them. If they cannot hear us because it is not recorded, they will not read them because *Hansard* is read probably only by ourselves.

There is another interesting point. Stages 1 to 3 will take us virtually from today through to 1 January 1999. We know that, under article N, we shall be renegotiating the treaty in 1996. Why are we legislating so far ahead when there are so many difficulties involved in passing the treaty? It would have made more sense not to have legislated to cover that period and instead looked at it carefully and decided, in 1996, whether we wanted all the convergence to go ahead to lead us to a single currency.

8.30 pm

My hon. Friend the Member for Wolverhampton, South-West (Mr. Budgen)—who has left the Chamber—spoke about rejoining the ERM. I agreed with his analysis. We have no alternative. It is obligatory that we rejoin the ERM. The wording of some of the articles show that it is one of the criteria. For example:

"The observance of the normal fluctuation margins provided for by the Exchange Rate Mechanism of the European Monetary System, for at least two years, without devaluing against the currency of any other Member State".

If that is one of the criteria, and we are outside the exchange rate mechanism, we shall have to get into it again to qualify for stage 3. That is only reasonable.

There is another way to look at it. According to article 109m:

"Until the beginning of the third stage, each Member State shall treat its exchange rate policy as a matter of common interest."

That is an obligation that arises under the treaty.

The obligation on the EMS and the exchange rate mechanism is important. However, there are certain subsidiary obligations. Convergence, which I regard as extremely important, arises from article 2. Hon. Members who have spoken in the debate have raised that point on several occasions, so I shall not go over the same ground. I have spoken of article 109m, which sets out the exchange rate obligations, but I have not mentioned article 102a, which contributes to the achievements or the objectives of the treaty. That is another obligation that cannot be avoided. Article 103 says that we must agree with the economic policy of the union.

Let us have a look at those two. Article 102a says:

"Member States shall conduct their economic policies with a view to contributing to the achievements and objectives of the Community".

That is an obligation because member states "shall" do something. There is no way to avoid that. Article 103 says:

"Member States shall regard their economic policies as a matter of common concern and shall co-ordinate them within the Council, in accordance with the provisions of article 102a."

All those articles set out obligations under stage 2. They apply to the United Kingdom fully, as they apply to all the continental states. We have the option to opt into stage 3 if we wish to do so. Then, things alter, because we go over to the protocol and there are general dispensations and derogations at a future date which may be of advantage to us.

The interesting point about the debate in the past 24 hours is that many matters of concern to us—given that many people in Europe will be excited if we do not fulfil our obligations—are incompatible with Community obligations. For example, that is true of the floating of the exchange rate under both stages 1 and 2. If the other nations ventilate their complaints, that could lead to litigation before the European Court of Justice, which in turn could force the United Kingdom back into the ERM. I shall not go into it fully, but I shall set out some of the implications of a breach of that. The court could order us to return and impose a fine under article 171. There could be retaliatory action. All that would arise from that article.

Mr. Dorrell: This may be something of an abuse of our procedures, but I want to correct a statement that I made earlier in answer to an intervention from the hon. Member for Oxford, East (Mr. Smith). He asked me whether he needed to decide next year whether we would join the single currency. I replied that we had no such need and that our protocol allows us to exercise our option to join a single currency either at the time of the original report under paragraph 2 of article 109j or at any time after the start of stage 3. I also said that the convergence criteria were assessed for the period before the start of stage 3. That was wrong. The convergence criteria are assessed under the convergence protocol for the period before the submission of the report.

Sir Trevor Skeet: I am obliged for that clarification. If we decided to opt into stage 3, the protocol will begin to apply. Certain clauses will not apply to the United Kingdom. It is entirely different with regard to the ERM. The Minister has said that the Government would return the United Kingdom to the ERM when it was convenient to do so. However, that is conditional upon us returning at an early date.

Mr. Bill Walker: The Government have always said that we would return to the ERM when the conditions were right. In stage 2, the conditions are put in there under the statutory obligations.

Sir Trevor Skeet: That is correct. On one occasion, I heard the Chancellor say that the ERM was the best thing that he had ever entered. At a later date, he decided that he would have to come out of it. The Prime Minister shared that view. It is a big man who can think again and

decide that it is best to get out. However, we are caught by the treaty and our obligations. If the other member states feel that, because of the size of the exchange rate and because we have a floating rather than a fixed currency we have an advantage, they can make complaints before the court and so force us back into the ERM, which could be damaging for the United Kingdom.

Those who qualify for going into the third stage cannot be identified at the moment. The conditions for the successful applicants are set out in article 109j. We know them well. They include inflation at the correct level, a satisfactory budget balance, a reasonable level of general Government debt and long-term bond yields at a certain rate. Figures that I got from the Treasury in February this year show that only one country would qualify—France. We cannot have entry into the third stage if only France is capable of doing so. The Bundesbank is important to Germany and to the whole Community. Germany is a bigger nation than ours, with 70 million people, and will obviously have to be there.

Established criteria mean something. We either walk through the portals and get into stage 3, or we are frustrated and cannot get in. That is a twin-speed Europe. It is no use saying that we will not have a twin-speed Europe; it is inevitable from the very conditions laid down in article 109j. Some nations will be getting away much faster than others, and at this stage it looks as though the United Kingdom may be in the slow lane. I hope not. I believe that several years ahead we may be able to improve our chances. At the lower end of the list there will be Portugal and Spain; at the higher end there will be Germany and France, and probably Luxembourg, the Netherlands and Belgium. That would make a fairly strong unit. This need not unduly upset the United Kingdom, which is extremely resourceful and has shown its resourcefulness over the years.

Switzerland is an example worth noting. It was invited to join the Community, but refused to do so, on the ground that it was extremely successful outside the Community. Its living conditions are excellent. Austria, too, is doing well. But many other countries would like to get into the Community at some stage in the game.

I ask the Committee to bear in mind the fact that we are but 12 nations, and two have a right of exemption in stage 3. When we add another four countries by 1996, and probably another four after that, what will be the situation in Europe? Will the Community collapse, or will it be held up by its own braces? I am very concerned about this, and I believe that more information should be made available to the public so that they can come to the right conclusions in time.

The Financial Secretary has said that he is quite prepared to go back into the ERM, on his own conditions, when the time is ripe for the United Kingdom. But we have heard other versions of this. We have heard that the time will be ripe only when German interest rates fall. I believe that the Prime Minister has said, too, that the time will be ripe only when the flaws in the situation are removed. What are the flaws? They have never been identified.

Schlesinger has said that there are no flaws and that he is quite prepared to abide by existing arrangements. Others have suggested that perhaps the yen and the dollar should be admitted before we get to stage 3. I do not know; I am concerned and I think that we should look into the whole matter very carefully before we make the final move.

I will say one thing with absolute certainty: while I agree that there is a two-speed Europe and there is likely to be one, I would not like to see a Bonn-Paris axis. That could be as dangerous as the situation that we had many years ago.

I suggest to the Committee that, before rushing to ratify the treaty, we think of some of the strange consequences that could overwhelm us. Russia now is on the brink of civil war—but I will not go too far down that road, Mr. Morris. There are other significant movements in Europe. The former Yugoslavia is upside down and is developing some resources, which will be discussed in the next series of amendments. I will not go too far down that road, because you might check me, Mr. Morris. I am always willing to oblige and, if I am wrong, I will make myself right. There are complications in Europe. We do not know what the situation is likely to be in France with a new right-wing Government. I will not go too far down that route, because I would be checked then also.

We are dealing with the three stages. On the acceptance of Maastricht, we will be in stage 1. On 1 January 1994, we will be in stage 2. We will amble on like everybody else through all the conditions, convergence principles, and so on, complying with the treaty, and complying with the small print, which many people have not been prepared to follow. Then we will come up to stage 3. Shall we go in or shall we remain outside?

We will have no option. We will come to that point and the Prime Minister will say that it is right for the United Kingdom to enter the third stage. By that time the spring will have sprung. It will be irrevocable. There will be fixed exchange rates and we will be tied to Europe, tied to the most powerful country. The most powerful country, of course, will be Germany; it is very competitive and it can destroy our economy.

8.45 pm

Mr. Irvine Patnick (Lords Commissioner to the Treasury) *rose in his place and claimed to move,* That the Question be now put.

Question put, That the Question be now put:—

The Committee divided: Ayes 277, Noes 195.

Division No. 212] **[8.46 pm**

AYES

Adley, Robert	Bottomley, Rt Hon Virginia
Ainsworth, Peter *(East Surrey)*	Bowden, Andrew
Aitken, Jonathan	Bowis, John
Alexander, Richard	Brandreth, Gyles
Alton, David	Brazier, Julian
Amess, David	Bright, Graham
Ancram, Michael	Brooke, Rt Hon Peter
Arbuthnot, James	Brown, M. *(Brigg & Cl'thorpes)*
Arnold, Jacques *(Gravesham)*	Browning, Mrs. Angela
Arnold, Sir Thomas *(Hazel Grv)*	Bruce, Ian *(S Dorset)*
Ashby, David	Bruce, Malcolm *(Gordon)*
Ashdown, Rt Hon Paddy	Burns, Simon
Atkinson, Peter *(Hexham)*	Burt, Alistair
Baker, Nicholas *(Dorset North)*	Butterfill, John
Baldry, Tony	Campbell, Menzies *(Fife NE)*
Banks, Matthew *(Southport)*	Carlile, Alexander *(Montgomry)*
Banks, Robert *(Harrogate)*	Carlisle, Kenneth *(Lincoln)*
Bates, Michael	Carrington, Matthew
Batiste, Spencer	Channon, Rt Hon Paul
Bellingham, Henry	Chapman, Sydney
Beresford, Sir Paul	Churchill, Mr
Blackburn, Dr John G.	Clarke, Rt Hon Kenneth *(Rushcl)*
Booth, Hartley	Clifton-Brown, Geoffrey
Boswell, Tim	Coe, Sebastian
Bottomley, Peter *(Eltham)*	Colvin, Michael

Congdon, David
Conway, Derek
Coombs, Anthony *(Wyre For'st)*
Coombs, Simon *(Swindon)*
Cope, Rt Hon Sir John
Cormack, Patrick
Couchman, James
Curry, David *(Skipton & Ripon)*
Dafis, Cynog
Davis, David *(Boothferry)*
Day, Stephen
Deva, Nirj Joseph
Dickens, Geoffrey
Dorrell, Stephen
Douglas-Hamilton, Lord James
Dover, Den
Duncan, Alan
Dunn, Bob
Durant, Sir Anthony
Eggar, Tim
Elletson, Harold
Emery, Rt Hon Sir Peter
Evans, David *(Welwyn Hatfield)*
Evans, Jonathan *(Brecon)*
Evans, Nigel *(Ribble Valley)*
Evans, Roger *(Monmouth)*
Evennett, David
Faber, David
Fabricant, Michael
Fairbairn, Sir Nicholas
Fenner, Dame Peggy
Field, Barry *(Isle of Wight)*
Fishburn, Dudley
Forsyth, Michael *(Stirling)*
Forth, Eric
Foster, Don *(Bath)*
Fowler, Rt Hon Sir Norman
Fox, Dr Liam *(Woodspring)*
Fox, Sir Marcus *(Shipley)*
Freeman, Roger
French, Douglas
Gale, Roger
Gallie, Phil
Garel-Jones, Rt Hon Tristan
Garnier, Edward
Gillan, Cheryl
Goodson-Wickes, Dr Charles
Gorst, John
Grant, Sir Anthony *(Cambs SW)*
Greenway, Harry *(Ealing N)*
Greenway, John *(Ryedale)*
Griffiths, Peter *(Portsmouth, N)*
Grylls, Sir Michael
Gummer, Rt Hon John Selwyn
Hague, William
Hamilton, Rt Hon Archie *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, Sir John
Hargreaves, Andrew
Harris, David
Haselhurst, Alan
Hawkins, Nick
Hayes, Jerry
Heald, Oliver
Heath, Rt Hon Sir Edward
Heathcoat-Amory, David
Hendry, Charles
Heseltine, Rt Hon Michael
Hicks, Robert
Higgins, Rt Hon Sir Terence L.
Hill, James *(Southampton Test)*
Hogg, Rt Hon Douglas *(G'tham)*
Horam, John
Hordern, Rt Hon Sir Peter
Howard, Rt Hon Michael
Howarth, Alan *(Strat'rd-on-A)*
Howell, Rt Hon David *(G'dford)*
Hunt, Rt Hon David *(Wirral W)*
Hunt, Sir John *(Ravensbourne)*
Hunter, Andrew
Jack, Michael
Jackson, Robert *(Wantage)*
Johnson Smith, Sir Geoffrey
Johnston, Sir Russell
Jones, Gwilym *(Cardiff N)*
Jones, Ieuan Wyn *(Ynys Môn)*
Jones, Nigel *(Cheltenham)*
Jopling, Rt Hon Michael
Kellett-Bowman, Dame Elaine
Kennedy, Charles *(Ross,C&S)*
Key, Robert
Kilfedder, Sir James
King, Rt Hon Tom
Kirkwood, Archy
Knight, Mrs Angela *(Erewash)*
Knight, Greg *(Derby N)*
Knight, Dame Jill *(Bir'm E'st'n)*
Knox, David
Kynoch, George *(Kincardine)*
Lait, Mrs Jacqui
Lamont, Rt Hon Norman
Lennox-Boyd, Mark
Lester, Jim *(Broxtowe)*
Lidington, David
Lightbown, David
Lilley, Rt Hon Peter
Lloyd, Peter *(Fareham)*
Llwyd, Elfyn
Luff, Peter
Lynne, Ms Liz
MacGregor, Rt Hon John
MacKay, Andrew
Maclean, David
Maclennan, Robert
McLoughlin, Patrick
Madel, David
Maitland, Lady Olga
Malone, Gerald
Mans, Keith
Marland, Paul
Marshall, John *(Hendon S)*
Marshall, Sir Michael *(Arundel)*
Martin, David *(Portsmouth S)*
Mates, Michael
Mawhinney, Dr Brian
Mayhew, Rt Hon Sir Patrick
Mellor, Rt Hon David
Merchant, Piers
Milligan, Stephen
Mills, Iain
Mitchell, Andrew *(Gedling)*
Monro, Sir Hector
Montgomery, Sir Fergus
Moss, Malcolm
Needham, Richard
Nelson, Anthony
Neubert, Sir Michael
Newton, Rt Hon Tony
Nicholls, Patrick
Nicholson, David *(Taunton)*
Nicholson, Emma *(Devon West)*
Norris, Steve
Onslow, Rt Hon Sir Cranley
Oppenheim, Phillip
Ottaway, Richard
Page, Richard
Paice, James
Patnick, Irvine
Patten, Rt Hon John
Pattie, Rt Hon Sir Geoffrey
Pawsey, James
Peacock, Mrs Elizabeth
Pickles, Eric
Porter, Barry *(Wirral S)*
Portillo, Rt Hon Michael
Powell, William *(Corby)*
Rathbone, Tim
Redwood, John
Richards, Rod
Riddick, Graham
Rifkind, Rt Hon. Malcolm
Roberts, Rt Hon Sir Wyn
Robertson, Raymond *(Ab'd'n S)*
Robinson, Mark *(Somerton)*
Rowe, Andrew *(Mid Kent)*
Rumbold, Rt Hon Dame Angela
Ryder, Rt Hon Richard
Sackville, Tom
Sainsbury, Rt Hon Tim
Scott, Rt Hon Nicholas
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shephard, Rt Hon Gillian
Shepherd, Colin *(Hereford)*
Shersby, Michael
Smith, Tim *(Beaconsfield)*
Soames, Nicholas
Spencer, Sir Derek
Spicer, Sir James *(W Dorset)*
Spink, Dr Robert
Spring, Richard
Sproat, Iain
Squire, Robin *(Hornchurch)*
Stanley, Rt Hon Sir John
Steen, Anthony
Stephen, Michael
Stern, Michael
Stewart, Allan
Streeter, Gary
Sumberg, David
Sykes, John
Taylor, John M. *(Solihull)*
Taylor, Matthew *(Truro)*
Temple-Morris, Peter
Thomason, Roy
Thompson, Sir Donald *(C'er V)*
Thompson, Patrick *(Norwich N)*
Thornton, Sir Malcolm
Thurnham, Peter
Townsend, Cyril D. *(Bexl'yh'th)*
Tracey, Richard
Tredinnick, David
Trotter, Neville
Twinn, Dr Ian
Tyler, Paul
Vaughan, Sir Gerard
Viggers, Peter
Waldegrave, Rt Hon William
Walden, George
Waller, Gary
Ward, John
Wardle, Charles *(Bexhill)*
Waterson, Nigel
Wells, Bowen
Wheeler, Rt Hon Sir John
Whitney, Ray
Whittingdale, John
Widdecombe, Ann
Wiggin, Sir Jerry
Wigley, Dafydd
Willetts, David
Wolfson, Mark
Wood, Timothy
Yeo, Tim
Young, Sir George *(Acton)*

Tellers for the Ayes:
Mr. Timothy Kirkhope and Mr. Robert Hughes.

NOES

Abbott, Ms Diane
Adams, Mrs Irene
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Anderson, Donald *(Swansea E)*
Anderson, Ms Janet *(Ros'dale)*
Ashton, Joe
Barnes, Harry
Barron, Kevin
Battle, John
Bayley, Hugh
Beckett, Rt Hon Margaret
Bell, Stuart
Benn, Rt Hon Tony
Bennett, Andrew F.
Bermingham, Gerald
Betts, Clive
Boateng, Paul
Body, Sir Richard
Boyce, Jimmy
Boyes, Roland
Bradley, Keith
Bray, Dr Jeremy
Brown, N. *(N'c'tle upon Tyne E)*
Budgen, Nicholas
Burden, Richard
Byers, Stephen
Caborn, Richard
Callaghan, Jim
Campbell, Mrs Anne *(C'bridge)*
Campbell-Savours, D. N.
Canavan, Dennis
Cann, Jamie
Carlisle, John *(Luton North)*
Carttiss, Michael
Cash, William
Chisholm, Malcolm
Clapham, Michael
Clarke, Eric *(Midlothian)*
Clelland, David
Clwyd, Mrs Ann
Cohen, Harry
Connarty, Michael
Cook, Frank *(Stockton N)*
Corbett, Robin
Corston, Ms Jean
Cryer, Bob
Cummings, John
Cunliffe, Lawrence
Cunningham, Jim *(Covy SE)*
Darling, Alistair
Davidson, Ian
Davies, Bryan *(Oldham C'tral)*
Davies, Rt Hon Denzil *(Llanelli)*
Davis, Terry *(B'ham, H'dge H'l)*
Denham, John
Dewar, Donald
Dixon, Don
Dobson, Frank
Donohoe, Brian H.
Dowd, Jim
Dunwoody, Mrs Gwyneth
Eagle, Ms Angela
Eastham, Ken
Enright, Derek
Etherington, Bill
Field, Frank *(Birkenhead)*
Flynn, Paul
Foster, Rt Hon Derek
Fraser, John
Fyfe, Maria
Galbraith, Sam
Gapes, Mike
Garrett, John
George, Bruce
Gerrard, Neil
Gill, Christopher
Godman, Dr Norman A.
Godsiff, Roger
Golding, Mrs Llin
Gordon, Mildred
Gorman, Mrs Teresa
Grant, Bernie *(Tottenham)*
Griffiths, Nigel *(Edinburgh S)*

Griffiths, Win *(Bridgend)*
Grocott, Bruce
Gunnell, John
Hain, Peter
Hall, Mike
Hanson, David
Heppell, John
Hinchliffe, David
Hogg, Norman *(Cumbernauld)*
Home Robertson, John
Hood, Jimmy
Hoon, Geoffrey
Howarth, George *(Knowsley N)*
Howells, Dr. Kim *(Pontypridd)*
Hughes, Kevin *(Doncaster N)*
Hughes, Roy *(Newport E)*
Hutton, John
Illsley, Eric
Ingram, Adam
Jackson, Glenda *(H'stead)*
Jackson, Helen *(Shef'ld, H)*
Jessel, Toby
Jones, Barry *(Alyn and D'side)*
Jones, Lynne *(B'ham S O)*
Kaufman, Rt Hon Gerald
Keen, Alan
Kennedy, Jane *(Lpool Brdgn)*
Khabra, Piara S.
Kilfoyle, Peter
Knapman, Roger
Lawrence, Sir Ivan
Leighton, Ron
Litherland, Robert
Livingstone, Ken
Lloyd, Tony *(Stretford)*
Lord, Michael
Loyden, Eddie
McAllion, John
McAvoy, Thomas
McCartney, Ian
Macdonald, Calum
McKelvey, William
Mackinlay, Andrew
McLeish, Henry
McMaster, Gordon
Madden, Max
Maginnis, Ken
Mandelson, Peter
Marek, Dr John
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester, S)*
Martin, Michael J. *(Springburn)*
Michie, Bill *(Sheffield Heeley)*
Milburn, Alan
Miller, Andrew
Molyneaux, Rt Hon James
Morley, Elliot
Morris, Estelle *(B'ham Yardley)*
Mudie, George
Mullin, Chris
Murphy, Paul
Oakes, Rt Hon Gordon
O'Brien, William *(Normanton)*
O'Hara, Edward
Olner, William
Pendry, Tom
Pickthall, Colin
Pike, Peter L.
Pope, Greg
Powell, Ray *(Ogmore)*
Prentice, Ms Bridget *(Lew'm E)*
Prentice, Gordon *(Pendle)*
Prescott, John
Primarolo, Dawn
Quin, Ms Joyce
Randall, Stuart
Rogers, Allan
Ross, Ernie *(Dundee W)*
Ross, William *(E Londonderry)*
Rowlands, Ted
Ruddock, Joan
Sheldon, Rt Hon Robert
Shepherd, Richard *(Aldridge)*
Shore, Rt Hon Peter
Short, Clare
Skeet, Sir Trevor
Skinner, Dennis
Smith, Andrew *(Oxford E)*
Smith, Llew *(Blaenau Gwent)*
Spearing, Nigel
Stott, Roger
Taylor, Mrs Ann *(Dewsbury)*
Trimble, David
Turner, Dennis
Vaz, Keith
Walker, A. Cecil *(Belfast N)*
Walker, Bill *(N Tayside)*
Walker, Rt Hon Sir Harold
Walley, Joan
Wardell, Gareth *(Gower)*
Wareing, Robert N
Watson, Mike
Wicks, Malcolm
Wilkinson, John
Williams, Rt Hon Alan *(Sw'n W)*
Winnick, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macc'f'ld)*
Worthington, Tony
Wray, Jimmy
Wright, Dr Tony

Tellers for the Noes:
Mr. Jon Owen Jones and
Mr. Alan Meale.

Question accordingly agreed to.

Question put accordingly, That the amendment be made:

The Committee divided: Ayes 80, Noes 275.

Division No. 213] **[9 pm**

AYES

Abbott, Ms Diane
Adams, Mrs Irene
Ashton, Joe
Barnes, Harry
Benn, Rt Hon Tony
Bermingham, Gerald
Biffen, Rt Hon John
Body, Sir Richard
Boyce, Jimmy
Budgen, Nicholas
Burden, Richard
Callaghan, Jim
Canavan, Dennis
Carlisle, John *(Luton North)*
Carttiss, Michael
Cash, William
Chisholm, Malcolm
Clapham, Michael
Cohen, Harry
Connarty, Michael
Corston, Ms Jean
Cryer, Bob
Cummings, John
Cunliffe, Lawrence
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davis, Terry *(B'ham, H'dge H'l)*
Dunwoody, Mrs Gwyneth
Etherington, Bill
George, Bruce
Gerrard, Neil
Gill, Christopher
Godman, Dr Norman A.
Godsiff, Roger
Gorman, Mrs Teresa
Grant, Bernie *(Tottenham)*
Hood, Jimmy
Howarth, George *(Knowsley N)*
Hughes, Roy *(Newport E)*
Jessel, Toby
Jones, Lynne *(B'ham S O)*
Kennedy, Jane *(Lpool Brdgn)*
Knapman, Roger
Lawrence, Sir Ivan
Leighton, Ron
Livingstone, Ken
Lord, Michael
Loyden, Eddie
McAllion, John
McAvoy, Thomas
McKelvey, William
Madden, Max
Maginnis, Ken
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester, S)*
Martin, Michael J. *(Springburn)*
Michie, Bill *(Sheffield Heeley)*
Molyneaux, Rt Hon James
Olner, William
Parry, Robert
Ross, William *(E Londonderry)*
Sheldon, Rt Hon Robert
Shepherd, Richard *(Aldridge)*
Shore, Rt Hon Peter
Skeet, Sir Trevor
Skinner, Dennis
Smith, Llew *(Blaenau Gwent)*
Spearing, Nigel
Tapsell, Sir Peter
Trimble, David
Walker, A. Cecil *(Belfast N)*
Walker, Bill *(N Tayside)*
Watson, Mike
Wilkinson, John
Williams, Rt Hon Alan *(Sw'n W)*
Winnick, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macc'f'ld)*
Wray, Jimmy
Wright, Dr Tony

Tellers for the Ayes:
Mr. Alan F. Bennett and
Mr. Ted Rowlands.

NOES

Adley, Robert
Ainsworth, Peter *(East Surrey)*
Aitken, Jonathan
Alexander, Richard
Alton, David
Amess, David
Ancram, Michael
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Arnold, Sir Thomas *(Hazel Grv)*
Ashby, David
Ashdown, Rt Hon Paddy
Atkinson, Peter *(Hexham)*
Baker, Nicholas *(Dorset North)*
Baldry, Tony
Banks, Matthew *(Southport)*
Banks, Robert *(Harrogate)*
Bates, Michael
Batiste, Spencer
Bellingham, Henry
Beresford, Sir Paul
Blackburn, Dr John G.
Booth, Hartley
Boswell, Tim
Bottomley, Peter *(Eltham)*
Bottomley, Rt Hon Virginia
Bowden, Andrew
Bowis, John
Brandreth, Gyles
Brazier, Julian
Bright, Graham
Brooke, Rt Hon Peter
Brown, M. *(Brigg & Cl'thorpes)*
Browning, Mrs. Angela
Bruce, Ian *(S Dorset)*
Bruce, Malcolm *(Gordon)*
Burns, Simon
Burt, Alistair
Butterfill, John
Campbell, Menzies *(Fife NE)*
Carlile, Alexander *(Montgomry)*
Carlisle, Kenneth *(Lincoln)*
Carrington, Matthew
Channon, Rt Hon Paul
Churchill, Mr
Clarke, Rt Hon Kenneth *(Rushcl)*
Clifton-Brown, Geoffrey
Coe, Sebastian
Colvin, Michael
Congdon, David
Conway, Derek
Coombs, Anthony *(Wyre For'st)*
Coombs, Simon *(Swindon)*
Cope, Rt Hon Sir John
Cormack, Patrick
Couchman, James
Curry, David *(Skipton & Ripon)*
Dafis, Cynog
Davis, David *(Boothferry)*
Day, Stephen
Dickens, Geoffrey
Dorrell, Stephen
Douglas-Hamilton, Lord James
Dover, Den
Duncan, Alan
Dunn, Bob
Durant, Sir Anthony
Eggar, Tim
Elletson, Harold
Emery, Rt Hon Sir Peter
Enright, Derek
Evans, David *(Welwyn Hatfield)*
Evans, Jonathan *(Brecon)*
Evans, Nigel *(Ribble Valley)*
Evans, Roger *(Monmouth)*
Evennett, David
Faber, David
Fabricant, Michael
Fairbairn, Sir Nicholas
Fenner, Dame Peggy
Field, Barry *(Isle of Wight)*
Fishburn, Dudley
Forsyth, Michael *(Stirling)*
Forth, Eric
Foster, Don *(Bath)*
Fowler, Rt Hon Sir Norman
Fox, Dr Liam *(Woodspring)*
Fox, Sir Marcus *(Shipley)*
Freeman, Roger
French, Douglas
Gale, Roger
Gallie, Phil
Garel-Jones, Rt Hon Tristan
Garnier, Edward
Gillan, Cheryl
Goodson-Wickes, Dr Charles
Gorst, John
Grant, Sir Anthony *(Cambs SW)*

Greenway, Harry *(Ealing N)*
Greenway, John *(Ryedale)*
Gryffs, Sir Michael
Gummer, Rt Hon John Selwyn
Hague, William
Hamilton, Rt Hon Archie *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, Sir John
Hargreaves, Andrew
Harris, David
Haselhurst, Alan
Hawkins, Nick
Hayes, Jerry
Heald, Oliver
Heath, Rt Hon Sir Edward
Heathcoat-Amory, David
Hendry, Charles
Heseltine, Rt Hon Michael
Hicks, Robert
Higgins, Rt Hon Sir Terence L.
Hill, James *(Southampton Test)*
Hogg, Rt Hon Douglas *(G'tham)*
Horam, John
Hordern, Rt Hon Sir Peter
Howard, Rt Hon Michael
Howarth, Alan *(Strat'rd-on-A)*
Howell, Rt Hon David *(G'dford)*
Hughes Robert G. *(Harrow W)*
Hunt, Rt Hon David *(Wirral W)*
Hunt, Sir John *(Ravensbourne)*
Jack, Michael
Jackson, Robert *(Wantage)*
Johnson Smith, Sir Geoffrey
Johnston, Sir Russell
Jones, Gwilym *(Cardiff N)*
Jones, Ieuan Wyn *(Ynys Môn)*
Jones, Nigel *(Cheltenham)*
Jopling, Rt Hon Michael
Kellett-Bowman, Dame Elaine
Kennedy, Charles *(Ross,C&S)*
Key, Robert
Kilfedder, Sir James
King, Rt Hon Tom
Kirkhope, Timothy
Kirkwood, Archy
Knight, Mrs Angela *(Erewash)*
Knight, Greg *(Derby N)*
Knight, Dame Jill *(Bir'm E'st'n)*
Knox, David
Kynoch, George *(Kincardine)*
Lait, Mrs Jacqui
Lamont, Rt Hon Norman
Lennox-Boyd, Mark
Lester, Jim *(Broxtowe)*
Lidington, David
Lilley, Rt Hon Peter
Lloyd, Peter *(Fareham)*
Llwyd, Elfyn
Luff, Peter
Lyell, Rt Hon Sir Nicholas
Lynne, Ms Liz
Macdonald, Calum
MacGregor, Rt Hon John
MacKay, Andrew
Maclean, David
Maclennan, Robert
McLoughlin, Patrick
Madel, David
Maitland, Lady Olga
Malone, Gerald
Mans, Keith
Marland, Paul
Marshall, John *(Hendon S)*
Marshall, Sir Michael *(Arundel)*
Martin, David *(Portsmouth S)*
Mates, Michael
Mawhinney, Dr Brian
Mayhew, Rt Hon Sir Patrick
Mellor, Rt Hon David
Merchant, Piers
Milligan, Stephen
Mills, Iain
Mitchell, Andrew *(Gedling)*
Monro, Sir Hector
Montgomery, Sir Fergus
Moss, Malcolm
Needham, Richard
Nelson, Anthony
Neubert, Sir Michael
Newton, Rt Hon Tony
Nicholls, Patrick
Nicholson, David *(Taunton)*
Nicholson, Emma *(Devon West)*
Norris, Steve
Onslow, Rt Hon Sir Cranley
Oppenheim, Phillip
Ottaway, Richard
Page, Richard
Paice, James
Patnick, Irvine
Patten, Rt Hon John
Pattie, Rt Hon Sir Geoffrey
Peacock, Mrs Elizabeth
Pickles, Eric
Porter, Barry *(Wirral S)*
Portillo, Rt Hon Michael
Powell, William *(Corby)*
Rathbone, Tim
Redwood, John
Richards, Rod
Riddick, Graham
Rifkind, Rt Hon. Malcolm
Roberts, Rt Hon Sir Wyn
Robertson, Raymond *(Ab'd'n S)*
Robinson, Mark *(Somerton)*
Rowe, Andrew *(Mid Kent)*
Rumbold, Rt Hon Dame Angela
Ryder, Rt Hon Richard
Sackville, Tom
Sainsbury, Rt Hon Tim
Scott, Rt Hon Nicholas
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shephard, Rt Hon Gillian
Shepherd, Colin *(Hereford)*
Shersby, Michael
Smith, Tim *(Beaconsfield)*
Soames, Nicholas
Spencer, Sir Derek
Spicer, Sir James *(W Dorset)*
Spink, Dr Robert
Spring, Richard
Sproat, Iain
Squire, Robin *(Hornchurch)*
Stanley, Rt Hon Sir John
Steen, Anthony
Stephen, Michael
Stern, Michael
Stewart, Allan
Streeter, Gary
Sumberg, David
Sykes, John
Taylor, John M. *(Solihull)*
Taylor, Matthew *(Truro)*
Temple-Morris, Peter
Thomason, Roy
Thompson, Sir Donald *(C'er V)*
Thompson, Patrick *(Norwich N)*
Thornton, Sir Malcolm
Thurnham, Peter
Townsend, Cyril D. *(Bexl'yh'th)*
Tracey, Richard
Tredinnick, David
Trotter, Neville
Twinn, Dr Ian
Tyler, Paul
Vaughan, Sir Gerard
Viggers, Peter
Waldegrave, Rt Hon William
Walden, George
Waller, Gary
Ward, John
Wardle, Charles *(Bexhill)*
Waterson, Nigel
Wells, Bowen
Wheeler, Rt Hon Sir John
Whitney, Ray
Widdecombe, Ann
Wiggin, Sir Jerry
Wigley, Dafydd
Willetts, David
Wolfson, Mark
Wood, Timothy
Yeo, Tim
Young, Sir George *(Acton)*

Tellers for the Noes:
Mr. Sydney Chapman and
Mr. David Lightbown.

Question accordingly negatived.

The Chairman: We now move to the group on foreign and security and amendment No. 227. Mr. William Cash? Mr. Spicer? Mr. Gill? Mr. Cran? Mr. Shepherd? *[Interruption.]* Mr. Shepherd.

Mr. Rogers: On a point of order, Mr. Morris. Before you called Mr. Shepherd, I had moved the amendment formally.

The Chairman: The hon. Gentleman did not.

Mr. Rogers: Yes, I did. I stood and moved it formally.

The Chairman: I am afraid that the hon. Member cannot do that. It is not the procedure. I have to go through the list of people who are attached to the amendment. Mr. Shepherd has the floor to move the amendment.

Mr. Richard Shepherd (Aldridge-Brownhills): Then I move it formally as well.

Amendment proposed: No. 227, in page 1, line 9, after 'II', insert 'except Article 238'.—*[Mr. Richard Shepherd.]*

The Chairman: With this, it will be convenient also to discuss the following: Amendment No. 231, in page 1, line 9, after 'II', insert 'except Article 228'.

Amendment No. 232, in page 1, line 9, after 'II', insert 'except Article 228a'.

Amendment No. 30, in page 1, line 9, leave out 'and IV' and insert 'IV and V.'.

Amendment (a) to amendment No. 30, in line 1, at end add

'(except Article J.2 of Title V)'.

Amendment (b) to amendment No. 30, in line 1, at end add

'(except Article J.4 of Title V)'.

Amendment (c) to amendment No. 30, in line 1, at end add

'but not Article J.1 in Title V thereof'.

Amendment (d) to amendment No. 30, in line 1, at end add

'but not Article J.3 in Title V thereof'.

Amendment (e) to amendment No. 30, in line 1, at end add

'but not Article J.5 in Title V thereof'.

Amendment (f) to amendment No. 30, in line 1, at end add

'but not Article J.6 in Title V thereof'.

Amendment (g) to amendment No. 30, in line 1, at end add

'but not Article J.7 in Title V thereof'.

Amendment (h) to amendment No. 30, in line 1, at end add

'but not Article J.8 in Title V thereof'.

Amendment (i) to amendment No. 30, in line 1, at end add

'but not Article J.9 in Title V thereof'.

Amendment (j) to amendment No. 30, in line 1, at end add

'but not Article J.10 in Title V thereof'.

Amendment (k) to amendment No. 30, in line 1, at end add

'but not Article J.11 in Title V thereof'.

Amendment No. 224, in page 1, line 9, leave out 'and IV' and insert 'IV and V'.

New clause 5—*Foreign, security and defence policy*—

'The Secretary of State shall lay before Parliament a report of any case in which decisions taken, or proposed to be taken, by the Union in the course of implementing a common foreign, security and defence policy (pursuant to Article B in Title I of the Maastricht Treaty) are in his opinion inimical to the best interests of the United Kingdom.'.

Mr. David Howell (Guildford): The amendments relate to the part of the Bill—and the relevant part of the treaty—concerning provisions on a common foreign and security policy. Article J of the treaty states:

"A common foreign and security policy is hereby established which shall be governed by the following provisions."

The provisions follow.

This is supposed to be the part of the treaty, and the part of the Bill relevant to the treaty, in which the full machinery of the Community—and the machinery of the Commission—are to be kept at bay. We are presented here with one of the pillar elements of the treaty, which will be governed by intergovernmental co-operation rather than by the machinery of the Community. We should first examine the degree to which the Community machinery will indeed be kept out of the creation of a common foreign and security policy.

9.15 pm

Dr. Godman: I thank the right hon. Gentleman for giving way with his characteristic courtesy. Will he confirm that states making formal application for membership of what will be the European union must accept common security and defence policy as it stands?

Mr. Howell: "Confirm" is too strong a word, but I understand that will be the case, although states may seek certain derogations in the negotiations leading to their membership. Broadly speaking, the hon. Gentleman is right: they will be embraced in this part of the union, and will be covered by the pillar of intergovernmental operations that is supposed to deliver a common foreign policy.

Mr. John Wilkinson (Ruislip-Northwood): At the Edinburgh summit, did not the Danes explicitly secure a derogation on defence? Denmark is not a member of the Western European Union, and it does not want the defence obligations contained in the treaty.

Mr. Howell: What Denmark did and not get at the Edinburgh summit is a very interesting, almost surreal subject. The decisions about derogation for Denmark were not made by the Community; they were decided by the individuals who happened to be present as members of the European Council of Ministers, but not in their capacity as Community members. Oddly enough, however, the decision—which was not a Community decision—that Denmark should have those derogations was then recorded in the minutes of Community affairs.

The set of derogations for Denmark has an almost Hamlet-like, almost ghostlike, quality. No one is quite sure what the Danes have or have not secured for themselves, apart from feeling that they are in some way not bound by these matters.

Mr. Nigel Spearing (Newham, South) *rose*—

Mr. Rowlands *rose*—

Mr. Howell: I want to proceed with my speech. I have already given way twice in two minutes.

First, I want to examine the extent to which we shall see a separation between the activities of the Community machinery—particularly the activities of the Commission—and the activities of the Council of Ministers, acting in its intergovernmental role of dealing with foreign affairs. That requires examination, because the Commission has competences in external affairs. Those external affairs are meant to be of a commercial and economic nature, and indeed they are; but a large proportion of all foreign policy issues are intimately, inextricably linked with commerce and external financial matters. We must ask to what extent it will be possible, in practice, for a separation to be maintained between the foreign policy issues that do not impinge on the competence of the Commission and the Community, and the foreign policy issues that are inextricably woven together in both economic and non-economic matters.

It will be difficult, first, because, as I have said, up to 80 per cent. of all foreign-policy issues touch on commercial, economic and financial matters. Secondly, as the treaty makes clear, the Commission will have a seat on the Council of Ministers. It will have certain rights to initiate ideas and proposals in the Council on issues of foreign policy. I hope that we can ensure that, as the treaty develops and emerges, that does not lead to a gradual erosion of the pillar that we are discussing until it becomes a mere needle and eventually evaporates altogether, so that foreign policy and common security policy, in practice, become the bailiwick of the Community machinery.

That would be a pity, and it would go flatly against what some of us want to see, which is that the pillar elements in the treaty—the intergovernmental elements—far from being eroded and weakened, need to be strengthened so as to foster what my right hon. Friend the Foreign Secretary calls an alternative model for European development. If we are to develop that, it is a strengthening of the pillars, rather than a weakening and erosion, that we need to see.

Another difficulty is that the treaty insists in its early articles, long since debated, that there should be one institutional framework in which all activities, whether the intergovernmental pillar ones that we are discussing or the many issues that have already been discussed at great length in Committee, should be contained. That is a concept that we shall need to challenge as we begin to reform and revise the treaty in the period leading up to 1996, when I hope that there will be a major contribution, not least by Government and the United Kingdom, to a new constitution for Europe that will be rather different from the one that we shall find immediately after the completion of the Maastricht process.

If we are to see a common foreign policy handled in a sensible, pragmatic way, and not turned into a mish-mash and blur of the sort that I shall outline later, leading to serious foreign policy errors, it is important that in due course we should move away from a single institutional framework that embraces all the activities of European

[Mr. Howell]

nations, large and small, ancient and not so ancient—in other words, one massive structure or network. That would be a wrong starting point, and certainly a wrong finishing point. It is important for us to recognise that in future there can be different institutional frameworks to deal with different issues. Foreign policy and, I suspect, security and defence policies are different in their texture from some of the other issues that are embodied in the Rome treaty, the Single European Act and the Maastricht treaty.

Mr. Spearing: I think that the right hon. Gentleman has reached the kernel of an important issue. Has he noticed that in the title that he is discussing there are at least 20 references to the Council, and we know that the Council will be the pivot of a single foreign and security policy? The right hon. Gentleman is the Chairman of the Select Committee on Foreign Affairs, who will be much involved in the matters that we are discussing. That being so, I am glad that he is contributing to the debate. Has the right hon. Gentleman questioned any Minister on how the separation between intergovernmental and other issues will be dealt with in the general council of the Council, which is sometimes called the Foreign Council, by a single organisation in the Council, and a single organisation under COREPER? Surely that is the unity that he has said that he fears.

Mr. Howell: The answer is yes. The Select Committee on Foreign Affairs has so questioned Ministers, and it hopes in due course to report to the House of Commons on its conclusions. Perhaps I should not go into too much detail about the conclusions we draw, but the evidence that has emerged suggests that it is very difficult to draw a permanent, hard and fast line between these two vast areas of foreign policy; and that the dangers of blurring and coincidence are considerable. We shall have to think of ways—they are not embodied in this treaty—of ensuring the continuation of the intergovernmental process by which we set great store and which is said to give this treaty a different flavour from previous European treaties. That process must be preserved and strengthened.

Secondly, not only do we want to avoid a single institutional framework but we note—perhaps we need to reinforce—the absence of any great convergence of foreign policy interests between the different powers and member states of the Community. We must be very careful not to try to impose a false convergence of foreign policy outlook on the interests of member states. If we do impose one, it will lead to unfortunate results and we will be pushing against reality, which is going the other way.

The truth is that, just as the economies of the member countries are not, alas, converging—in many ways they are diverging—so the politics and foreign policy concerns of the Community countries, although they overlap and there are areas of common interest that make a good case for working closely together in intergovernmental co-operation, are also growing apart. Changes of emphasis and contrasts of emphasis in foreign policy are becoming sharper as we move into the 1990s than they were in the 1980s. One has only to take a brief Cook's tour of continental Europe to see how these divergencies are growing. Unless we take them into account and understand them—as Keynes used to say, we must deal with what is really happening, not with what the theory says should be happening—we do not have much hope of establishing an effective framework for our foreign common policy.

The Germans, for instance, have their own agenda: they are concerned with unification. They are also on the other side of the Community; they look eastwards, and, as they always have been, their concerns are with their relations with central and eastern Europe—and with the great turmoil which is Russia today. That is their primary concern. Many Germans think of nothing else and are not interested in other dimensions of foreign policy. We must not criticise them for that.

I am not sure what the French agenda is. The French are going through a political earthquake, and what France's foreign policy priorities will be after it I am not sure. The concern in many French circles, however, is partly with eastern Europe—our concern, too—but much more with the Maghreb. The French look across the Mediterranean to the great nations of Algeria and Morocco, bound up as they are with French history and emotions. The primary fear of the Quai D'Orsay is about the problem of what will happen in these countries. Will there be a growth of vicious fundamentalism along the north African coast, ousting the moderate regimes that are trying to come to terms with the modern world?

Mr. Winnick: Was not there a good illustration of the failure of the member states of the European Community to reach a common foreign policy when we were faced with criminal aggression in 1990 in the form of the Iraqi invasion of Kuwait? The need then, as the right hon. Gentleman realised at the time, was to take up arms to end the criminal aggression. If we had waited for a common foreign policy to emerge, Kuwait would probably still be occupied by Iraq, unless, of course, the United States had acted alone.

Mr. Howell: The hon. Gentleman has made a very good point, and other examples could be cited. There is no doubt that, in the particular case to which the hon. Gentleman referred, great forces were at work in the world which drew the allies together in a coalition that was subsequently blessed by the United Nations. It was not actually a UN force. The idea of a common European policy was secondary and almost invisible.

9.30 pm

The Minister of State, Foreign and Commonwealth Office (Mr. Tristan Garel-Jones): Does my right hon. Friend agree that, during the events to which the hon. Member for Walsall, North (Mr. Winnick) referred, there was a consistent foreign policy on the part of EC countries through European political co-operation? However, there was no co-ordinated defence response from our European partners. That is one reason why the United Kingdom Government have taken the initiative in seeking to begin to develop, through the Western European Union, a defence dimension for Europe compatible with NATO. However, the political response during the crisis was there.

Mr. Howell: That is partly true, but if my right hon. Friend the Minister recalls the hectic days before the final decision to send troops into Kuwait, he will remember that there were a number of rather dramatic wobbles in the French approach to the matter, quite aside from the views from Bonn and Rome. In the end, a common foreign

policy view may have emerged, but it was sadly something following the event rather than at the cutting edge of the event.

Before the intervention by the hon. Member for Walsall, North (Mr. Winnick), I was touring the Europe of today trying to illustrate the dangers of stamping too tight a mould on the concept of common foreign policy which, I do not dispute, is useful in certain circumstances. However, if it were a general demand for uniformity, that would be gravely mistaken.

I have already referred to Germany and France. Italy is also a puzzle today. There are those, including senior statesmen in Italy, who question whether Italy will even exist as a state in a few years. It is certainly in a difficult position in respect of formulating and pursuing clear foreign policy. The previous Italian Government had a sort of agenda, particularly in respect of the Balkans. However, that is hardly a sound basis for a co-ordinated foreign policy.

Similarly, I am uncertain about the perspectives and priorities of Spain. It seems that the Spanish socialist Government are approaching the end of their time. A new Government will emerge who will probably remain very committed to the European Community, although the high promises on the economic side are clearly not being met. There is considerable disappointment about that. I really would not like to comment on current Spanish policy priorities, but I do not feel any particular closeness between what the Spanish are saying and what we are saying and identifying as our priorities.

Even poor little Belgium, which seemed to be the acme of the common approach whether in monetary affairs, economic competences or foreign policy, now seems to be quivering on the bough. It faces considerable difficulties on the economic side and in respect of foreign and internal domestic policies.

We have our own foreign policy priorities, part of which relate to the European context. In respect of many of those priorities, we want to work closely with our continental neighbours, not least in establishing a common line in respect of what we can do—if anything can be done at all—about the chaos in Russia or whether we will see that vast federation splinter into 20 countries in the same way that the Soviet Union splintered.

We have a very different perspective at the western end of Europe from that of the Germans and perhaps of almost all our continental neighbours. I have one example that I should like to draw to the attention of the Committee. We have a connection with, experience of and involvement in the Asian scene, particularly that of the south-east, as a result of chance, history and commerce of a kind that is not shared by any of the other Community countries. There is no doubt that events are now shaping in Asia in a hectic way as China begins to become the great economic power that it was always bound to become one day. The Chinese economic regions of Guangdong, Fukian, Hong Kong and Taiwan are beginning to trade with each other and generate capital flows across south-east Asia on a scale that makes our efforts in Europe look puny. It has almost reached the point where the inter-regional trade in south-east Asia is greater than ours in Europe.

I do not want to pursue the sensitive and difficult issue of Hong Kong, but, partly because of that and our traditional interests concerned with our commerce and our involvement and attitude of mind to that region, we are extremely interested in that issue, and we have a great deal to offer.

I make no apology for grinding a favourite axe, but there is no doubt that we and the Japanese have an intimacy and an understanding that is probably unmatched throughout the Community. Fears are aroused in Europe about a Japanese trade invasion, but hopes are also expressed about Japanese investment—a curious ambiguity of sentiments.

There is no doubt that Britain has a particular role to play in interpreting Japan to the rest of the Community and the rest of the Community to Japan. I would be sad to see that unique role submerged or rolled into a common foreign policy of the Community. I accept that the Commission has competencies concerning external trade and negotiates with the Japanese, but it is important to consider security and foreign policies, which are of vast importance.

We will have to become increasingly concerned with the defence structure of Asia. We will have to consider the attitude of the Asians, particularly the Japanese, to Russia, of which they see a far more brutal side than our own. That is of crucial importance to us.

Mr. Mike Gapes (Ilford, South): Is it not a fact that one of the problems of a relationship between the EC and Japan is its strong desire to become a permanent member of the United Nations Security Council? In the long term, our relationship will also be influenced by our relations, as Europeans, with Russia. The Japanese-Russian dispute over the northern islands, as the Japanese call them, is also important.

Surely it is absolutely impossible for us to have an important influence on the strategic debate within the EC unless we firmly endorse the processes towards the development of a common European policy on all aspects of security and international affairs.

Mr. Howell: I quibble only with the word "all" in the hon. Gentleman's intervention. Whether one can apply to all aspects the commonality, the commonisation—to conjure up a hideous word that is not in the dictionary—I rather doubt. The position of Japan vis-a-vis Russia is delicate and sensitive. The debate about its northern Islands is curious, especially when one considers how much territory the old Soviet Union conceded. It is hard for us to understand why the Russians want to hang on so grimly to such rather sad little islands. It is something, however, of great concern to Moscow and leads to extremely bad relations between that city and Tokyo.

Britain has a better understanding of some of the issues and how they might be resolved in a way to enable Japan to help Russia. If ever there was a natural matching, it must be between eastern Russia, a vast area of natural resources and commodities, and Japan, an island factory that uses them all up. That natural partnership does not exist at the moment because those countries detest each other. Perhaps we can help to overcome some of the problems.

Finally, I come to the saddest aspect of all of the attempts to put an over-zealous mould on the European foreign policies of EC members, and that is the Balkan fiasco. Here was an occasion when there appeared to be a European issue and the European nations said that not only was it a European issue, but that, in a sort of inverted

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way, as the tail came to wag the dog, we must invent a common European foreign policy and demonstrate that there was such a thing in order to deal with the Balkan issue. As a result, some fatal steps were taken, the costs of which, the penalties of which, the blood from which, we see now flowing before us on the television screens almost nightly.

I refer in particular to the decision, taken in the name of a common European foreign policy, to recognise as independent sovereign states Croatia and Bosnia—certainly in the case of Bosnia, flatly against the advice and overriding the criteria laid down by Mr. Badinter of the conseil d'etat, who was authorised to judge and assess whether those countries fulfilled the criteria to be recognised as independent sovereign states. He came to the conclusion that they were not, but they were recognised because, we were told, it was a choice between the common sense, particularly strong here in London and a view particularly held by my right hon. Friend the Foreign Secretary, with his vast practical grasp of these things, that it was wrong, and the demand that it had to be, because if everyone did not go along with the Germans they would do it anyway and that would bust up the common European foreign policy. Therefore, we had the extraordinary situation where unity was put before sanity.

Mr. George Walden (Buckingham): My hon. Friend makes a valid point, but the situation is even worse than he expresses it, because there was a sort of unity of contradictions. Those who believed as a dogma in a common European foreign policy, and therefore wanted to demonstrate it in ex-Yugoslavia in the way that my right hon. Friend has described, were supported, paradoxically, by those who opposed, vehemently and dogmatically, a common European foreign policy and stressed much more the nationalism in Europe. Those people pressed strongly —I shall name no eminent names—without necessarily even knowing in some cases that there were Muslims in that part of the world, from an opposite side of the spectrum for the catastrophic recognition of parts of former Yugoslavia. Therefore, we had the terrible situation where two dogmas collided to produce the sort of catastrophe that my right hon. Friend has described.

Mr. Howell: My hon. Friend is right and the catastrophe has scarcely begun. There is no conceivable end in sight. We now see the heroic attempts—I do not want to denigrate them in any way—to try to create some order after each stage, as the situation gets more and more violent in the Balkans, being frustrated more and more frequently. We now have the realisation that the famous maps put forward by Lord Owen and Cyrus Vance are unacceptable and, according to, I think, the chief of the general staff in today's papers, unenforceable.

There never was a possibility of even an EC-UN solution being imposed on the Bosnian quagmire, the Bosnian "sponge" and the Bosnian tragedy. Some difficult lessons are yet to be learnt about that sad area before there is the slightest hope that the balance of terror will be so great that the bloodshed and the shooting will cease and it will be possible to police some action to halt the atrocious Serbian aggression in some areas and the atrocities of other groups of combatants in other areas. Basically there must be a recognition—and it will take much swallowing —that the Serbians have won the war. The question is whether any of us, Europeans together or apart, with the Americans or with the Russians, have the political will to roll back the gains that the aggressors have made.

9.45 pm

Mr. Patrick Cormack (Staffordshire, South): Does it not give the most appalling signals of impotence that what has been recognised, rightly or wrongly, as an independent sovereign state is being subjugated by another sovereign state, with all the accompanying atrocities which are far worse than any since the second world war? United Nations soldiers, European soldiers and some British soldiers stand by—I make no criticism of them—while women and children are slaughtered in front of them. Is not that a damning indictment of our impotence?

Mr. Howell: It is a damning indictment of many things, including past mistakes, present impotence and failure to understand with our fingertips what is going on and what motivates people in that part of the world. We can either go on analysing the mistakes that have been made or we can say that we must try to do something constructive to halt the horrific problem that has been created.

We must ensure that both in the treaty and especially in the revision work that is to be done once the treaty is ratified we preserve and strengthen the pillars of intergovernmental co-operation. We put a question mark over the qualified majority voting. I was never in favour of that, although it is in the treaty. Even when joint action has been agreed, that system is a mistake. We must ensure that, when we build the European structure which will lie beyond Maastricht and which will have many qualities that are designed for a decentralised Europe, as my right hon. Friend the Foreign Secretary put in, we keep the pillars strong, pure and separate from erosion by ideas of imposing common foreign policy on all aspects of the diverse foreign interests of the different Community members, with the rich and encouraging differences that make up modern Europe.

Mr. Rogers: I thank the right hon. Gentleman who, I presume, is giving way. I hope that he will carry on and give us more of his expert advice. Does the right hon. Gentleman believe that structures should be set up on co-operation on these issues which are more elaborate than those proposed in the treaty and in the general context of the development of NATO?

Mr. Howell: I sensed that the Committee wanted to move on and I did not want to detain it for too long. My answer to the hon. Gentleman is no. More elaborate structures are not what we need. Clearer structures of intergovernmental co-operation can certainly be de veloped. We certainly need structures that have a more strongly entrenched element to prevent the constant trend towards centralisation. The language and vocabulary in the treaty beyond this treaty, which should be seen through but must be built on, should be less patronising and should recognise that power comes upwards from the people. We need such powers governing matters such as a common foreign policy, as well as the more centralised competences, rather than powers grandly devolved from the centre. We do not need elaborate structures.

Mr. Michael Lord (Suffolk, Central): My right hon. Friend has given us a delightful explanation of the

situation as he sees it, and in his usual precise and gentle way, he has taken to pieces the proposals that we are debating. Does he believe that the right way forward is to ratify the treaty and hope to take things forward in the direction that he wants, or does he think that that is the wrong signal and that now is the time to say, "We don't like the way it is going. We think that much of it is wrong and this is the point where we should stop and look at it anew"?

Mr. Howell: My hon. Friend tempts me, but, no, I do not. Elsewhere, far outside the House, decisions may be taken and events will occur—perhaps in Copenhagen on 18 May or in some constitutional labyrinth in Germany, where there are difficulties with ratification of the treaty—which may stop this part of the Maastricht process. It would be utterly wrong for us actively to seek to halt the Maastricht process and its implications.

Why do I think that? Because I want to see a reshaping of Europe in ways that will be far more congenial to the British temperate and attitudes and to the new applicants—the EFTA countries, the new democracies of eastern Europe and, dare I say it, even to millions of people in France, Germany and Italy. I want Britain to be involved in that and to recognise that, after 10 or 20 years of having been told that we must trail after the train of superior neighbours who will rush ahead otherwise, it is now the other way round and that, through our rather cooler thinking and our insistence on the derogations that we sought in the original Maastricht treaty—not least in the creation of the pillar of foreign policy separate from the Community—we may be in a position, if we can get the confidence in ourselves, which we always seem to lack at the crucial moment, to lead and shape the Europe of the 1990s.

Mr. Rogers: I accept the right hon. Gentleman's advice that it would be wrong to set up elaborate structures. The right hon. Member for Bridgwater (Mr. King) is present; when he was Secretary of State for Defence, Britain took the lead in setting up a rapid reaction corps. The Franco-German brigade is being developed and I should be interested to hear the views of the right hon. Member for Guildford on the development of a European security force.

Mr. Howell: I do not think that these are beginnings. Practical bilateral and intergovernmental arrangements are being made between Community countries. People always underestimate, because there is little rhetoric attached to it, the closeness of French and British co-operation. We hear tremendous speeches about the Franco-German brigade, but the reality is that French and British senior soldiers and military personnel are co-operating in a most intimate and effective way. Such intergovernmental co-operation is good and welcome.

The NATO structure has been, to put it rather brutally, looking for a new role and new mission in the post-cold war world. I think that it will find one because it is a highly efficient model of intergovernmental co-operation. It is almost a supranational model, but it is a very subtle arrangement that we should perhaps think of copying in other areas. That NATO model has at its heart something which is very important: it is a transatlantic structure. What it tells us, the message of a successful NATO that it blinks at us, is that it is not just Britain but America that needs to be at the heart of Europe if we are to establish an effective European security structure to meet this extraordinary new world, in which we do not know where the next threat will come from.

Mr. Cash: My right hon. Friend has employed a seductive argument and put a great deal of emphasis on the separation of the pillars, but I am sure that he will agree that the Commission is associated with those activities. Furthermore, when one looks into the details a little more, one sees a problem. Under article J, the member states effectively subsume their security interests in a common position. It says:

> "The Member States shall support the Union's external and security policy actively and unreservedly in a spirit of loyalty and mutual solidarity. They shall refrain from any action which is contrary to the interests of the Union or likely to impair its effectiveness as a cohesive force in international relations. The Council shall ensure that these principles are complied with."

Does my right hon. Friend have any concern that, in going down that route, the wise words that he used about the value that can be placed on our pragmatism might be subsumed by the problem of our being locked into words that give too much emphasis to the union and to the Commission and effectively undermine the virtues of the policies that he has been advocating for so long?

Mr. Howell: That depends—this is where I differ from many of the things that my hon. Friend says—on the confidence with which one approaches those matters. He has described half the orange—the half that involves the Commission sitting round the table with the Council of Ministers. The Commission is apparently entitled to be another country and one with a considerable voice. There are dangers, as I began by saying, that the pillar dealing with certain foreign policy issues—not all—in a common way, an intergovernmental way, may be eroded, weakened and undermined by the sort of factors that my hon. Friend fears.

I say to my hon. Friend that he should not have too much fear. Let us go into the Europe of the next five years in a spirit of confidence that we can hold the line and indeed reverse some of the trends that we have seen rolling over us in the past few years. I believe that it can be done, but my hon. Friend does not.

Mr. Peter Mandelson (Hartlepool): I found interesting, in the context of his speech, the right hon. Gentleman's remarks about NATO. I assume that he is aiming to conclude his speech by 10 o'clock. In the remaining three minutes, will he say something about the role of the Western European Union as an expression of the European Community's defence identity and whether it might have a peacekeeping role in tandem with the European Community's operations and interest in these matters?

Mr. Howell: The hon. Gentleman leads me to subjects beyond those on which I wanted to touch this evening. I do not want to keep the Committee any longer. As he knows, the problem with the WEU is that it is not an organisation in the sense that NATO is, and some of its members are not members of the Community, and some members of the Community are not members of the WEU. There would be real difficulties in trying to elevate that, as some of the Maastricht treaty architects wanted, into a European security force.

I hope that, when we have ratified Maastricht—I believe that we shall unless the Danes sink it—the

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intergovernmental quality will be not merely defended but vigorously upheld and developed so as to give us a strong European foreign policy mechanism, which allows us to have our differences of view and pursue those differences without being submerged in a Euro-blur or a ludicrous foreign policy adventure of the kind that has brought only bloodshed and tragedy to the Balkans. I see that many of my hon. Friends wish to contribute to the debate, and I hope that they will have the opportunity to catch your eye, Mr. Morris.

9.59 pm

Mr. Geoffrey Hoon (Ashfield): I am grateful, Mr. Morris, that once again you have given me the opportunity to interest the Committee rather late in the proceedings.

I congratulate the right hon. Member for Guildford (Mr. Howell) and hope to interest the Committee in the next 60 seconds as much as he did for the duration of his speech.

It now goes without saying that the main security problems for western Europe are no longer the military threat from the former Soviet Union or any of its successors, or indeed from the other former Warsaw pact countries. The problems now are the dangers arising from economic, political and ethnic instabilities.

It being Ten o'clock, THE CHAIRMAN *left the Chair to report progress and ask leave to sit again.*

Committee report progress; to sit again tomorrow.

Standard Spending Assessment (Cambridgeshire)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Nicholas Baker.]*

10 pm

Mrs. Anne Campbell (Cambridge): I must confess that the standard spending assessment is not a subject which fascinates everyone. After a session in which many hon. Members were up all night, it is perhaps not surprising that so few of them remain in the Chamber for this debate. However, I am very pleased to see the hon. Member for Cambridgeshire, Sout-West (Sir A. Grant) in his seat, because, as one of my fellow Members for Cambridgeshire, he obviously shares my great interest in this matter. I am very grateful to him for turning up this evening.

There is a pattern in the Government's treatment of local authorities—a pattern, I am afraid, of failing to listen, undermining local democracy and removing accountability, and at the same time imposing spending cuts.

The standard spending assessments fit that pattern in all three respects. That is not just my view; it is the view of the Audit Commission which, in a leaked draft report, says that standard spending assessments and cappings leave councils with only cosmetic accountability for decisions largely made by Ministers.

That is not just Labour's and the Audit Commission's view. At a recent meeting of the Conservative-controlled Cambridgeshire county council, a resolution which referred to gross anomalies called for an urgent review of "such dubious measures as the Standard Spending Assessment and the Area Cost Adjustment."

That resolution, I am pleased to say, received all-party support.

That is all the more surprising when one knows that Cambridgeshire Conservative councillors quake at the knees at the mere thought of the tongue-lashing that they will receive from their former leader, the noble Lady Baroness Blatch for supporting publicly a resolution so critical of the Government. It is quite astonishing, and shows how strongly they feel. It is a situation in which anger conquers fear.

I can therefore say that I speak on behalf of the people of Cambridgeshire when I call on the Government to review the basis of the standard spending assessment and to give a fairer deal to Cambridgeshire.

If we look at some figures first to put the whole thing in context, we see that Cambridgeshire's SSA for 1993-94 is £380·6 million. The council budget has been set £2 million higher than this at the capping limit, and was negotiated because of the larger sums of money lost to further education than in the Government's formula calculations. This has meant an extra £10 on the council tax for a band B property across the county.

I also welcome the hon. Member for Cambridgeshire, South-East (Mr. Paice) who is now almost in his seat, and express my pleasure that he has chosen to attend this evening as well.

The education SSA for Cambridgeshire is £217·8 million, and the education budget is £226·75 million. That is £9 million higher, yet, even in that situation, Cambridgeshire is well down the list of all counties for spending per pupil. What are very sad and have angered

local people immensely over the past few months are the cuts in education which Cambridgeshire is having to impose.

We have recently seen £400,000 taken out of the community education budget. That has affected many people and particularly many pensioners, people who may not have many pleasures in life and get a great deal out of community education, including social contact and the opportunity to develop their skills and talents.

The county has also taken £340,000 from its post-16 transport, which means that pupils who previously had a free bus service to school are being charged £40 a term to get to college. That affects many of my constituents who travel from the north side of Cambridge to the south side, to get to the sixth form college. It also affects much more drastically the constituents of the Conservative Members for Cambridgeshire, South-East and for Cambridgeshire, South-West. One could call it a tax on rural communities.

Also, £200,000 has been taken out of the discretionary further education awards budget; that also affects the opportunities of people in Cambridgeshire.

These, however, pale into insignificance when compared with the £1·3 million taken from the central education support services, even though Cambridgeshire is among the top 10 authorities for delegating resources to schools.

That is not all. Because of the increasing pupil numbers in secondary schools, they would have expected to receive an additional £900,000 this year, simply because of the way in which the local management of schools budget works, but that has not happened.

This is not a profligate, spendthrift, giveaway authority but a county that was so mean with its spending that the Conservatives lost control in 1985 when its leader was the noble Lady Baroness Blatch, now a Minister in the Department of Education. The Conservatives must be worried that they look set to lose control again in 1993 because the people of Cambridgeshire are fed up with penny-pinching and cuts. They want a quality service, investment in the future, in our children, in our excellent community education service; and they want the opportunity for students, particularly mature students, to win discretionary awards, so that they can gain the qualifications which they need and which the country needs.

The area cost adjustment is based on the new earnings survey, which is valid statistically at the economic planning regional level. Cambridgeshire comes into the East Anglian economic planning region, with Norfolk and Suffolk, and it gets no area cost adjustment, unlike Bedfordshire and Hertfordshire, which come into the south-east region.

The Library has supplied me with statistics looking at the standard spending assessments per pupil for five to 15-year-olds for 1993 to 1994. I see that the SSA per pupil for that age range in Cambridgeshire is £2,218. It is £115 more per pupil in Essex, £135 more per pupil in Hertfordshire and £215 more in Bedfordshire. That money buys a great deal in terms of resources.

The area cost adjustment is unfair. First of all, it is based on insufficient information. The economic planning region statistics are being used to determine spending at county and district levels. In fact, if the funding of grant-maintained schools is based on future standard spending assessments, we shall see the economic planning region statistics being used to determine spending in individual schools, and the situation will become even more ridiculous, and will give rise to even greater anomalies.

The area cost adjustment is unfair because it is based on insufficient, and insufficiently detailed, information. It is also based on the wrong information, because it assumes that, in expensive areas, staff are paid more to compensate for higher costs. In fact, a survey carried out by the Association of County Councils showed that there was very little variation in pay levels for teachers, police officers and fire fighters. These people are paid on national scales, so the whole basis of the area cost calculation is anomalous and inconsistent.

There is also in my area an inconsistency in the regional organisation of the Department of the Environment. It is a little curious that the Department's regional office covering Cambridge is in Bedford, yet, for the area cost adjustment, Bedfordshire and Cambridgeshire are in different economic planning regions. That does not seem to make sense.

When the SSA system replaced the grant-related expenditure assessments in 1990-91, the proportion of education control totals distributed for additional educational needs rose from 10 per cent. to 24 per cent. —a massive leap. Since then, the proportion has fallen a little, but it remains far higher than is justified. In fact, it is being used as a political fudge factor. A much higher proportion needs to be allocated for basic educational needs.

Finally, I believe that there is consensus that standard spending assessments are inequitable and that they are being abused—inequitable because they do not reflect the true costs of providing local services; abused because they are being used to impose on local authorities spending limits that should be decided by local people at local elections, and not by way of Government diktat.

The term "standard spending assessment" implies that the SSA takes account of the cost of providing a standard level of service in each local education authority area, but this is not true. In fact, each Department at Government level decides its control total, and then the SSA is simply used to divide this total between local authorities.

I am obviously fascinated to learn that the Secretary of State for the Environment is planning a review of the standard spending assessment system, including the area cost adjustment, in the coming year. I very much hope that that review will be more than window-dressing, that it will not be designed simply to fob local authorities off for another year. I hope that it will result in a fairer deal for the people of Cambridgeshire, but the precedents are not encouraging. I fear that the ugly pattern of imposing cuts and undermining democracy will continue. That is why I initiated this debate. I hope that the Minister will take on board the points that I have made.

10.13 pm

Sir Anthony Grant (Cambridgeshire, South-West): I am very grateful to the hon. Member for Cambridge (Ms Campbell) for allowing me a moment to participate in this important debate. She put her case with great care and a great deal of charm. In fact, so charming was she that I shall not say a word about the mismanagement of Cambridgeshire under a Lib-Lab coalition. I draw a veil right over that and confine myself to saying that Cambridgeshire county council, under Conservative

[Sir Anthony Grant]

control, has displayed very good, efficient financial management. The hon. Lady described it as penny-pinching and tight-fisted.

However, the hon. Lady and I are in total agreement about the fact that the council has been unfairly treated for a very long time by the central Government over the question of the SSA. I can go back as far as 1983, when I had very serious complaints. With my noble Friend Lord Pym, I abstained. We were given an acknowledgement by the Minister—now the Chancellor of the Duchy of Lancaster—that Cambridgeshire had been unfairly treated, and were told that the Government would try to be fair in future. I have not seen much sign of fairness. We are still stuck with the wretched area cost adjustment, to which the hon. Lady rightly referred, which seriously militates against us.

My hon. Friends the Members for Cambridgeshire, South-East (Mr. Paice) and for Cambridgeshire, North-East (Mr. Moss) and I have nagged about this issue year after year. On 3 February this year, I raised the matter with the Secretary of State. I pointed out that it was ridiculous that Cambridgeshire

"does not benefit, whereas Bedfordshire, Oxfordshire and Hertfordshire do. This creates great ill-feeling. I do not believe that it can be rectified by the Association of County Councils"

and I said that the Government should get a grip on the matter. The Secretary of State replied:

"I understand very well the concern that my hon. Friend expresses. Indeed, it has been expressed to me very often by several of my hon. Friends. I understand the strength of feeling on this issue, and I can give my hon. Friend the undertaking for which he has asked".—[*Official Report*, 3 February 1993; Vol. 218, c. 339.]

I hope that that will be reiterated by the Minister when replying to tonight's debate, and that we shall have some action at long last. The whole principle of area cost adjustment is completely outdated. It is stuck in a sort of rigid time warp. It is time to scrap it and start again from scratch.

I have been pleased to note the way in which the mood of Government seems to have changed over the years. For example, yesterday the Secretary of State repeated that he was

"going to undertake a fundamental review of the SSA system in time for the next settlement".—[*Official Report*, 24 March 1993; Vol. 221, c. 908.]

I hope that the consensus on the issue between all Cambridgeshire hon. Members will work on the hearts and heads of Ministers, so that next year there will be an end once and for all to the unfairness from which the fastest growing county in the country has suffered for far too long.

10.16 pm

The Parliamentary Under-Secretary of State for the Environment (Mr. Robin Squire): I wish at the outset to congratulate the hon. Member for Cambridge (Mrs. Campbell) on her good fortune in securing this debate and on the way she spoke. I also congratulate my hon. and long-time Friend the Member for Cambridgeshire, South-West (Sir A. Grant) and my hon. Friend the Member for Cambridgeshire, South-East (Mr. Paice), who has been in his place throughout this short debate. At some time this morning—which, as we know, was Wednesday—hon. Members on both sides must have wondered whether this debate would take place.

I am pleased to have another opportunity to speak about the calculation of standard spending assessments, or SSAs as they are known, focusing this time on the calculations for Cambridgeshire. Those assessments have an important place in the system of local government, but they are often misunderstood. I hope that hon. Members will bear with me if I begin by explaining some of the general principles, before going on to explain how they apply to Cambridgeshire in particular. Indeed, only by understanding the general principles can one hope to understand any individual calculation. That is because it is a hallmark of SSAs that they must be calculated on the basis of general principles, applied fairly and consistently to all authorities providing a particular service.

Hence, the method of calculating the SSA for Cambridgeshire is, and must be, the same as the method of calculating the SSA for other counties. That is a vital safeguard against arbitrary determinations and a safeguard which, I trust, commands widespread support in the House. I do not wish to stray into very controversial territory tonight, but I assure the hon. Lady that, back in the days when I was leader of a local authority, before I came into this House and when there was an alternative Government in power, the system allowed for a significantly greater variation on precisely the lines that she mentioned—I think her words were "political fudge".

In any discussion of SSAs, we must bear in mind the underlying aim of the SSA calculation: to calculate a figure for each authority—its SSA—which represents the Government's assessment of the level of revenue spending by that authority which should enable it to provide services to a common standard. This common standard is that which is consistent with the Government's view of the appropriate level of revenue expenditure for all local authorities combined, bearing in mind the position of the economy.

The SSA has two main functions. First, it helps to determine the amount of revenue support grant received by each authority. In effect, the grant is distributed in such a way that, if all authorities were to spend at the level of their SSA, the level of local tax could be broadly the same in all areas of the country. This was the case with the community charge, and will also apply to the council tax. Secondly, SSAs are used—as the hon. Lady is aware—as a benchmark for comparison within the capping framework when forming a view as to whether the level of an authority's budget, or the proposed increase in that budget, is reasonable or excessive.

These are vital roles, and they explain why I have stressed that it is important for SSAs to be calculated on general principles which are seen to be fair. I should therefore like to spend a few minutes explaining the basis of the calculations.

Although SSAs were actually introduced for the first time in 1990-91, they are the end result of a long period of evolution, in comparison with their predecessors under the previous system, which were known as grant-related expenditure assessments. SSAs have the great advantage of a much reduced degree of complexity. Nevertheless, they build on the large body of detailed research evidence which underpinned the earlier assessments. They also

share with them the characteristic of having been extensively discussed, over a number of years, with the local authority associations.

SSAs aim to take account of the main characteristics of an authority which will affect its spending requirement. This is a daunting task covering expenditure in 1993-94, of some £37 billion by over 400 local authorities. There are, of course, constraints on the extent to which this objective can be achieved at any one time. In particular, SSAs have to be based on sound data sources—the census being a prime example—which are available on a consistent basis for all authorities.

Many factors are taken into account in the formulae, and they fall broadly into three categories. There are demographic factors—for example, what proportion of the population are children or elderly. These give us the size of the actual or potential client groups which help determine the need to spend in key areas such as education or personal social services. There are the socio-economic characteristics of the population. Research has shown that, for some services, the need to spend can vary with the number of people falling into certain disadvantaged categories—for example, the numbers in single-parent families or those receiving income support.

These indicators are reflected in SSA calculations. For example, over one fifth of the education SSA element is distributed by reference to an indicator of this kind representing additional educational needs—referred to by the hon. Lady.

Finally, there are adjustment factors to allow for higher employment costs in London and the south-east.

How then do all these factors affect Cambridgeshire? The total SSA for Cambridgeshire in 1993-94 is just over £380 million, which is an increase of 2·6 per cent. on last year's total. After adjusting for major changes of function. of the total, about 57 per cent.—£218 million—is accounted for by education, up by 2·6 per cent. on 1992-93, and a further 13 per cent.—£50 million by personal social services, up by 4·2 per cent. on 1992-93. This, incidentally, excludes the special grant in respect of the local authority's new responsibilities for community care. The remaining 30 per cent. of the SSA is distributed across a number of other services, such as police, fire, and highways maintenance.

It is, however, difficult to discuss such figures sensibly without providing some basis for comparison. If, for example, we divide the total SSA by the resident population of Cambridgeshire, we find that Cambridgeshire's SSA is £568 per head of population. That is a little below the average for all counties, which is £584 per head. In fact, Cambridgeshire ranks 22nd of the 39 counties on this basis. I might also mention here that Cambridge city, the constituency represented by the hon. Member, has an SSA of £116 per head, which is over 25 per cent. above the national average for shire districts, which is £92 per head; it has, moreover, increased by 5·2 per cent. on the equivalent figure for 1992-93, an increase which is more than twice the overall average for shire districts.

We find much the same picture if we examine the figures relating specifically to education. Cambridgeshire's education SSA includes £1,802 per pupil aged five to 10 and £2,613 per pupil aged 11 to 15—again, in both cases just below the average for all counties.

What underlies those figures? If we concentrate on education, which is far the largest component, we find that the formula includes a basic element per pupil in each age group which is the same for all authorities. There are then additional amounts in recognition of various special factors, the three most important being sparsity of population, an index of additional educational needs and a cost adjustment to compensate for the higher employment costs in London and the south-east.

Cambridgeshire receives a relatively high allowance in respect of sparsity, an adjustment that recognises the inevitable diseconomies of running small schools or incurring high school transport costs. It also receives an amount just above the county average for additional needs. This in turn reflects the fact that they are positioned towards the middle of the range in terms of the indicators used to measure the incidence of additional needs.

To take one example, the 1993-94 indicators show that about 12 per cent. of children in Cambridgeshire are children of income support claimants. That compares with 29 per cent. for Cleveland, at one end of the county spectrum, and less than 8 per cent. for Surrey at the other. In fact, in terms of the overall index for additional educational needs, Cambridgeshire again ranks 22nd of the 39 counties. Such reasons explain the differences between SSAs per head to which the hon. Lady referred.

Then there is the area cost adjustment. I know that it is an issue of particular concern to the hon. Lady. It is a topic which has been raised by Cambridgeshire on several occasions, including a meeting which took place just before Christmas with my hon. Friend the Minister for Local Government. As my hon. Friend the Member for Cambridgeshire, South-West pointed out, he has raised the issue several times. It is a fact that Cambridgeshire does not benefit from the area cost adjustment, which is confined to London and to counties in the south-east. It is based mainly on evidence from the new earnings survey. This is a survey based on a sample of information from employers, and the sample is too small to allow reliable figures to be calculated for individual counties, even if that were considered desirable. The analysis does, therefore, have to be calculated at a regional level and, on this basis, results have shown that only London and the south-east face costs which are consistently and significantly above the national average.

It has also been suggested that the area cost adjustment may be too high because it is well above the standard rates of London weighting paid—as the hon. Lady herself pointed out—to groups such as teachers, police and firemen. We have not so far been convinced by this argument, as other relevant costs need to be taken to account. More generally, however, we have been struck by the number of representations being made about the area cost adjustment, arguing—I stress this—for changes in both directions, and by the strength of the feelings aroused. The Secretary of State has therefore already made it clear that this will be one of the topics to which we shall give very careful attention during this year's review of the SSA methodology.

I shall write to the hon. Lady about at least one of the points she made, because time will not allow me to deal with it. She spoke about cuts in education in general. Of course, she is well aware that the detailed budgets of local authorities are a matter for the authorities themselves; in general, however, we believe that provision made within the settlement is adequate when account is taken of the

[Mr. Robin Squire]

much reduced level of inflation, the policy of pay restraint for public sector workers and the scope for improved efficiency in the delivery of public services.

In reaching our decisions, we took account of the pressures on local authority services, but we also had to have regard to the capacity of the taxpayer, locally and nationally, to bear the burden of expenditure. Job losses are sometimes unavoidable, and of course they are always a matter of regret, but local authorities must play their part in the vital task of controlling public expenditure.

With the hon. Lady's permission, I will write to her about the delays—as she would put it—in reflecting increases in pupil numbers, and about additional educational needs.

Of course, all local authorities would like to have more money, and I am sure that there are many worthwhile projects on which the extra money could be spent. However, we all have to live within our means. I believe that the settlement that we have provided for 1993-94 is very fair, in the light of the current low levels of inflation and the difficult economic circumstances that the country faces. It is fair both to the beneficiaries of services and to those who pay for them.

I am pleased to note that council taxes in Cambridgeshire will generally be well below the national average. No doubt that reflects in large part the prudent management by Cambridgeshire authorities in general of the resources at their disposal.

I concede that many criticisms have been made of SSAs, but that is to be expected when everyone would like a larger slice of the RSG cake. I would never wish to pretend that SSAs were perfect. Indeed, I would say that perfection is a target that is always bound to prove elusive in an area of such complexity. It is one of the great merits of the system that the entire process is completely open, with all data available for inspection. The methodology is continually under inspection with local authority representatives and other interested parties.

The process of trying to improve and update SSAs is never-ending. As I have said, 1993 will be an especially busy year in SSA development, not least because we expect to take on board the full range of indicators from the 1991 census.

Question put and agreed to.

Adjourned accordingly at half-past Ten o'clock.

House of Commons

Friday 26 March 1993

The House met at half-past Nine o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

PETITIONS

Railways Bill

9.35 am

Mr. Robert Adley (Christchurch): I have the honour to present a petition from more than 300 paid-up members of the Highcliffe branch of the Christchurch and East Dorset Conservative Association who wish to express their grave concern about the Railways Bill. This is the tip of the iceberg. My political activists are worried that the Government's plans are ill conceived, will damage Britain's railways and will not increase the essential investment on which the railways depend.

The petition says:

Wherefore your petitioners pray that your honourable House determine, prior to the passage of legislation, the role expected of the railway system: and that a policy of seeking to divert traffic from road to rail, funded by the public or private sector, be determined in such a manner as to retain an integrated railway system.

And your Petitioners, as in duty bound, will ever pray etc.

To lie upon the Table.

Housing

9.36 am

Mr. Charles Hendry (High Peak): I wish to present a petition which has been signed by 218,617 people from throughout the United Kingdom, organised by the Churches National Housing Coalition. It states:

That the growth and persistence of homelessness and bad housing is a fact, a scandal and a threat to future generations. The human suffering and social division caused make this an issue that each of us must face.

The churches are united in calling for compassion and justice in national housing policies.

Wherefore your Petitioners pray that your honourable House will urge the Government to make housing a higher priority by: making 100,000 affordable homes available each year, using both public and private housing, to meet rural and urban housing need; improving choice and quality of housing for all tenants; implementing further measures to tackle homelessness, especially amongst young people; targeting government resources, such as mortgage interest tax relief, to those in greatest housing need.

To lie upon the Table.

Orders of the Day

Licensing (Amendment) (Scotland) Bill

Order for Third Reading read.

9.37 am

Mr. Phil Gallie (Ayr): I beg to move, That the Bill be now read the Third time.

Today, it is my unenviable—perhaps some would say, regrettable—task to present the Licensing (Amendment) (Scotland) Bill. I carry a great burden, if not an unusual one, because it is, indeed, a rare task. None the less, I feel privileged as a minnow in the shoal of the massed ranks of Tory Members on these green Benches. It is, perhaps, not such a mass as before the 1992 election, but, for Scotland, I am pleased to say that it is an expanded mass. We have almost 20 per cent. more representation than we had prior to the 1992 election.

What is unusual or regrettable about the task to which I refer? Indeed, what is the task? If I do not define it, I shall risk your rebuke, Madam Speaker. The task is to amend the Licensing (Scotland) Act 1976. The means is the Licensing (Amendment) (Scotland) Bill 1992. I emphasise 1992, because the Bill is not based on a sudden impulse. It has been around for a while. It was first introduced in December. Since then, it has experienced a tortuous journey through Committee, where it had a thorough analysis. It was fully endorsed by hon. Members on both sides of the House. It was, indeed, warmly welcomed.

The Bill was fully debated for a marathon 12 minutes in Committee on 16 February. Until that time, all had gone to plan. Then, in the words of Britain's finest, most revered and most respected poet, Robert Burns, whose birth in Alloway in my constituency some 200 years ago gives cause for a worldwide celebration and ensures a worldwide reputation for my constituency and whose claim to such a position would, I am sure, be endorsed by Opposition Members,

"The best laid schemes o' Mice an' Men,
Gang aft agley."

Something went wrong when the Bill was presented for Third Reading at the end of February. An Opposition Member representing a Welsh constituency was heard to object. I suggest that a slight error may have been made, because it seemed more like a cough. It is a reasonable Bill, it is fully accepted by all and there was no real reason for objection. But Mr. Deputy Speaker thought that he heard an objection and, of course, Deputy Speakers are always right. I have no argument with that. The Bill is necessary to the well-being of the Scottish people and the fortunes of all who live in the land beyond Hadrian's wall.

That brings me back to my opening words—unusual, regrettable and rare. The Bill is necessary because of a mistake that was made by the Government and endorsed by a Committee of the House. I am sure that hon. Members will agree that a mistake by a Conservative Government is a rare event. It is an unusual event, certainly since 1979. I offer no comment on pre-1974.

A mistake was made in the Planning and Compensation Act 1991. The Bill amends the Licensing (Scotland) Act 1976 and the problem is contained in section 23 of that Act, which requires licensing boards, when granting new liquor licences, to witness a certificate to ensure that the

[Mr. Phil Gallie]

availability of premises to which it refers is valid with respect to planning, building control and hygiene. Applicants must produce a certificate showing that full or outline planning permission has been obtained under section 1 of the Town and Country Planning (Scotland) Act 1972 and that further planning permission is not required.

As from 25 September 1992, section 51 determinations were replaced by section 90A certificates of lawfulness of proposed use of development, which were introduced by section 42 of the Planning and Compensation Act 1991. Therein lies the problem that we are dealing with today.

The 1991 Act repealed section 51 of the 1972 Act, but it did not consequently amend section 23(2) of the Licensing (Scotland) Act to refer to section 90A certificates.

Mr. Bernard Jenkin (Colchester, North): What a scandal.

Mr. Gallie: It sent reverberations shaking through every town hall in Scotland. It sent every licensee who thought that he might wish to change the terms of his licence scurrying to his solicitors to see what dastardly Act had been imposed on them.

The Bill rectifies all those wrongs. Clause 1(1) will amend section 23 of the Licensing (Scotland) Act. Clause 1(2) adds to section 23(2) of the 1976 Act a reference to a certificate under section 90A of the Town and Country Planning (Scotland) Act. It should be noted that the reference to section 51 remains, to ensure that determinations established before 25 September 1992 remain valid. That is very important. Section 90A enables planning authorities to grant certificates of lawful use or development to premises. Clause 2(1) contains the short title and subsection (2) provides that the Bill extends to Scotland only. I thank hon. Members from England and Wales for being present to listen to this essential piece of Scottish legislation.

I said that it is unusual and rare that such amendments are necessary—certainly in Scottish legislation. That reflects credit on my right hon. Friend the Secretary of State for Scotland and his energetic, vibrant and meticulous team of Scottish Office Ministers, and there is no one more fitting to represent them today than my hon. Friend the Member for Edinburgh, West (Lord James Douglas-Hamilton). It also reflects credit on Scottish Office officials, who draft legislation. I pay particular tribute to them.

Mr. Jenkin: I congratulate my hon. Friend on the detail and thoroughness with which he has approached this short but complex measure, but will he comment on the source of the error, how it arose and who might have been responsible for it?

Mr. Gallie: We are dealing with a complex array of measures, with many pages of documents amending legislation, especially the 1991 Act. It would be incongruous to investigate one minor omission among a mass of legislation. We do not need a witch hunt; we simply need to rectify a wrong, which I seek the blessisng of the House to do today.

I thank the Scottish Office officials for their speedy action in drafting the amendment. I particularly thank Michael Clancey of the Law Society of Scotland, who has been of much assistance in highlighting and assisting with the problems surrounding the Bill. It would be wrong not to thank the hon. Member for Dumbarton (Mr. McFall), who is not here today, and the hon. Member for Glasgow, Maryhill (Mrs. Fyfe) who, like me, has given up a day in her constituency to be here. My constituents in Ayr usually expect my presence on a Friday. I ask all hon. Members in the House today to approve the Bill and to give it their full support.

9.49 am

Mrs. Maria Fyfe (Glasgow, Maryhill): I congratulate the hon. Member for Ayr (Mr. Gallie) on introducing the Bill, and I congratulate the officials concerned in the Scottish Office and anyone else who played a part in correcting an admitted error.

I do not want to prolong discussion of the Bill as our agenda today contains an important Bill that matters a great deal to the people of Scotland—the Carrying of Knives etc. (Scotland) Bill on which, I hope, the hon. Member for Ayr will speak.

The Labour party supports the Bill. We know that the Convention of Scottish Local Authorities is happy for it to be introduced. It is a welcome change for a Conservative Member to admit an error. That is a rare event. Confession is good for the soul and I hope that the Government will confess their errors more often.

9.50 am

The Parliamentary Under-Secretary of State for Scotland (Lord James Douglas-Hamilton): I warmly congratulate my hon. Friend the Member for Ayr (Mr. Gallie) on his splendid Bill which helps to put right an anomaly and to rectify the matter. I also thank the hon. Member for Glasgow, Maryhill (Mrs. Fyfe) for her support in the matter.

During the past 90 years, there have been only four major pieces of licensing legislation in Scotland. The Licensing (Scotland) Act 1976 arose from the recommendations of the report of the departmental committee on Scottish licensing, chaired by Dr. Christopher Clayson. That forms the main corpus of current law on liquor licensing in Scotland. It was amended in 1990, as my hon. Friend the Member for Ayr said, by the Law Reform (Miscellaneous Provisions) (Scotland) Act, which introduced the new concept of children's certificates and standardised permitted hours for pub opening during the week and on Sundays.

The current liquor licensing law in Scotland has generally stood the test of time, although, from time to time, proposals are made to improve procedures and we consider them carefully. Problems occasionally arise which, if not remedied by statute, result in lacunas. The Bill aims to remove such a lacuna.

Section 23 of the Licensing (Scotland) Act 1976 requires applicants for the grant of a new liquor licence to produce to the licensing board certificates about the suitability of their premises in relation to planning, building control and food hygiene. The applicant has to submit a certificate from the planning authority to the effect that full or outline planning permission has been obtained or that the planning authority has made a determination under section 51 of the Town and Country Planning (Scotland) Act 1972 that planning permission is not required.

With effect from 25 September 1992, section 51 determinations will be replaced by section 90A certificates of lawfulness of the proposed use or development, introduced by section 42 of the Planning and Compensation Act 1991. The 1991 Act repealed section 51 of the 1972 Act, but, unfortunately, it did not make any consequential amendment to section 23(2) of the 1976 Act. I am grateful to my hon. Friend the Member for Ayr for saying that there is no need for a witch hunt in this connection. Occasionally, even the best officials in Whitehall and Ministers can miss errors. I am glad that my hon. Friend is putting the matter right.

The purpose of the Bill is to amend the Licensing (Scotland) Act 1976 to take account of the changes introduced by the Planning and Compensation Act 1991. The change introduced by that Act concerned what are known as certificates of lawful use or development. That amendment was a single point of detail in a wide-ranging Act. The impact on the Licensing (Scotland) Act 1976 was inadvertent, so it may be helpful for me to explain some of the underlying issues.

In general terms, the Planning and Compensation Act 1991 was intended to improve the efficiency of the planning system and of the compensation code. It did so in a number of ways, not all of which are directly related, and as a follow-up to the commitments in the environment White Paper "This Common Inheritance" and as a result of recommendations in the 1989 Carnwath report, which focused primarily on the efficiency and effectiveness of the planning enforcement system. It had been the subject of detailed investigation and Mr. Carnwath undertook to carry out a review of that work and to draw up appropriate conclusions and recommendations for change.

I do not intend to detail those recommendations, but I shall highlight some of the general conclusions that Mr. Carnwath reached, as they provide the relevant background to the Planning and Compensation Act 1991. Mr. Carnwath concluded that previous enforcement arrangements were unduly technical and complex and that, as a result, there was considerable confusion about what the law required. He also considered that the previous system did not lend itself to dealing quickly with urgent cases of enforcement. Speed is, of course, necessary in these matters. The processes needed to be simplified. Similarly, the previous arrangements were too cumbersome and protracted for dealing with even the more simple breaches of conditions. The system also lacked teeth, in the sense that the courts appeared to be imposing inadequate penalties, a point which my hon. Friend the Member for Ayr has rightly highlighted on many occasions.

The national guidance provided to local authorities was seen as being ambiguous. In consequence, Mr. Carnwath recommended that we provided for better information and co-operation, that we rationalised and simplified our enforcement notice procedures, that we clarified the powers of the Secretary of State on appeal, that we reduced legal delay in the courts, that we better defined the nature of lawful land use and that we modified the stop notice and enforcement procedures. He recommended that we introduced injunctions and interdicts, that we increased penalties, as my hon. Friend the Member for Ayr would wish, and that we revised our policy guidelines.

The Planning and Compensation Act 1991 sought to implement many of the recommendations. In so doing, our attempts to provide for a determination of lawful land use inadvertently clashed with the need to provide certificates of established use under section 23 of the Licensing (Scotland) Act 1976. The precise significance and use of the certificates is inevitably a complex and technical matter. In general terms, the 1991 Act sought on this point of detail to define the concept of lawfulness in the context of land use and to introduce a better system for certifying the lawfulness of proposed or existing operations, uses or activities on, over and under land. It did so by providing for the new certificates of lawful use or development. The Town and Country Planning (Scotland) Act 1972 provided for certificates of established use or section 51 determinations for which, as my hon. Friend the Member for Ayr realises, planning permission was not required.

Both arrangements were repealed by section 42 of the 1991 Act. The intention was to provide a single coherent mechanism for establishing the planning status of land and to provide a statutory document for certifying the lawfulness of such uses. The benefits of such a revision were greater flexibility, convenience and a less ambiguous statutory arrangement for certifying the lawfulness of land use.

The new procedure provides a single mechanism for establishing the planning status of land, whether for existing use or for proposed development. It provides for the first time a mechanism for obtaining from the planning authority or from the Secretary of State on appeal a statutory document for certifying the lawfulness for planning purposes of existing operation, development or use.

The system contrasts sharply with the previous system under which lawfulness was determined not by reference to a single certificate, but by reference to a number of different conditions. Those conditions are related to particular definitions of development under the 1972 Act, to the nature of exact grants of planning permission and to the date of development. Anomalies could arise under those arrangements. It was, for example, possible for breaches of planning control to become immune from enforcement action. It was thus possible for ambiguities to arise, such as developments that were unlawful, but were immune from any remedies. That anomaly no longer exists.

If a development or activity is immune from enforcement action, it is now also lawful for planning purposes. In that context, certificates of lawful use or development will not preclude the need to examine the underlying issues, but, once they have been examined and a certificate has been issued, remaining ambiguities will be removed as a statutory and, therefore, unambiguous statement of the lawfulness of the land.

A number of other benefits have been conferred by the new certificates. The Act enables anyone to apply to the planning authority for a decision on whether an activity is lawful for planning purposes. The certificates also provide for a detailed statement of such land uses. Once issued, the certificates preclude the need for further detailed work by the applicants or planning authorities in relation to the granting of planning permission. The certificates equate to the granting of planning permission for the designated activity. Clearly, that will have a beneficial effect and will reduce the work for both the developer and the regulator. I stress that the certificates in no way pre-empt the need for careful consideration of the appropriateness of the specific land uses.

[Lord James Douglas-Hamilton]

My hon. Friend the Member for Ayr has done a substantial service in introducing the Bill to put right the anomaly. I welcome the comments of the hon. Member for Maryhill and I am glad that the matter can be put behind us and that the Bill will soon be on the statute book. I congratulate my hon. Friend the Member for Ayr.

Question put and agreed to.

Bill accordingly read the Third time, and passed.

Local Government (Overseas Assistance) Bill

As amended (in the Standing Committee), considered.

Clause 1

POWER TO PROVIDE ADVICE AND ASSISTANCE

10.2 am

Mr. Tony Banks (Newham, North-West): I beg to move amendment No. 2, in page 1, line 16 at end insert—

'(3A) The power in subsection (1) above shall not restrict the use of any other statutory provision under which a local authority may provide information to and may undertake activities with local government and other bodies outside the United Kingdom.'.

The Bill had a constructive Committee stage. It was one of those rare parliamentary occasions when much co-operation and light, instead of heat, was exchanged. I do not think that the Report stage should delay us too much. However, I want further assurances from the Minister and the Bill's promoter, the hon. Member for Broxstowe (Mr. Lester), who is to be congratulated on introducing the Bill and steering it thus far.

Amendment No. 2 ensures that the new power is to be without prejudice to the existing powers. It raises an issue of considerable concern to practitioners in the overseas section of local government and is arguably the most important of the amendments. It would ensure that the creation of the new power—which we all welcome—does not close off the possibility of using other powers of a more general nature which may have been available to local government.

Local authorities have had to be inventive in the past in making use of general or discretionary powers when undertaking overseas assistance. They have also been exceedingly inventive in using those powers for domestic arrangements. They have been innovators and have sought to push forward work that has now gained wide official approval, using powers such as section 137—as amended —and section 142, on the powers to give information, of the Local Government Act 1972. The reason for the Bill is that, in the past, the Audit Commission has been concerned that no distinctive power existed. It rapidly became clear that a gap existed in the law, which the Bill seeks to fill.

It would be unfortunate if existing schemes and activities were disrupted by legal advice to local authorities to the effect that such work should, in future, be undertaken solely under the power contained in the Bill. Local authority lawyers and district auditors have occasionally been forced into a restrictive view of the powers of local government to secure against possible legal challenges. Amendment No. 2 provides the answer to those fears by making it clear in the legislation that the new power should not restrict the use by any authority of any other statutory provision, under which information may be provided to local government or other organisations outside the United Kingdom or activities may be undertaken with them.

It is clear that, in most cases, the authorities will undertake the new activities under the powers contained in the Bill. The amendment essentially concerns existing activities that could potentially be needlessly brought within the consent provision. It would be helpful if the

Minister would explain what the position will be in relation to projects undertaken under the discretionary powers after the Bill's passage. It would also be of assistance if he could state that he will be willing to discuss both that process and the general issue with the local authority associations involved.

Mr. Jim Lester (Broxtowe): I welcome the remarks of the hon. Member for Newham, North-West (Mr. Banks) and the way in which he opened the debate. Many of us regard him as being beneficial when he is in light mood, rather than creating heat. Today must be a special day for him as I know of his profound interest in whales. I understand from the newspapers that a number of whales trapped in Scapa Flow have been rescued from their fate worse than death. They have now been released into the open sea. I am sure that we all share the pleasure that the hon. Gentleman must feel and admire him for his campaigning on behalf of whales.

Mr. Tony Banks: I wish to associate myself with the hon. Gentleman's remarks about the rescue of the sperm whales in Scotland. In a world in which so much distressing news assails us in the newspapers, that news has brought a bit of light and pleased everyone involved with the plight of whales. I hope that the hon. Gentleman will return to the subject next Friday when I have an Adjournment debate on the resumption of commercial whaling by Norway.

Madam Deputy Speaker (Dame Janet Fookes): I hope that the hon. Member for Broxtowe (Mr. Lester) will not seek to anticipate what will happen next week.

Mr. Lester: I never seek to anticipate anything—it takes me long enough just to get around each 24 hours. I share the feelings of the hon. Member for Newham, North-West and I thought that it was worth raising the subject of the whales as I know of his interest in them.

I thank the hon. Gentleman for the way in which he has handled the Bill for the Opposition. The issue is not one of dogma, but involves the basis of the Bill. We genuinely seek to reassure local authorities that we have no desire to restrict the powers that they may have. The Bill was introduced as we detected that there was a grey area—some authorities regarded themselves as having the power, some authorities were not sure whether they had that power and many authorities felt that they did not have it. The Bill clarifies the position to show that the authorities have a clear power.

Local authorities have been inventive—often, to represent the degree of internationalism within specific local authorities. If people genuinely want to help, they look to see how best they can do so. One reason for drafting the Bill as we have was to give such authorities a clear power. The general authorisation that my hon. Friend the Minister has already undertaken gives the authorities an unfettered power so that no one can breathe over their shoulder other than through the use of the de minimis provision.

Sir Michael Marshall (Arundel): In Committee I raised some of the anxieties of my local authorities—Arundel district council and West Sussex county council. I am glad to confirm that, in the light of what is perceived as progress on the measure, there is a feeling that those anxieties have been overcome.

I applaud my hon. Friend's work in clearing up these matters and tell him that the number of inquiries that the British Association for Central and Eastern Europe has received from local authorities wanting to pursue active schemes under this measure has greatly increased.

Mr. Lester: I am delighted to hear that. I should like to task my hon. Friend with the responsibility, through the Inter-Parliamentary Union, for spreading news of the Bill and making sure that its consequences are widely appreciated and used.

We have no argument with the local authority associations; indeed, we wish to reassure them. I am assured by the parliamentary draftsmen that the local authorities do not need this provision—there is no legal requirement for it—but if the authority associations can prove, as we have asked them to, that they need further reassurance on any particular matter I am sure that we would be prepared to discuss it with them.

Baroness Flather has undertaken to steer the Bill through the House of Lords. I am delighted about that; she is a very able lady. She came to politics from local government and she understands it. I have no doubt that she will as sympathetic to the Bill's intentions in the Lords as we have all tried to be here.

Mr. Eric Pickles (Brentwood and Ongar): We have already discussed some of these concerns in Committee. It would be a great tragedy if the Bill took away powers that local authorities currently enjoy. I hope that my hon. Friend will make it absolutely clear that the power in question is not necessary and that there is no possibility of powers being removed from local authorities.

Mr. Lester: Absolutely. We have a reasonably good audience here today, so perhaps I may describe the power that seems to be causing the difficulty. Under section 137 of the Local Government Act 1972, local authorities already have the power to twin with local authorities anywhere in the world. They also have the power to promote the interests of the inhabitants of their areas, which means that they can send delegations from and to major conurbations. But they do not have the power—and they have never had it—to transfer technology or the tremendous range of technical experience that our local authorities have. The know-how funds exist and many European countries are starting to set up a basic local authority fabric. That is the purpose of the know-how funds and it is widely appreciated.

We discovered that the technical aspect was not covered by law, which is why this Bill has been widely considered since it started out. The Bill enables local authorities in Great Britain to provide assistance in respect of matters in which they have skill and experience to bodies—not necessarily local authorities, but bodies preparing to become them. We are talking about bodies outside the United Kingdom carrying on or attempting to carry on the activities of local government.

Lady Olga Maitland (Sutton and Cheam): Does my hon. Friend agree that although it is essential that local authorities should be encouraged to develop good trading links and know -how links with towns abroard, we should also bear it in mind that that would be no excuse for junketing or abusing their powers?

Mr. Lester: I think that we dealt with that in Committee. No one wants this beneficial power to be

[Mr. Lester]

misused and, besides, junketing is often no more than a matter of judgment on the part of the editor of the local newspaper. I have made international visits over the years; all of them have benefited those in the places that we visited and those who took part in the trips. In some of the towns in which I am trying to encourage local authorities to get involved, the accommodation is hardly five star. We are talking about pioneering conditions which many of us would like improved. So I can give my hon. Friend the assurance that what she describes is the last thing we want. I am sure that the same goes for local authorities.

This is not a very controversial area, but it may still need to be clarified. I am assured that it does not need legal clarification, but I am sure that the Minister, who has rather better legal advice than I have, will shortly give us his opinion. Meanwhile, I have no doubt that we can make further amicable progress with the Bill.

10.15 am

Mr. Matthew Carrington (Fulham): I do not want to detain the House long discussing a probing amendment which clarifies what is already in the Bill. In as much as it does so, it is welcome. I thank my hon. Friend the Member for Broxtowe (Mr. Lester) for what he said about the interpretation given to him by the parliamentary draftsmen of its effects on the Bill.

I am worried about one aspect of the amendment and I should be grateful if the Minister would deal with it. I regret that I was not on the Standing Committee, but I have followed the Bill's progress carefully. I am worried that the amendment might reverse one of the Bill's principal effects, which is to ensure co-ordination of effort in local authority activities when helping overseas bodies to develop, particularly in eastern Europe. Such co-ordination is vital. If local authorities from this country are to assist nascent democracies in eastern Europe, they should do so as part of a United Kingdom entity. We do not want them to find ways around, or innovative interpretations of, existing statutes which already give them powers. As the hon. Member for Newham, North-West (Mr. Banks) said, they have done that successfully in other areas in the past. If they found ways of operating outside the scope of this Bill they might be able to undertake activities that would conflict with the assistance being offered by local authorities working in conjunction with this Bill, with the approval of the Secretary of State. That approval is the key. It ensures that, for instance, Lambeth borough council cannot rush off and set up a local government structure in some town in Hungary, modelling it on Lambeth itself, with all the attendant corruption.

Mr. Pickles: Does my hon. Friend accept——

Madam Deputy Speaker: Order. I remind the hon. Gentleman to address me, not his hon. Friend.

Mr. Pickles: I beg your pardon, Madam Deputy Speaker. Does my hon. Friend accept that Lambeth is precisely the model that these new countries want to dispense with?

Mr. Carrington: I am well aware of that and I am grateful to my hon. Friend for pointing it out.

Mr. Bernard Jenkin (Colchester, North): A number of local authorities in eastern Europe are well ahead in the development of contracting out and in their philosophy of service to the customer—ahead of Lambeth council, that is. I submit that Lambeth council could learn a lot if the technology transfer were in the other direction.

Mr. Carrington: My hon. Friend makes a strong point which suggests that perhaps we should have a Bill to enable Lambeth to take advice from local authorities in Hungary, although that takes us a long way from the subject of the debate.

Mr. John Bowis (Battersea): The Bill should have a degree of reciprocity, but perhaps for that we would need to seek the leave of the Hungarian Parliament rather than this one. The issues of criteria and monitoring the value of schemes are important because the last thing that we want is duplication by local authorities or by parties on a local authority. It is conceivable that two parties on a local authority would seek to provide schemes and that would not be in anybody's best interests. That is why we need control and monitoring.

Mr. Carrington: My hon. Friend's valid point reinforces my argument. Not many overseas local authorities would think that they had a great deal to learn from Lambeth. The danger is that a sharp-suited salesman, perhaps trained in the old GLC, would rush out to persuade local authorities——

Mr. Tony Banks: I am quite happy to lock on to the debate about such matters, although it will not get us very far. I should be far more suspicious of a sharp-suited man from the PSA in view of the considerable amount of corruption there during the time that the Conservative Government has been responsible for the activities of the PSA. The hon. Gentleman should be cautious about attacking Lambeth borough council because much Government departmental fraud and corruption could bear some critical examination.

Mr. Carrington: The hon. Gentleman is right to criticise people who wear sharp suits. People dressed like that always raise suspicions.

Madam Deputy Speaker: I am suspicious about the validity of these arguments in relation to the amendment. Hon. Members must address the amendment.

Mr. Carrington: I am grateful for your direction, Madam Deputy Speaker. My point is not about sharp suits, but about Lambeth persuading local authorities to take actions that are against their better judgment.

Model local authorities are legion and Wandsworth is an especially good example. It could set up in a neighbouring local authority in Hungary an efficient and cost-effective system that would deliver the required services. Because the two authorities were close there would be tremendous conflict. Therefore, the Secretary of State's involvement is vital to ensure that the good model is used overseas and the bad model is not. The amendment may allow a council such as Lambeth to act in contravention of Government policy and best local government practice. Perhaps the Minister could reassure me about that.

Mr. Pickles: Hon. Members will note from my size that it is some years since I was able to fit into a sharp suit. I

apologise to the hon. Member for Newham, North-West (Mr. Banks) for missing the early part of his speech, but I had the opportunity to listen to the debate in Committee. I have received assurances that the measure will not restrict the powers of local authorities.

Many taxpayers and ratepayers feel that this is not the sort of activity in which local authorities should engage. Councils are under financial restraint and it is a brave councillor who announces that his authority is about to embark on such work. Government blessing for many of the schemes is needed to legitimise them and to demonstrate that they are in the interests not only of local residents, but of the wider community. I hope to speak later in the debate about how the schemes could be extended to help local firms and communities.

Mr. Nigel Evans (Ribble Valley): Does my hon. Friend think that it would be useful to have the ever-vigilant eye of local residents watching what is being done and how money is being spent? Every penny spent abroad to assist developing countries should be spent as carefully as money spent at home.

Mr. Pickles: That is important. Many local people will have experience of the countries that the legislation will affect, but most will not. However, even that experience may not enable them to make value judgments on schemes. Local people should be given judgment criteria and the Bill suggests that that should be provided by the Secretary of State. The Bill does not give the Secretary of State the power to say what must be done, as some local authorities suggest. Councils may engage in certain activities, provided the residents and the councils think that they are good. It is an enabling power, rather than one that forces councillors to follow a specific course.

Mr. Lester: I would not want anyone to get the wrong idea. The Bill will give authorities power to act as agents for the spending of money that is not provided by charge payers. That is one of the key measures in the Bill. Local authorities have a tremendous range of experience, but it would be wrong for charge payers to fund overseas schemes. Money will be provided from the know-how funds, the Overseas Development Administration, and European and United Nations funds, but local authorities are able to provide the best technical assistance. There is a de minimis provision, but it is so small that it would not affect any charge payer's bill.

Local authorities are being granted an important freedom to look at projects before they make a bid for money from the know-how funds. The legislation is not designed to give charge payers or council taxpayers a shock by saying that local authorities will suddenly take on the work of the Foreign and Commonwealth Office.

Mr. Pickles: Of course, my hon. Friend is correct. I am sure that he readily accepts that, while local authorities will be the agents for funds that will come mainly from the Foreign and Commonwealth Office, there will be some cost to local authorities. The Bill is about stopping——

Madam Deputy Speaker: Order. We are not discussing the Bill as a whole: we are discussing an amendment.

Mr. Pickles: I apologise. I was about to speak specifically to the amendment which relates to the powers of the Secretary of State.

Mr. Jenkin: The concern to which the amendment, in conjunction with the rest of the Bill, gives rise is whether we are in danger of allowing local authorities to undertake activities of a quasi-commercial nature, which the officers or the councillors might purport to be breaking even or even making a profit for the local authority, but which might subsequently result in substantial liabilities for the authority, which would be taken up by the charge payers.

Without wishing to antagonise the hon. Member for Newham, North-West (Mr. Banks), I have to say that we all know local authorities that undertake ambitious schemes that subsequently do not match the financial expectations. Do the Bill and the amendment provide safeguards against incompetence or failure adequately to assess the situation of a potential project?

10.30 am

Mr. Pickles: The assessment comes in partnership between the Government and local authorities, and recognises the needs of the countries that it is designed to help. In other sectors, local authorities may wish to use existing powers in conjunction with new powers and we need to be certain that those powers are not restricted. The intention is to clarify the law and ensure that local authorities have confidence, but, in doing so, we should not take powers away. That is the central point.

My hon. Friend the Member for Colchester, North (Mr. Jenkin) may think that the Bill will suddenly open the floodgates and that councils of various political persuasions will be trading throughout the world, but the simple answer is that that will not happen.

Mr. Nigel Evans: Does my hon. Friend agree that one of the greatest fears of many residents—I am grateful to my hon. Friend the Member for Broxtowe (Mr. Lester) for clarifying the point that the money will be Government money and that councils will be acting as agents—will be about what the local authority is doing spending the time of its officers and councillors on assisting other countries when there are problems in their council area? People will feel that councils should be devoting all their time and energy to clearing up the local problems, rather than messing around abroad. The very fact that projects will go to the Government for approval will enable the assistance to be given. Without the approval of the Secretary of State, the assistance might not be given because local authorities would be afraid to get involved.

Mr. Pickles: I am grateful. My hon. Friend has made a number of useful contributions to the debate on the amendment. He has aired the concerns that many members of the public will have. The debate will assure them that that is not the intention of the Bill. It will enable work to be done in partnership. I look forward to my hon. Friend's contribution later in our proceedings when we can underline many of the points that he has made so well.

Mr. Bowis: If we are speaking in terms of sharp suits, perhaps I can refer to the elegant curves of my hon. Friend the Member for Brentwood and Ongar (Mr. Pickles). The debate is following the good lines set out by the debates in our useful Committee stage. With the amendment, the hon. Member for Newham, North-West (Mr. Banks) has allowed us to debate again a point that we debated in Committee, to see whether it can be clarified further.

We are talking about the balance that we need to strike between the enterprise, initiative and enthusiasm of local

[Mr. Bowis]

authorities that are willing to give their expertise to parts of the world that need it and the need for the control and sensible use of resources, which is where the Secretary of State comes in.

The Bill has that balance right, as my hon. Friend the Member for Broxtowe (Mr. Lester) confirmed in his intervention. It is important that we get that balance right, because nobody wishes to restrict local authorities to such an extent that they say, "We cannot be bothered if they are not interested in what we have to offer. We wanted to offer this, but they say no, so we shall give up and go to somebody else." Equally, we must take account of the total of resources and the way in which they can and should be used.

Lady Olga Maitland: Does my hon. Friend agree that a local authority, by offering technical know-how and assistance, may gain enormous benefit for its locality by opening up trading links, and that trading links with newly developed eastern European countries can be of enormous benefit to the local businesses of that borough?

Mr. Bowis: My hon. Friend is right. I am not sure of the extent to which the Bill will advance trading links, except that the more that local authorities have links abroad under the auspices of the Bill, the more likely it is that when they go abroad with their expertise, they may be accompanied by local business men. That would be an offshoot, but it cannot be written into the Bill.

Mr. Carrington: I did not wish to intervene again in the debate on the amendment, but I must make it clear that the point is that, as my hon. Friend the Member for Sutton and Cheam (Lady Olga Maitland) has made clear, if a local authority is giving assistance, through whatever way, to some other local authority, it will lead to trading links, if only because that other local authority will look to this country for support services, computer services, software services and others. There will be true economic benefits, as well as the principal purpose of the Bill, which is to spend aid money.

Mr. Bowis: That is correct. The benefit may flow back to the specific locality that has been giving assistance or to the country in general.

I am conscious that Madam Deputy Speaker would prefer us to stick closely to the amendment. The key is the role of the Secretary of State and of monitoring and the need to avoid the problem of duplication, along the lines mentioned by my hon. Friend the Member for Fulham (Mr. Carrington). We must also ensure sensible prioritising. Many councils, such as Wandsworth, may have good schemes and experience to offer, but the priority in terms of national spending and national advice may require that one or two of those be selected for this as opposed to subsequent years, and that, again, is where the Secretary of State comes into the reckoning.

My hon. Friend the Member for Sutton and Cheam (Lady Olga Maitland) gently prodded the question of what she called junketing and what we in Committee called jollies. We looked for guidance to the hon. Member for Newham, North-West. He has great knowledge and experience, which he shared with us. He could take us round the world in a silver car, with the chairman in the boot—or was it the other way round?—no doubt from county hall, or to the Nicaraguan airlines office. I say this with great benevolence.

Mr. Tony Banks: Will the hon. Gentleman give way?

Mr. Bowis: I had a feeling that I might have to give way to the hon. Gentleman on that point.

Mr. Banks: For the sake of the record, I should inform the hon. Gentleman that I was the only chairman of the Greater London council who never made a visit abroad. It was not so much that I did not want to do so but that I felt that, as the GLC was threatened with abolition, if I went abroad something nasty would happen to it in my absence.

The House is perhaps not the best place to discuss trips abroad. We have not many lessons to teach people in terms of abstinence. As my hon. Friend the Member for Bolsover (Mr. Skinner) would no doubt have said about House of Commons visits abroad, if he had been here in his usual place, "They never go fact finding to Greenland in the middle of winter".

Mr. Bowis: I am sure that we shall be visiting Greenland next. I was not criticising the hon. Gentleman. Had it had the opportunity at the time, I would have recommended that the entire GLC was sent off to a remote desert island where it could give advice to the local monkeys. London would then have been a happier place sooner than it eventually became one. Let me leave that subject on the happy note of unanimity across the Floor of the House.

My hon. Friends the Members for Ribble Valley (Mr. Evans) and for Brentwood and Ongar spoke about local opinion. We want to ensure, of course, that local opinion supports the various measures that are undertaken. The main funding will be recouped from national and international sources, but there will be some on-costs. If, for example, a council officer is seconded to carry out work in another country, some sacrifice will be made by the local community. It is important that the local community gives its full support to such work or there could be resentment.

As my hon. Friend the Member for Broxtowe said, we want to ensure that we avoid the flavour-of-the-month mentality. I am sure that at the moment any project involving Bosnia or Somalia would have the wholehearted support of a council, while similar projects for Cambodia or Bulgaria would not. On the other hand, perhaps we should be sending people to those countries. By the time that Bosnia is in a position to accept help, it may not be headline material and another sad part of what was Yugoslavia may have come to the fore.

I support the amendment.

The Parliamentary Under-Secretary of State for the Environment (Mr. Robin Squire): It has been said that the powers that local authorities already have to provide assistance overseas may be endangered by the Bill. Indeed, it has been suggested that such powers make the Bill unnecessary. For reasons that I shall explain, the Government believe that authorities do not have such powers. As my hon. Friend the Member for Broxtowe (Mr. Lester) would be saying fortissimo, that is precisely why the Bill is before the House. There is no reason why authorities that are already undertaking activities for which they believed they had powers—that is, prior to the passage of the Bill—will be prevented from continuing them when the Bill takes its place on the statute book. The Bill will give them formal, legal powers.

The amendment, which was moved by the hon. Member for Newham, North-West (Mr. Banks), is designed to introduce a without-prejudice clause. The argument for it is that, by providing a specific power to give overseas technical assistance, the Bill will remove local authorities' existing ability to undertake such work on the basis of discretionary powers, such as section 137 of the Local Government Act 1972, or of other specific powers such as the power under section 33 of the Local Government and Housing Act 1989 in respect of the promotion of economic development.

That is one concern to local authority associations that was not discussed in detail in Committee. The reason for that is that while stressing that the Government remained unconvinced of the need for such a clause, I agreed to review the matter if the local authority associations gave us further information. The hon. Member for Newham, North-West then properly withdrew his amendment.

My officials met officials from the associations, both immediately after the Bill's consideration in Committee and earlier this week, and the associations will let us have the necessary further information in time for the Bill's consideration in Committee in another place.

10.45 am

I shall restate my undertaking. I shall review the case for a without-prejudice clause seriously as soon as the associations are able to produce the further information that they have promised. In the meantime, it may be helpful if I set out as clearly as possible why, on the basis of the information that is to hand, I am opposed to a without-prejudice clause.

Section 137 of the 1972 Act permits an authority to incur expenditure which in its opinion is in the interests of, and will bring direct benefit to, its area or any part of it, or to all or some of its inhabitants. However, that power is limited. First, an authority may not rely on the section for a purpose on which it is authorised to incur expenditure by any other power, whether the power is conditional or unconditional. Secondly, and perhaps most importantly, the direct benefit to the authority's area, or any part of it, or to all or some of its inhabitants must be commensurate with the expenditure incurred under section 137. I do not see how incurring expenditure in providing advice and assistance to overseas bodies can be of any direct benefit to the inhabitants of an authority's area, let alone a benefit that is commensurate with the amount spent.

Section 33 of the 1989 Act gives authorities the power to take such steps as they consider appropriate for promoting the economic development of their areas.

Mr. Tony Banks: The Minister is taking up the point that was made by the hon. Member for Fulham (Mr. Carrington). It is a matter that could lead to a legal argument. If, for example, information or assistance had been provided under section 137 and there was a spin-off in terms of contracts coming back into the area of the local authority that had provided that information or assistance, it could be argued that there was a direct benefit to the people living in the area controlled by the authority. Section 137 gives an open power to local authorities, and it would always be possible to find a lawyer to argue that there was direct benefit to the local authority as a result of assistance given to an overseas authority.

Mr. Squire: The hon. Gentleman highlights why we need the Bill, which clarifies and spells out the relevant powers of local authorities. We are discussing a narrow but important point and I reiterate my willingness to listen to the massed ranks of lawyers, if such a body can be imagined, as they advise me whether a without-prejudice clause is necessary.

Mr. John Whittingdale (Colchester, South and Maldon): Does my hon. Friend agree that section 137 has been used by socialist local authorities to divert ratepayers' funds to help a wide variety of extremist, lunatic fringe groups? It is perhaps not surprising that there is a degree of suspicion on the part of the ratepayer whenever the section is mentioned. One of the benefits that will stem from the Bill is the recognition that the involvement of local authorities in overseas assistance is entirely legitimate and welcomed by the Government.

Mr. Squire: My hon. Friend makes a valid point. Were we to develop it, we would take ourselves back over much of the history of the past 15 years or so. Fortunately, all the signs are that local authorities in general are much more responsive now than they were during the time to which my hon. Friend directly and properly referred. He is right, however, to suggest that there is a balance to be struck. In recognition of that, the Bill introduces some restraints and restrictions so that council tax payers, as they will be in a week's time, will have the knowledge that they will be properly protected.

Mr. Jenkin: The hon. Member for Newham, North-West (Mr. Banks) made an interesting intervention. He highlighted the possibility that local authorities might seek a contractual relationship with local authorities in eastern Europe to provide services, or to manage services, in the areas covered by those authorities. My concern is that there are not sufficient checks and balances to ensure that such work is undertaken on a commercial basis. Would that work, under the Bill, be acceptable trade in which a local authority might engage?

Mr. Squire: Most of the activity that is covered by the Bill would be funded, in effect, by one or more know-how funds; in other words, the Bill does not provide funding. Where that is not the position, upper limits are spelt out that apply to the moneys that a local authority will be able to incur over and above the sum that is being funded by one or other of the know-how funds.

I was referring to section 33 of the 1989 Act. There are various restrictions on the power contained in that Act and the regulations made under it.

Mr. Jenkin: Will my hon. Friend give way?

Mr. Squire: Yes, but I want to make progress.

Mr. Jenkin: I apologise to my hon. Friend; I am grateful to him for giving way again. We all know of occasions when it emerges that local authorities have taken part in what has subsequently been regarded as unlawful trade. I thought that that was the point raised by the hon. Member for Newham, North-West. I am still not clear whether the Bill interferes with the rights of, or restrictions on, local authorities. Does it change the nature of the rules that might allow local authorities effectively to trade with counterparts in eastern Europe? Will my hon. Friend comment on that?

Mr. Squire: The Bill would state in law what was previously believed to be the law, under which a number of local authorities were carrying out activities—until one of the flotilla of lawyers, to which the hon. Member for Newham, North-West referred, drew attention to the error. The important point is that to the extent that local authorities are involved overseas, the Bill makes it clear that it must be in areas in which those authorities have expertise. They must genuinely be able to demonstrate that they have that expertise within their own ranks. I think that that is probably the best assurance on restraint that I can offer my hon. Friend.

I find it impossible to imagine how the power under the 1989 Act, which permits an authority to take steps to assist in the setting up of a commercial undertaking in the authority's area, and the creating of opportunities for employment in that area, can be said to give an authority power to provide an overseas body with advice and assistance. Surely the point of the Bill is that there is a serious doubt about the legitimacy of using the existing power for overseas technical work. The Audit Commission has taken the view that there are no existing powers for technical assistance—otherwise, as I said to my hon. Friend the Member for Colchester, North (Mr. Jenkin), there would be no need for the Bill. It is difficult to envisage the purpose of a without-prejudice clause relating to certain powers, when there are substantial grounds for doubt that those powers exist.

However, to meet the concern of the local authority associations that small-scale technical assistance work arising out of, and incidental to, other links with overseas communities—such as the traditional town twinning with which hon. Members will be well acquainted—should not require consent under the Bill, my right hon. and learned Friend the Secretary of State proposes to give a general authorisation for such work below an approved threshold, which is twice such expenditure in the previous financial year or that planned for the current year.

I will deal briefly and succinctly with the points made during the debate. The hon. Member for Newham, North-West cannot tempt me down the road of discussing the Property Services Agency this morning. I urge him to await the outcome of the current inquiries and not to believe everything that he reads in *The Guardian*—indeed, particularly everything that he reads in *The Guardian*.

The hon. Gentleman asked me two questions. The first related to what would happen to the existing powers under section 137 when the Bill is enacted. The short answer is nothing; they will continue. As I have made clear, existing powers under that section cover technical advice and assistance.

The second and important question was about what happens to work already under way as a result of a local authority's interpretation of section 137. Again, the answer is nothing. That work is currently taking place in the absence of clear powers, but my right hon. and learned Friend is ready to offer sanction for such work during the passage of the Bill, should that prove necessary. Once the Bill is enacted, work already under way will continue under the Bill's provisions. The hon. Gentleman and some of my hon. Friends rightly raised the legitimate concern that existing work might be threatened, but I am happy to assure them that that is not the case.

My hon. Friend the Member for Fulham (Mr. Carrington), without necessarily knowing it, hit the bullseye when he spoke about Hungary. You know, Madam Deputy Speaker, that any reference to persons outside this Chamber would be out of order, so I certainly would not make one. However, hon. Members may be interested to know that among those advising me this morning, and not located many miles away, is a visitor from Hungary. He has been following our activities as part and parcel of the Department's work with Hungary and other countries. I am certain that he would have been fascinated to hear our comments this morning. I am also certain that he would conclude, as did my hon. Friend, that although Hungary has little, if anything, to learn from Lambeth, Lambeth may have a significant amount to learn from Hungary.

Mr. Tony Banks: Send in the tanks.

Mr. Squire: It would be tasteless to take up the hon. Gentleman's comment.

My hon. Friend the Member for Fulham, echoed by my curved hon. Friends the Members for Brentwood and Ongar (Mr. Pickles) and for Battersea (Mr. Bowis)—but who am I to speak?—spoke of the importance of striking a balance between a reasonable check on the activities of local authorities and not snuffing out the good, creative ways in which local authorities are already assisting so many other countries, especially in central and eastern Europe. I assure my hon. Friend that it is not our intention to do the latter and nothing within the Bill would do that. On the contrary, I hope that the Bill will bring the opportunities and advantages available to the attention of those local authorities that are not yet involved in this important work.

A without-prejudice clause is unnecessary, would achieve nothing, and would reintroduce an element of confusion into an area that the Bill would sort out and clarify once and for all. In the light of my undertaking to consider the matter further, I hope that the hon. Member for Newham, North-West will withdraw his amendment.

Mr. Tony Banks: I am very much encouraged by the Minister's response. Both he and the hon. Member for Broxtowe (Mr. Lester) said that the amendment was unnecessary. There are still matters that need to be resolved, but from what the Minister said I understand that the local authority associations will continue to talk to him about them. It is for those associations to demonstrate that a without-prejudice clause is required. I feel confident that if they can do that to the Minister's satisfaction, the necessary amendments will be introduced in another place.

The Bill has all-party support. All those involved in it understand that there is no intention to limit the ability of local authorities or to make the position more difficult for them, but, on the contrary, to facilitate what has been happening and to encourage further developments. I take what the Minister said as an encouraging sign that if there is an omission from the Bill that would frustrate the activities to which we have been referring, he will rectify that.

I am still a little concerned about the questions surrounding section 137 of the 1989 Act, which was, perhaps, passed in happier times. It is a broad section which gives very wide powers. The Minister did not mention section 142 of that Act, which relates to the provision of information. That is also widely interpreted by local authorities, as it was meant to be, and it can be used for the provision of information overseas. The hon. Member for Fulham (Mr. Carrington) said that such

activities should be generally co-ordinated. The hon. Gentleman can afford to be elegantly dressed. While he was speaking, I took the precaution of checking the Register of Members' Interests, and can understand how he can afford to shop at the best tailors in Savile row, and no doubt he does.

Much needs to be done in terms of co-ordination, and no doubt the Secretary of State will be able to do it. One must commend many local authorities of all political persuasions—I am not as biased as some Conservative Members—for their pioneering work, and the Bill acknowledges that and encourages and facilitates that process.

11 am

I am sorry that the hon. Gentleman used the amendment to make a ritual attack on Lambeth. I well understand why he might be suspicious of sharp-suited sales persons. Knowing that he is an adviser to the Saudi International bank, I well understand his concern, given the amount of corruption and palm-greasing that goes on in the area in which he no doubt gives a great deal of advice in the middle east. If the hon. Gentleman is suspicious of a sharp-suited sales person, perhaps he would not be quite so suspicious of a sharp jellaba-dressed gentleman wearing a gold Rolex on his wrist.

The hon. Member for Battersea (Mr. Bowis) mentioned the Greater London council, which is appropriate because we are just approaching the week in which, on 31 March, we will mark the seventh anniversary of its abolition—[HON. MEMBERS: "Hear, hear."] That was an entirely predictable response from the Conservative Benches and would not be the response elicited from the great majority of Londoners. I am far more concerned about them than ideologically fixated Conservative Members.

Mr. Robin Squire: As that is such an illustrious anniversary, and in response to the hon. Gentleman's point, in at least the past four or five of the seven years since the GLC's abolition, I have not—as a London Member of Parliament—received one letter from anyone asking me to recreate that monstrosity.

Madam Deputy Speaker: Order. Before the debate continues, I point out that it is not appropriate to hold either a celebration or a wake.

Mr. Banks: I agree, Madam Deputy Speaker, and it would be pointless writing to the Minister on that particular subject.

Mr. Carrington: I do not want to pursue the abolition of the GLC, but it does raise the interesting point of whether the hon. Gentleman considers that it would be appropriate for the Inner London education authority to give advice under the terms of the amendment and clause. One effect of abolishing the ILEA is universal agreement across all parties that the ILEA's education provision was wasteful and poor, and did not achieve good standards. However bad some boroughs are, the education that they provide now is better—even in the worst of them—than that provided by the ILEA.

Madam Deputy Speaker: Order. That point is entirely irrelevant. I hope that the hon. Gentleman will not pursue it and that the hon. Member for Newham, North-West (Mr. Banks) will not respond.

Mr. Banks: It is unfortunate, Madam Deputy Speaker that your stricture was not applied a little earlier before the hon. Gentleman completed his intervention. It would, of course, be impossible for a now-defunct body to give advice to anyone. As someone who received his education under the Inner London education authority, I thought that it was a wonderful authority. Were the ILEA to be extant, it would give excellent advice.

A strategic authority such as the Greater London council could have given tremendous advice in eastern Europe.

Mr. Jenkin *indicated dissent.*

Mr. Banks: The hon. Gentleman shows his ignorance of not only the Greater London council but good tailoring.

In the case of emergency services—such as the London fire brigade—that were the responsibility of the GLC, tremendous information was given to overseas authorities. As to waste disposal——

Madam Deputy Speaker: Order. I am also not inclined to permit a trip down memory lane.

Mr. Banks: You old spoil-sport, Madam Deputy Speaker—I said that affectionately, rather than with any reference to chronological order.

London does not have a strategic authority now, but when we have a Labour Government one day soon, one will be established. I was not so much taking a walk down memory lane as pointing out that a strategic authority for London could give advice in many areas. The powers that I mentioned with regard to emergency services have passed to the London fire and civil defence authority, which gives advice overseas and has sent teams to disaster areas to apply the techniques learned under the London county council, the GLC and the LFCDA. That is precisely the kind of advice and assistance embraced by the Bill.

The waste disposal authority that took over from the GLC can give information and pass on some of the high technology devised in London to cope with waste disposal from such a large conurbation. Such information would be invaluable and would no doubt be welcomed by authorities in eastern Europe, for example.

Mr. Lester: Waste disposal authorities are covered in the Bill.

Mr. Banks: I mentioned them for the benefit of those who did not have the pleasure of sitting on the Committee with the hon. Gentleman. I hope that I am passing on a little light, but not a great deal of heat. In eastern Europe, standards of waste disposal have been appalling in countries such as Albania and Romania. A London authority could teach them a great deal.

Mr. Bowis: It goes wider than that, because international agreements would be needed to solve some of those problems. The hon. Gentleman set up various arguments and then knocked them down himself. Strategic authorities that have a purpose, such as the LFCDA and the authority that brings together waste disposal in various boroughs, are covered by the Bill and can give advice. The hon. Gentleman has demolished his own argument for the need for other strategic authorities, which would be merely wasteful monstrosities and a burden on taxpayers.

Mr. Banks: That does not necessarily follow from the hon. Gentleman's remarks. I referred to a number of

[Mr. Banks]

bodies that are engaged in such activities. The hon. Gentleman will remember that they were all grouped under one body when the GLC existed. His argument does not bear logical examination.

Mr. Jenkin: As to waste disposal, some large private sector companies in this country and throughout the European community are extremely good at providing advice. The Bill needs to guard against excessive crowding out of private sector activity by the excessive ambitions of the public sector as embodied by local authorities. The best lesson that eastern Europe can learn from the abolition of the GLC is that it should rid itself of unnecessary tiers of government.

Mr. Banks: I hope that that will not be a lesson that they draw from the abolition of the GLC. I hope that they will draw the lesson that if a country has a constitution, it will not be possible for someone to walk in and abolish a directly elected and democratic body, merely because the Government of the day, particularly the Prime Minister of the day, does not happen to like it. That seems to me to smack more of the Stalinism and totalitarianism from which they have just escaped. If she could be dug up, I suppose that the hon. Member for Sutton and Cheam (Lady Olga Maitland) would probably go over and give advice to some of the beleaguered democracies in eastern Europe and tell them how to restore Stalinism. They might like it.

Madam Deputy Speaker: Order. The hon. Gentleman is, so to speak, taking off again. Can I bring him back to the amendment?

Mr. Banks: I could not resist the temptation, Madam Deputy Speaker. I blame the hon. Member for Colchester, North (Mr. Jenkin) entirely for provoking me. I can resist everything except temptation.

When the GLC was in being, it worked in concert with the private sector over waste disposal. Correy, the waste disposal company, worked closely with the GLC. One saw its barges going up and down the Thames. The hon. Member for Colchester, North needs to understand a little more of the history of that period of abolition that preoccupied the House for such a long time.

I tabled all these amendments at the request of the local authority associations. The Minister has assured us today that the discussions with the local authority associations will continue and that in the event of their being able to demonstrate beyond peradventure that there is a difficulty, he will introduce the necessary amendments in another place. I am delighted to hear that Lady Flather is to be responsible for taking the Bill through the other place. She has great sensitivity when it comes to both overseas development and local authorities. As I am happy with the Minister's assurances, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Mr. Tony Banks: I beg to move amendment No. 7, in page 2, line 5, leave out 'or'.

Madam Deputy Speaker: With this, it will be convenient to discuss amendment No. 8, in page 2, line 8, at end insert

'or,

(c) a parish, town or community council within the area of any local authority as specified in this section.'.

Mr. Banks: These amendments test the intention of the Bill to limit its scope to local authorities and the bodies derived from them, as set out in clause 1(7) and (8). Parish, town or community councils are currently excluded from the Bill.

Under the know-how fund technical link scheme, however, proposals have already been received from several parishes. These include Castleton parish council in Derbyshire, in concert with the Peak District national park. Their prospective partners are Skala and Ojcow national parks, both of which are in south Poland. Dulverton parish council in Somerset, in conjunction with the Exmoor national park, have prospective partners in Poland and the Czech Republic. Everyone can immediately see why both Poland and the Czech Republic should be involved with parish councils; they lie in the area of national parks. Interest has been shown by other parish councils—in the Grampian region, Kent, Lancashire and South Yorkshire.

11.15 am

From this recent display of interest, it will be clear that parish councils are anxious in many cases to offer overseas assistance. By definition, parish councils are very small. Even the largest employs only a few members of staff. What they lack in staff expertise, however, is more than compensated for in enthusiasm and a direct involvement in the community.

In line with the general desire to devolve powers and to involve people down to the lowest level—subsidiarity being the term with which we are most familiar in this place—it is a little puzzling that the sponsor of the Bill and the Minister have not so far shown any great interest in extending the scope of the Bill in that direction. The active involvement of local communities, probably drawing directly on the enthusiasm and expertise of parish councillors and the community, is to be welcomed.

It would help if the hon. Member for Broxtowe and the Minister were to agree to consider further this question, in the light of the interest from parishes in the Government's scheme. We have heard about the upsurge of interest. Areas of involvement in which parishes have expertise have been indentified. Therefore, I hope that the Minister will give favourable consideration to the amendments.

Mr. Lester: The request for inclusion of this amendment in the Bill is similar to the previous one. I have nothing against parish, town or community councils. My overall view, however, as someone with previous experience of local government, is that it is hard to see how a parish council could employ technical staff and therefore be able to offer technical assistance overseas.

The illustrations given by the hon. Member for Newham, North-West are borne out by my research. Quite by accident I came across such a scheme. Marlborough town council has linked up with Gunjar in the Gambia. I would add, by the way, that Marlborough is a small and attractive town. The town council plays only a part in that role. However, it takes over to Gunjar a team of people, all volunteers, who add classrooms to schools and do all sorts of worthwhile work in the Gambia.

Marlborough has assisted in the most positive way that I can describe. A young man from that community wrote to me. I did not know him from Adam. He said that he would like to come to this country to study hotel and catering skills and asked whether I could help him. I wrote

to a college in London that specialises in teaching those skills. Much to my amazement and gratitude, the principal of that college wrote back to me and said that, as I had asked, he was prepared to give this young man a scholarship. I was very grateful to him.

The problem then arose of what to do next. I had neither the resources nor the facilities to house that young man in London while he pursued his scholarship. He then informed me that there was the Marlborough link scheme. Very generously, it took on the cost of maintaining him in this country. It also assisted him by providing him with work experience in a local hotel in Marlborough. He has returned to his country with a sheaf of qualifications and recommendations. He is a very enterprising young man. I hope that those qualifications and recommendations will lead to his being quickly ensconced as the manager of one of the new hotels that are being built in the Gambia and providing services in that hotel of a quality that will encourage many people and, I hope, many of my hon. Friends, to go there for a holiday. In that way we shall assist in developing a very small country, but one which is important to us.

I use that example to show that town councils can be part of something that is worth while. I do not believe, however, that they need the powers of the Bill to do what they have already achieved through the link scheme. It may be, however, that in future they will need that power. I have no particular reason for excluding authorities of that size from the provisions of the Bill, if their exclusion is seen in any way to be to their disadvantage. Nevertheless, the local authority associations will need to make more of a case, in terms of the Bill, to bring about that type of beneficial interchange and exchange.

I am conscious of the fact that town councils can be fairly large bodies. One town council, Brackley, serves a population of 59,000 people. If we compare that with anything in the third and the developing world, we see that it is a substantial authority. Therefore, I do not wish to prevent any local authority with the necessary capability from participating, by means of the Bill, in the interchange that we are trying to promote.

I hope that those remarks will reassure the hon. Gentleman that in no sense are we negative. In every sense we are positive. We are trying to obtain the maximum that we possibly can from the Bill in order to promote these various interests.

Mr. Carrington: It worries me when I find myself in some measure of agreement with the hon. Member for Newham, North-West (Mr. Banks). We differ on most matters, including matters sartorial. However, he has an extremely valid point on this amendment in that I cannot see a reason for excluding town councils from the legislation.

I understand that there may be a few instances where a parish council would be able to give advice or, indeed, would be advised to give advice—if that is not too convoluted a phrase. I can see circumstances where it may be possible that such advice would be sensible and where we would not wish to exclude a body, however small, from the ability to make use of the legislation or be able, under the auspices of the Secretary of State, to come in as part of a complete restructuring advice package that is being given to an area of some foreign country. One can imagine a situation where a whole structure of local government might be set up with advice from an equivalent local government structure in the United Kingdom. In such cases, one would not wish to exclude the bottom tiers of councils from being able to participate in that. I understand the concern that too small a council might have to use a disproportionate amount of its resources to be able to give advice. With few officers or, in some cases, no officers at all, such councils may take on things which are impossible for them to deliver in the final analysis. At the beginning, they may go in with enthusiasm, determination and good ideas, but then time passes, the project slows down and things become more difficult. Finally, the Secretary of State may have to bail out the parish council which is giving the advice and that may cause an enormous problem. The Bill contains sufficient safeguards to ensure that that will not happen.

If a parish council takes on something that is patently too large for it to be able to undertake, that is too complex or, indeed, that is not done in partnership with a larger authority that would give support, the Secretary of State will have the power to refuse permission for the council to get involved. Therefore, the purpose of the amendments must be welcomed.

The Bill may already include parish councils; I am not clear on that. If that is the case, the amendments are unnecessary, and that is also welcomed. We need to clarify the exact position of small councils because the advice that they can give could be worth while for the development of countries, especially those in eastern Europe.

Sir Michael Marshall: I support my hon. Friend's argument. When we were discussing this matter in Committee, I got the impression that it was difficult to foresee circumstances in which parish or town councils might come forward. Recently, Bognor Regis town council in my constituency carried out an exercise—this is an interesting example for my hon. Friends and Labour Members—using automatic vote-counting machinery for a local referendum. Under present legislation, such automatic vote-counting machinery cannot be used in the United Kingdom for the normal processes with which we are all familiar. At that level, it is possible to experiment.

In this specific case, the manufacturer of the equipment provided it as a trial. Observers came from different parts of the world, including the different part of the world called the Home Office. It was an extremely interesting example of something to which, I suspect, we shall have to bend our minds before too long—whether we should be using automatic vote-counting machinery. It could have been used in this case to give know-how to visitors.

We have been talking about taking know-how outwards. With such experiments, it is possible to give some practical experience which would be of value to the sort of countries that we have in mind under the terms of the Bill. In view of what has been said about the Bill, I am not sure whether we need to carry the amendment. Certainly, it raises a proposition that is worthy of consideration. Perhaps it might be re-examined in another place, if not here.

Mr. Robin Squire: As the hon. Member for Newham, North-West (Mr. Banks) said, the purpose of amendments Nos. 7 and 8 is to extend the provisions of the Bill to allow parish, town or community councils to provide advice and assistance to overseas bodies with regard to any matter in which they have skill and experience. At present, the Bill does not give them that authority.

[Mr. Robin Squire]

The Government are entirely open to argument on this point. It has been said that, throughout the discussions and the passage of the measure, we have been at pains to take into account the views of the local authority associations on all aspects of the Bill and accommodate their wishes, if at all possible. When officials and my hon. Friend the Member for Broxtowe (Mr. Lester) met the associations on a number of occasions before Christmas, the question of including parish, town and community councils was raised by the associations, but was not pressed hard. My hon. Friend told the local government side that parish councils do not employ technical officers and the local government side did not pursue the matter further at the time.

On that basis, my hon. Friend and I concluded that it seemed unlikely that parish, town and community councils had much to contribute to the provision of technical assistance abroad, not least because many of them are small with limited resources. I should add, slightly tongue in cheek, that it may seem a little odd that associations should now wish to have parish powers extended in that direction when they have resisted extensions of parish powers a little closer to home than the subject of the Bill.

My serious and unqualified commitment is that if the associations can demonstrate that some parish, town and community councils have the ability to provide technical assistance to overseas bodies, I will certainly reconsider the matter. Of course, I should need to consult separately my right hon. Friends the Secretaries of State for Scotland and for Wales. My commitment has been conveyed by my officials to the associations. I understand that the associations have undertaken to provide further information to enable the matter to be reconsidered before the Committe in another place. On that clear undertaking, I hope that the hon. Member for Newham, North-West will feel able to withdraw amendments Nos. 7 and 8.

Mr. Tony Banks: How I have yearned to hear a Minister come to the Dispatch Box, say that the Government are entirely open to argument and, on this occasion, mean it. It is a step forward for civilised behaviour and good government.

I welcome the Minister's assurances. The hon. Member for Broxtowe (Mr. Lester) demonstrated that there are examples of activities in the local authority structure which the Bill is beginning to highlight and we are gathering more information all the time. The hon. Gentleman referred to Marlborough, which, as a town council, is its own parish council. Effectively, it is a parish council with a mayor. The need to extend the Bill is clearly demonstrated. The hon. Member for Arundel (Sir M. Marshall) gave a further example. As the knowledge of the Bill permeates through the local government structure, I suspect that hon. Members on both sides of the House will be able to discover more examples tucked away in their own areas.

If one looks at the Bill, one will find that parish, town and community councils are excluded. It is good to know that the Minister is prepared to listen to arguments. I suspect that the arguments will come from his own side as well as from the local authority associations. The hon. Member for Fulham (Mr. Carrington), whose support I greatly welcomed, referred to our shared lack of sartorial tastes. That is because I have the taste but not the money and he enjoys the opposite condition.

Parish councils will be undertaking ventures in co-operation with other authorities. I gave examples of parish councils which were involved with national parks. Clearly, parish councils, by definition, do not have the resources to enable them to spare staff, as it were. However, a great deal of expertise has been built up in rural areas. It would be a shame not to allow it to be passed on to areas of the world where it is obviously very much needed.

I accept what the Minister said. It is good to know that on this occasion the Government are working with an open mind and are prepared to listen. Under those terms, and with the assurances that he has given me, I beg to ask leave to withdraw the amendments.

Amendment, by leave, withdrawn.

Order for Third Reading read.

11.29 am

Mr. Lester: I beg to move, That the Bill be now read the Third time.

When I made my peroration on Second Reading, I suggested that by passing the Bill, the House would light one thousand candles in various parts of the world in which light could be cast on local communities by their linking with such communities in this country. During the Committee stage and since, I became convinced that that was an accurate analogy. Those of us who seek to encourage the forces of light rather than the forces of darkness will see that the Bill is perhaps one small way in which we can help to develop that concept.

Colleagues have mentioned local opinion. I should have thought that in any locality, opinion would be in favour of a more integrated and closer world, and the sharing of information and assistance in a way that narrowed the gap between those of us who live in privileged societies in the privileged world and the rest.

All my parliamentary and personal experience has convinced me that one of the truths of life is that the maximum human contact that is designed through good will to assist is essential to move things forward to counter the negative processes which are all too apparent to us in different parts of the world. Ethnic cleansing, the breaking of contact, the manufacture of nationalistic feelings of which we have many experiences in history, and the encouragement of hate, disgust and those forces that I am sure that no one in the House remotely encourages, are all too obvious.

Therefore, it is important that legislation such as my Bill, which seeks to encourage the best of our standards in a particular walk of life, are used to maximum effect. Some of us have come through local government to the House and, therefore, have a particular affection for it. We recognise that local government is the sinews of our democracy and that, unless we have the bricks with which to build democratic values and a democratic society, we cannot impose one from the top.

Equally, local government is highly relevant to our daily lives. For many people in many parts of the world, what is achieved in their locality is infinitely more important than what might be done in their national parliament or any international body. I have given one example of that today. It is important to one community of 20,000 people in the Gambia.

I am a member of the Foreign Affairs Select Committee. Currently we are examining Boutros Boutros

Ghali's document "Agenda for Peace", which sets the big scene for the world and the way in which it will develop into the next century. As part of that, I recently visited Cambodia—a tragic country which I know well. I have tried in many ways in the House to influence Government policy to help Cambodia's people to emerge from a dark passage of their history.

In a short time, there will be elections in Cambodia. It is essential that we assist the people with technology, which the United Nations has already done. Cambodia is turning to local authorities, including in Britain, for people to go out to Cambodia and man the election booths and electoral offices. Cambodia wants to convince its people that the election involves a secret ballot—something of which they have no experience—and that it will be run to the highest standards so that they can accept the result. That is important.

Cambodia is turning to us to send 50 people from all our local authorities who are prepared to join 950 people from other parts of the world to ensure that the election is run properly. The election could be crucial. We could have another Angola or we could move forward into a wholly different situation. That is a simple example of where standards that we have established and seek to maintain could be put to immediate practical effect.

One of the essential elements of "Agenda for Peace" is what we call preventive diplomacy. It is far better to prevent a dispute or a breakdown in society. One official from the Foreign Office or one ambassador is much cheaper than a battalion or an international rescue attempt, such as we have seen in Somalia. The Bill offers one further thread in that ability to prevent trouble and assist with preventive diplomacy.

The amount of money that we devote to preventive diplomacy is minuscule. It includes the know-how funds, which are essential. The Foreign Office budget represents only 1 per cent. of public expenditure. As "Agenda for Peace" suggests, diplomacy is the real way in which we defend our values and standards and share in giving assistance to other countries. So 1 per cent. of public expenditure seems a small amount to devote to that priority. That is not the issue with which we are dealing today, but all of us in the House should ensure that the means exist to play the full part that we can play because of Britain's history.

Britain is the only country in the world which is a member of the Security Council, the Commonwealth and the European Community. That is a unique combination which no other country has. That is to say nothing of our historical links through the Commonwealth with many other parts of the world. We can give much in terms of diplomatic skills and funds such as the know-how fund. We can share the skills of our local authorities wherever in the world they are most needed.

We have concentrated a great deal on the know-how funds as the means of assisting countries in eastern Europe. Indeed, we see daily how desperate Russia is for assistance. I am 110 per cent. behind that effort. Having provided the means for the implementation of the measures in the Bill, we need to grow the powers and ensure that the assistance is accepted. We need to propagate the knowledge in the relevant countries that the service is available.

It may reassure some of my colleagues who mentioned their anxieties about local government and local opinion that the initiative usually comes from the recipient country. People turn to our local Foreign Office staff and say that they desperately need help on a certain matter. The Foreign Office makes a list from which local authorities make a bid to carry out the project. The Foreign Office ensures that the local authority is not only expert in that matter, but is able to make the link.

I said on Second Reading that many towns, cities and counties in Britain were linked to places in other countries. It is helpful if a link already exists and people have already got together for other reasons. In giving technical assistance and offering help, it is essential not only to provide assistance but to monitor it and continue to support it. In many cases, people have been offered help and advice and left to get on with it. So many things in this life require constant monitoring and assistance.

The town clerk in Harare, which is twinned with Nottingham, can pick up the telephone and speak to the chief executive of Nottinghamshire county council and say, "Michael, I have a problem. How can you assist?" The chief executive can immediately respond by sending a further officer or by offering advice on the telephone. Much can be achieved by such a human link.

Interestingly, other Commonwealth countries operate similar systems. I was particularly interested in the Federation of Canadian Municipalities international programme, whose symbol is

"Together we can change the world"—

what a good symbol, because apart we can destroy the world, which I am afraid is happening in too many parts of the world. In terms of the benefit to British people, one of its findings is interesting. It says that the programmes that it has already established

"have had a very positive impact on the Canadian municipalities involved, particularly in terms of professional growth. An improvement in the morale of Canadian municipal staff involved in the exchanges, and a shift in their attitude to how their city functions is beginning to be seen."

It further commented on the link between Burkina and Quebec:

"Managers who have gone to Burkina have found lessons to be learned. In Quebec, one gets used to a standard of life, to good working conditions. Seeing the situation in Bogande gives one some humility. One also learns much by the way people there have retained the strong human warmth, in their business relations as well as their day-to-day life, something we have lost a little of here."

There is a two-way process, which can only be to the benefit of the local community. I am sure that all my colleagues will agree that we must build on that example.

Where do we go from here? One wants to look to the future. The Commonwealth Parliamentary Association and the Commonwealth should start to see how it can link our local authority associations with those in other parts of the Commonwealth. That is a natural link. Sadly, many parts of the Commonwealth are still undeveloped and local authority associations may not exist. I hope that one of the sponsors of the Bill, my hon. Friend the Member for Hereford (Mr. Shepherd), who is a member of the Commonwealth Parliamentary Association, will be able to make such a proposal for consideration at the association's international conference and, I hope, at the Heads of State conference. It would help to unite and assist the Commonwealth to develop and propagate the principle that together we can change the world.

I want my hon. Friend the Member for Arundel (Sir M. Marshall), who is president of the Inter-Parliamentary Union, to use the beneficent effects of the IPU to be big brother in the kindest and most helpful way to the many

[Mr. Lester]

little brothers in local government. I hope that, through his good offices, he will be able to make the rest of the international community aware of the many talents that British local government can offer in building a single world.

I am sure that no sane council tax payer would begrudge such measures of assistance or would take the line about junketing and all the negative attitudes that people tend to mention.

Eastern and central Europe are covered by a fund that is already established. I should like it to be enlarged and used as effectively as possible, but my interest is in countries that have less than those in eastern and central Europe, which are covered by the Overseas Development Adminstration. I hope that we can encourage officials and the very able ODA Minister to take account of the Bill under the technical link scheme, because the Bill is the most cost-effective means of offering assistance. Instead of the ODA using international consuultants, the Bill is a more direct practical link. The ODA may need to change its thinking, which sometimes takes a little time. The de minimis provision of our overseas aid budget is very small, but, cumulatively, the small amount that a local authority can spend under the Bill and, with ministerial encouragement, under the general authorisation could do an enormous amount of good. It would be helpful if my friends at the ODA began to think positively about how the relevant local authorities will be asked to offer assistance.

Lady Olga Maitland: Does my hon. Friend agree that, although it is essential to give as much help and assistance as possible to overseas countries, it is important that they have to pass the litmus test of being a democratic system in order to receive financial aid? That is one of the criteria that were first suggested by the Foreign Office.

Mr. Lester: That should not be the first litmus test, because much of what we are doing is to enable such countries to establish democratic systems. The only way in which we can genuinely serve communities throughout the world is under a democratic system. We must be a little careful in thinking that we have the only democratic system. There must be accountable government at any level where Governments should be accountable to the people that they serve. How countries achieve that object is very much a matter for them. The thrust of the Bill and of my speech is that we are trying to export our high standards, and democracy in this place is one of our highest standards.

I hope that this small Bill will have an enormous and profound effect. I am most grateful to all those who played a part in drafting it, in developing it and in crafting it in Committee: Opposition Members have been constructive and supportive; Conservative Members have revealed their intimate knowledge of the subject; the Government have been very supportive; and the Local Government International Bureau and members of local authorities shared the best of their knowledge and experience. I thank in advance Baroness Flather, who was commended by the hon. Member for Newham, North-West (Mr. Banks), and who I am sure will do a marvellous job in the House of Lords.

I hope that before we adjourn for the summer recess all those who played a part in drafting the Bill will take the same joy and fundamental sense of purpose from their role and that the Bill will be given Royal Assent before the summer recess.

11.49 pm

Mr. Pickles: I congratulate by hon. Friend the Member for Broxtowe (Mr. Lester) on his initiative in promoting the Bill. My hon. Friend was luckly to come high in the private Member's ballot. I do not know whether he came first or second. He could have chosen a controversial subject and achieved a lot of national publicity. It is entirely consistent with his distinguished record that he should choose to promote a Bill which will do good both on the local government scene and, more important, on the international scene.

The world has changed a great deal over the past few years. The great founding fathers of modern local government would be surprised to find British local government offering advice and assistance to countries many miles from these shores. Those engaged in local government activities are surprised to find that many of the problems and challenges faced in Britain by those seeking to deliver good local administration are almost exactly the same as the problems faced in Africa and in the former eastern bloc. It is important that we enable local councils to share their experiences and to point to good practice to ensure that democracy flourishes in other countries. Democracy now exists from Stettin to well beyond the Urals. It may not be the kind of democracy that is readily recognisable by the good councillors of Brentwood District or of Epping Forest District, but it is a vibrant and developing democracy.

The powers in the Bill are built on good local government practice. There has been a gradual build-up of information. The Bill is important in clarifying and codifying practices that are developing. We need to ensure that in years to come, district auditors, whether sharp-suited or not—my experience of district auditors leads me to believe that they are unlikely to be sharp-suited —will not be able to rule these matters outside the competence of local authorities. As we are all aware, the principal function of a district auditor is to arrive on the battleground long after the battle has been won and lost and noisily to bayonet the wounded. We need to ensure that local authorities have the power to avoid such problems.

In Committee and on Report, hon. Members have expressed the worry that the Bill will open the doors to junketing. I have been very critical of junketing. We must make it clear that the advice offered is largely technical and practical. It is principally designed to ensure that the officers and practitioners of the council have the opportunity to share their experience with people from other countries. I make a prediction. The clanking of the mayoral chain will not be heard as a result of the powers that my hon. Friend the Member for Broxtowe seeks to give local government.

The new powers will develop in the way in which the twinning powers of local authorities have developed over the past 50 or 60 years. When I first became a councillor, I listened to a moving description of the patient and painstaking way in which links were built between this country, France and Germany between the two world wars

and of the way in which, after the conclusion of the second world war, those links were patiently and gradually built up again. Local authorities, along with the local communities, were prepared to make enormous efforts to forge links. Families from across Europe and beyond have grown up together. Schoolchildren have become familiar with the customs of this country, and our schoolchildren have become familiar with customs of other countries. There have been exchanges of cultural events and exchanges of trade events.

The links are directly relevant to the Bill. As I know from my constituency of Brentwood and Ongar, the schoolchildren from abroad who visited my part of Essex in the 1950s and 1960s are now adults of some importance in local industry, in local councils and in local business. They are familiar with Essex and we are familiar with the parts of the world from which they came. Naturally, when we think in terms of trade, of cultural exchanges, or of advice, we look to the people whom we have known for most of our lives. The Bill will start an important movement because the friendships and professional advice proposed in the Bill will serve this country well. We should not be too starry-eyed. The aims of my hon. Friend from Broxtowe are good and decent, and will bring democracy. The Bill will also help to promote the interests of this country. The development of democracy and economic growth in the countries concerned will have a direct bearing on our economy.

What do the newly emergent democracies want? I have had the opportunity to offer advice to colleagues in other lands. What strikes me most forcefully about eastern Europe is the fact that a whole generation has disappeared in terms of leadership. The people who run local councils and local democracy have had no experience of such work. They are generally people on the fringes of society. Many were imprisoned under the former regimes. They now find that, having stormed the barricades, they have to deal with many of the difficult practicalities that come with running a modern local council. I welcome the Bill. I congratulate my hon. Friend the Member for Broxtowe on making a valuable contribution to local government. I look forward to the Bill being given Royal Assent this year.

11.57 am

Sir Michael Marshall (Arundel): I am glad to have the opportunity to follow my hon. Friends the Members for Broxtowe (Mr. Lester) and for Brentwood and Ongar (Mr. Pickles), because I intend to address a number of the points they raised. My hon. Friend the Member for Broxtowe rightly took us into the wider international dimension which lies behind the Bill. He is somewhat modest in speaking of it as a "little" Bill. The legislation has the potential to create an important extension of the development of the democratic process in many parts of the world.

I will outline some of the aspects of the legislation from my standpoint as president of the Inter-Parliamentary Union. My hon. Friend the Member for Broxtowe asked me what the IPU could do in taking the process forward. I will outline what is happening at present and consider briefly how the process may go further. I will deal first with specific examples of local government activity within parliaments and within the IPU. One of the most striking examples, of which a number of hon. Members have experience, is the fact that delegations from many countries, especially the newly emergent democracies in central and eastern Europe, relate strongly to the constituency visits and to discussions at local government level. As my hon. Friend the Member for Brentwood and Ongar said, we are dealing with a generation of people who have no experience of such structures.

I slightly disagreed with my hon. Friend the Member for Brentwood and Ongar when he said that he saw multi-party democracy only in the officer context. I do not want to ignore the role of councillors in providing the sort of crash courses and assistance needed. I certainly agree with my hon. Friend that such work can be undertaken by people with worried looks and heavy frowns, not those wearing chains for ceremonial purposes, but links are being forged by parliamentary visits, particularly of those coming to this country from the newly emerging democracies.

The IPU stands for the peaceful resolution of conflicts and the development of representative institutions—two processes that are intermingled—and is able to take the process wider still. The IPU can help in deploying the interests of local government at the elected level as well as the interests of Parliament and national Government at a higher level.

Cambodia has been mentioned. It is a good example of the way in which the partnership is beginning to emerge. I had the chance to meet Dr. Boutros Boutros Ghali a few weeks ago specifically to discuss what can be done to assist in the electoral process in Cambodia. I am sure that it will be appreciated that trying to co-ordinate the work of 118 Parliaments—not just one's own Government—is an enormous task. It is not easy, and we are still in the early days.

There is a worry over Cambodia. In Angola, while the electoral process was generally seen as free and fair, it was challenged simply because the presence of overseas observers was limited. There were not enough people on the ground to prevent the sort of challenge to the outcome by opposition parties and others. That is why the United Nations has overall direction of the Cambodian elections and is seeking to assist at every level and particularly—as my hon. Friend the Member for Broxtowe said—in the process of overseeing the polling stations which are often in remote areas.

The process is not confined merely to local government officers and councillors. The request has gone out to Members of Parliament to undertake such work, which is arduous and in some ways seen as lower down the scale of work normally undertaken. However, the needs are such that the appeal has gone out on the wider spaces. I am proud to see that a number of hon. Members have considered the matter carefully—and I believe that some will come forward to assist the process, and possibly camp up country to participate in it.

Last week, I had the chance to visit the Romanian Parliament and address the Chamber of Deputies. We had perhaps underestimated the way in which that Parliament is moving towards a wider multi-party spread than we had previously thought. The Romanian Speaker will visit this country soon and will, I know, hope to have the opportunity of discussing with you, Madam Deputy Speaker, and your colleagues, the activities of the Chair in the way in which our parliamentary organisations are currently structured. In Romania, debates quickly turn to issues of local government and how it should be organised. Discussions then bring into play the way in which such

[Sir Michael Marshall]

activities can be underpinned. The various possibilities include not just the know-how fund and the opportunities provided through the British Association for Central and Eastern Europe, but the Westminster Foundation for Democracy, which is doing important work in ensuring that party organisations have a chance to grow and develop. The current project list is widely drawn, although I suspect that it does not go as far towards local government as many hon. Members would wish. That is precisely why the Bill is so well timed and can act as a catalyst in taking the process forward.

I will not seek to rehearse the discussions that we had in Committee, but I am worried about one or two aspects of our proceedings this morning. Some of my hon. Friends —including, I think, my hon. Friend the Member for Colchester, North (Mr. Jenkin)—seemed to believe that the process could displace commercial activities. I believe that it will have the opposite effect. My experience of county councils shows that they are organised to provide the know-how on road building and management for many parts of the world, not just central and eastern Europe, but Africa and Asia. In doing so, they bring British civil engineering interests into the various consortia. Specific commercial opportunities are provided by the work that is encouraged by the Bill.

Looking to the future, there are ways in which the process can be accelerated and taken wider to bring together a partnership of local government, councillors, the House of Commons, the other place, Government and commercial interests in schemes that have validity in a world with ever-increasing needs. I do not know what the local authority organisations are currently doing, but here may be a case for creating some sort of international organisation of local authorities to exchange ideas. We cannot simply assume that it should be a purely British effort.

My hon. Friend the Member for Broxtowe referred to work being done by the Canadian municipal organisations. In Committee, I asked my hon. Friend the Minister whether he had any other examples of the work being done in other countries. My research suggests that there is not much information on that subject, and I have the impression that the work in that sphere is limited.

In my response to the Bill, which I trust will become an Act, I will ensure that we take the process forward and draw it to the attention of the 118 Parliaments so that they take back to their local authorities the suggestions made. I believe that my hon. Friend the Member for Broxtowe, through his work on the Bill, has started the process. I hope that it will be not only irreversible but worldwide.

12.7 pm

Mr. Whittingdale: I will make a brief speech. I do not want to detain the House long and I am aware that other hon. Members wish to speak.

I was unable to be present for the Bill's Second Reading, but I read the debate carefully, and the subsequent Committee stage. I join my other hon. Friends in congratulating my hon. Friend the Member for Broxtowe (Mr. Lester) on introducing the Bill, which appears to have won wide support on both sides of the House.

The collapse of communism and what has happened in eastern Europe in the past couple of years is the most exciting event during my lifetime. I went to eastern Europe in 1983 and saw the state of poverty and the expressions of despair. I never thought that the collapse of communism would happen so quickly or come so soon.

With the collapse of communism come new problems, both economic and political. It is essential that we in the west give every assistance that we can to the people in eastern Europe to make the transition to an economic free market and political democracy. This country has been at the forefront in giving economic assistance through the know-how fund and other institutions, such as the European bank for reconstruction and development, the British Council and, most recently, the foundation set up by Baroness Thatcher, with which I had a small connection before becoming a Member of Parliament.

Such efforts must be matched by political assistance. My hon. Friend the Member for Arundel (Sir M. Marshall) mentioned the Westminster Foundation for Democracy, which is doing good work in helping embryonic political parties in eastern Europe. The Conservative party has also been providing those parties with help on campaign techniques and political skills. It is essential that we should help not merely national political parties, but local ones.

When I made a brief visit to eastern Siberia with Baroness Thatcher, we stopped to refuel at Bratsk. She was greeted by a delegation of local dignitaries, who turned out to be the hierarchy of the Irkutsk communist party. My hon. Friend the Member for Broxtowe said that the essential requirement for functioning democracy is accountability, but I believe that that delegation had no accountability to the people of Irkutsk. I suspect that its members were accountable only to the Kremlin.

It is extremely important that we should give all the help that we can to the countries of eastern Europe, the former Soviet Union and other parts of the world to develop properly functioning local democracy. That is why I welcome the creation of the technical link scheme by the Foreign and Commonwealth Office, and why I give my full support to the Bill.

We have a long tradition in this country of town twinning links which have been set up to improve international relationships and promote friendship with other European countries. Essex, my area, is twinned with the region of Picardy. Maldon is twinned with Cuijk in Holland, a link established 14 years ago by the then mayor, Ron Daws. Since then, there have been regular exchanges between the two towns.

Colchester is twinned with Wetzlar in Germany and with Avignon, and has developed friendships with the towns of Siena, Zwolle, Tarragona and Tortosa. All these places are in western Europe. They provide valuable links, but we need to look further. We need to encourage towns such as the ones in my constituency that I have mentioned to develop links with towns and villages in eastern Europe and beyond, so that we can pass on to them our experience and skills and help them to develop their own forms of local democracy.

I welcome the Bill and I hope that towns across the country will take advantage of it, so that in due course Colchester will be twinned not just with Wetzlar but with Vladivostok, and Maldon not just with Cuijk but also with Cracow. This Bill will enable them to do that, and I give it my full support.

12.11 pm

Mr. Bowis: I had not realised until now that my hon. Friend the Member for Colchester, South and Maldon (Mr. Whittingdale) was responsible for sending our former noble leader to Siberia. I salute my hon. Friend the Member for Broxtowe (Mr. Lester) for introducing the measure and for all that he does for the developing world east and west of the iron curtain. Occasionally, we have to mix our envy of his endurance of the tropical sun with admiration for what he achieves on these countries' behalf.

The Bill meets the concerns of local authorities about the possibility of finding themselves acting ultra vires. I will want to continue to monitor their concerns about currency fluctuations affecting the implementation of their plans. Given the uncertainties of currencies like the rouble, we do not want to find that a council that has sent staff somewhere runs out of money before the scheme has got under way. That problem needs to be treated with sympathy by the powers that be.

I entirely endorse the point about countries that are not yet democracies. My hon. Friend mentioned Cambodia, for instance. I recall being in Namibia in the run-up to what the United Nations deemed were free and fair elections. There I met an electoral registration officer from Somerset, offering his expertise. I should like that to happen in more parts of the world, such as Palestine.

I would encourage local authorities to use for this purpose officers who have just retired. They have the requisite expertise, and using them will not deprive communities of that expertise. I think particularly of the former chief executive of my former council of Kingston —recorded as Wandsworth in the *Official Report* of the Committee proceedings—Bob McCloy, who has done so much for Bulgaria.

As for the financial benefits to local authorities, Wandsworth council has been selling its advisory services to many parts of the world, especially eastern and central Europe. Last year, that brought in £100,000 for the benefit of the community. That sort of activity should be further developed.

The Bill goes a long way towards bringing benefits to the recipient countries—and to the donor countries. Our councils can often learn something from the procedures and practices of the towns abroad to which they go. That is why we should endorse the Bill and wish it well. I wish Baroness Flather every success in taking the Bill through the other place, and I congratulate my hon. Friend once again on taking the measure through to the statute book.

12.14 pm

Lady Olga Maitland: Because time is short I will briefly offer my sincere and wholehearted congratulations to my hon. Friend the Member for Broxtowe (Mr. Lester) on bringing in the Bill. The clarification that it affords is well overdue. The world is becoming like a global village; we must reach out and help those in need.

Of course we must help emerging democracies, but I must emphasise that know-how funds should primarily be given to countries that are already democracies. Advice is also badly needed. When I was in Yugoslavia before Christmas monitoring the elections it became clear to me how much that country need good advice on how to run elections. I will not go into the political shenanigans that were going on, but there was a genuine need to understand how to carry out free and fair elections.

The Bill is welcome because it can serve as a vehicle for developing trade links, too. In a week of great tragedy for Warrington, I have heard that the borough council there is doing magnificent work developing trade links in the form of technical expertise with eastern Europe, especially Czechoslovakia—to the tremendous benefit of local businesses.

I congratulate my hon. Friend the Member for Broxtowe on a splendid effort.

12.16 pm

Mr. Carrington: I add my congratulations to my hon. Friend the Member for Broxtowe (Mr. Lester). He has piloted the Bill through with considerable skill. The Bill is timely because it will be of general application—and specific application to eastern Europe, an area with which we have great historical and cultural ties. Its attitudes to democracy can be expected to be similar to our own and its structures will benefit enormously from being able to call on the expertise of British local government.

It is impossible to run a functioning system of democracy without that democracy permeating to the lowest levels of society, and working effectively there. It must permeate all activities in the public domain, as well. That is the area in which this country has a great deal to offer others.

That assistance must be given at other countries' request, however, not at our insisting. Only they know what they need for their democracy. We can provide the extra technical assistance to enable them to achieve their self-defined democratic goals, and that is what the Bill does. Hence, I strongly support it; I congratulate my hon. Friend and I look forward to the Bill's successful passage through another place.

12.18 pm

Mr. Nigel Evans: I am grateful to have the opportunity to congratulate my hon. Friend the Member for Broxtowe (Mr. Lester) on his important Bill. It is tempting to say that we should of course automatically give countries in need of assistance the help that they need. Not so; when canvassing one's constituents, one often hears them say, "We have our own problems here. The money you spend on overseas assistance should be spent on this country." I do not share that view. Emerging democracies are fragile flowers which need oxygen to survive. If we, through our work here, can give them part of our oxygen, they will grow and blossom.

In the past, I was sceptical. I was on West Glamorgan county council for six years and made it clear from the start that I would not go on any foreign trips. During my time there, I did not take any such trips although there were opportunities to do so. The discerning electorate will be able to see whether local authorities are abusing the privileges that the Bill will grant them to assist emerging countries. They will know whether the system is being used or abused.

The Bill will banish the jolly-junket image and every pound will be invested properly to assist emerging overseas democracies. When I was a councillor in West Glamorgan, many of the areas that I represented were twinned with other towns and villages. Some of the boards and banners in our towns and villages suggest that it would be easier to state the places that they are not twinned with. However, twinning gives valuable two-way information. We, as well

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as the countries that we are assisting, will benefit from contact. I congratulate my hon. Friend the Member for Broxtowe and have great pleasure in supporting the Bill.

12.21 pm

Mr. Tony Banks: I associate the Opposition with all that has been said about the hon. Member for Broxtowe (Mr. Lester) and his excellent Bill. We are delighted at its progress and wish it fair wind in another place. When I listen to the hon. Gentleman in Committee and in the House, I realise what a thoroughly decent person he is. He has the distinction, the badge of merit, of being one of the first Ministers to be sacked by Mrs. Thatcher when she became Prime Minister. That was because he is such a thoroughly decent person.

I was interested to hear that the hon. Member for Colchester, South and Maldon (Mr. Whittingdale) accompanied Lady Thatcher to deepest, darkest and ice-bound Russia and that she was greeted by members of the local Communist party. They recognise a good old Stalinist when they see one and if they ever wish to restore Stalinism, Baroness Thatcher will be an excellent person to take over and consult.

We have had many clashes in the Chamber over the role and functions of local government: we gently touched on a few of them today. Many Conservative Members have local authority backgrounds. I am a passionate believer in the role of local government, which has been sorely undermined since 1979 by many Conservative policies. The Prime Minister recently spoke about the need for partnership between local and central Government and about the need to move away from the acrimonious past. We all say, "Hear, hear" to that, but we want to see action by the Government; otherwise what the Prime Minister said will remain mere words. So many powers have been taken from local government and it has been so sorely undermined that not just words but Government action are needed to remedy all the past attacks. Without that, I am afraid that our local democratic structure will remain fragile.

There is much to be proud of in what is left of local government in terms of its structures, democracy and traditions and, in terms of what we have been debating, —its expertise. It is little wonder that east European and other countries have turned to our local authorities for assistance in the areas that hon. Members have mentioned in this short Third Reading debate. Long may those requests come in and long may we be able to extend that expertise, tradition and everything else that is good about local government to countries elsewhere, and especially in eastern Europe, that are struggling to enjoy the light of democracy.

Local authorities need to do a great deal to assist emerging democracies. The hon. Member for Broxtowe was correct when he said that we must not say, "We will assist you only when you are a fully fledged democracy." One could argue that our democracy is not as fully developed as we want it to be, and we have had many generations of practice. It is a little much to expect emerging democracies in eastern Europe to make an enormous leap in a short time. They need help and encouragement, and that is precisely what the Bill is about.

Governments must do more. I was delighted by what President Clinton said about the G7 and its role in helping President Yeltsin in Russia. In the same context, I was not happy to hear what our Foreign Secretary said in Washington—that policies to assist would simply not be justified at the moment because of the economic position in Russia. We need to assist at both national and local level.

The hon. Member for Broxtowe said that he hoped that the Bill would receive a fair wind in another place and that it would receive Royal Assent before the summer recess. I am confident about that. I somehow feel that the Maastricht Bill will not reach the statute book as speedily as the hon. Gentleman's excellent measure.

12.26 pm

Mr. Robin Squire: I suspect that I shall be the last Member in the debate to congratulate my hon. Friend the Member for Broxtowe (Mr. Lester) on his good fortune in winning the ballot, on choosing the Bill and on his skill in guiding it through its various stages today and in previous proceedings. I also congratulate hon. Members who have taken part in our proceedings. Anyone reading the reports of the Second Reading and Committee debates will be struck by the depth of expertise displayed by all hon. Members. That reflects well on the House.

The Bill has the strong support of Government and local government. I am pleased that it is strongly supported in all parts of the House. Its purpose is to clear up the confusion that exists over local authorities' powers to provide technical assistance overseas.

The needs of such assistance, and local authorities' capacity to provide it, were brought home to me last week when I attended and spoke to the Council of Europe's Standing Conference of Local and Regional Authorities annual conference in Strasbourg. Progress in some of the east European countries—Poland, Hungary and the Czech Republic—is encouraging, and they are gaining local government experience and skills rapidly. I believe that the assistance of our authorities and other western European authorities has played a significant part in this.

All this modest but self-evidently useful and good work has been put in jeopardy by the doubts that have arisen over local authorities' powers. The only way to remove those doubts is by primary legislation and that is why the Government, and the local authority associations are so grateful to my hon. Friend for agreeing to take on this Bill. Indeed, one of the features of the whole history of the Bill has been the close co-operation and constructive dialogue between central and local government. I might add that this is one example of many which illustrates the improving relationship between us, which the press and —dare I say it—even at times, Labour Members seem unaware of, or choose to ignore.

The Bill is a short and relatively simple measure—a "minor" piece of legislation. It will not grab headlines, but it will enable our local authorities to help communities of all sizes in other parts of the world. It will help in the provision of vital assistance to eastern Europe, but it will also help in the wider world. Who can look at the television pictures coming out of Sudan, Somalia, Ethiopia and Angola without wishing that there was something, however small, that we could do to help the ordinary people of these countries? Local government matters. It matters here in Britain. How much more important it must

be in countries struggling to achieve the basic level of stability and organisation necessary to begin to save and improve people's lives. In passing the Bill, hon. Members on both sides of the House will be doing something that allows our country to make a positive contribution to the world we live in and to help those of our fellow men and women who are so much less fortunate than ourselves. I commend the Bill to the House.

Question put and agreed to.

Bill read the Third time, and passed.

Protection of Animals (Scotland) Bill

Order for Third Reading read.

12.30 pm

Mr. Bill Walker (Tayside, North): I beg to move, That the Bill be now read the Third time.

This is a small but important Bill. It will bring the penalties imposed in Scotland into line with those imposed elsewhere in the United Kingdom. I begin by thanking Ministers and officials at the Scottish Office, who helped me by amending my original Bill until it became the Bill that I introduced. The House will realise that, without that assistance and support, private Members's Bills have little chance of getting through the House. I also thank Opposition Members who assisted me in Committee and who encouraged me to promote the Bill.

The Bill has the support of all political parties on the Scottish scene and I believe that it will be welcomed by all who have an interest in the care of animals. There is no doubt, particularly given some of the recent evidence of the maltreatment of animals, that the penalties in Scotland should be brought into line with those of the rest of the United Kingdom.

Sir Nicholas Fairbairn (Perth and Kinross): I congratulate my hon. Friend on the Bill, but there is a danger in just homogenising the penalties in Scotland and those in England for the sake of it. We have a different situation and we should be careful. Our penalties might be greater or smaller or better or worse, but I do not like homogenisation of either penalty or law.

Mr. Walker: My hon. and learned Friend, who is a practitioner in these matters when I am not, understands the problems that are faced in court. I am a simple chap and I should not like to think that someone who wished, as some appear to, to maltreat animals—particularly horses, in which my children have a great interest—might feel that if he popped across the border to commit the crime, the penalty would be more lenient. That is why I thought it important to align the penalties in this instance. I accept what my hon. and learned Friend says about the importance of our retaining our different laws in Scotland.

All those who are interested in the welfare of animals will, I feel, welcome the changes.

12.34 pm

Mrs. Maria Fyfe (Glasgow, Maryhill): The Labour party supports the Bill and we welcome the move made by the hon. Member for Tayside, North (Mr. Walker) in introducing it. We agree that cruelty to animals is contemptible and inexcusable and that the penalty should reflect the seriousness of the offence.

12.33 pm

The Parliamentary Under-Secretary of State for Scotland (Lord James Douglas-Hamilton): I think that I can speak briefly in tribute to my hon. Friend the Member for Tayside, North (Mr. Walker), who has introduced an important Bill. I am glad to have the opportunity to speak in the debate on the Bill, which deals with an important aspect of animal welfare. I strongly congratulate my hon. Friend on his initiative in introducing it, with the support of the Scottish Society for the Prevention of Cruelty to Animals. As my hon. Friend said, the Bill simply increases the maximum fine for an offence of cruelty to animals

[Lord James Douglas-Hamilton]

under the Protection of Animals (Scotland) Act 1912 from level 4 on a standard scale, which is currently £2,500, to level 5, which is currently £5,000. This will bring the maximum fine in Scotland into line with that which applies in the rest of the United Kingdom, which has been at level 5 since the introduction of the Protection of Animals (Scotland) Act 1987. That, too, was a private Member's measure, which was introduced by my hon. Friend the Member for Ealing, North (Mr. Greenway). The Government considered at that time whether the increase in penalties introduced by that measure might be extended to Scotland. Unfortunately, that would have required an amendment to the long title, which would have seriously delayed its passage.

The Government's position has been that we would be prepared to support an increase of the maximum fine in Scotland at the next available opportunity. As the House will appreciate, pressures on the parliamentary timetable meant that such an opportunity for a Government measure did not arise.

There is, of course, no requirement for identical penalties—I take up the point of my hon. and learned Friend the Member for Perth and Kinross (Sir N. Fairbairn)—to attach to equivalent offences in the different jurisdictions within the United Kingdom. Indeed, between 1912 and 1987, the maximum period of imprisonment for the equivalent animal cruelty offences was six months in Scotland and only three months in the rest of the United Kingdom. We wish, however, to send a firm and clear message to those who might be considering acts of cruelty to animals that the courts should have the ability to impose a substantial fine in appropriate circumstances. I know that issues of animal welfare generally have raised a great deal of public interest in recent years and that general concern exists throughout Scotland about cruelty to animals. There are several issues related to animal welfare about which many hon. Members have, understandably, strong views.

It would be remiss of me to talk about cruelty to animals in the context of the Bill without paying a strong tribute to the work of the SSPCA, which initiated and supports the Bill. The work of the society is crucial in ensuring the protection of animals. The evidence of its inspectors is often instrumental in securing the conviction of those involved in offences of cruelty to which the higher penalty that the Bill will introduce would apply.

Sir Nicholas Fairbairn: As the Bill protects horses, we should remind those who think that they are protecting foxes that wounding horses is not advancing non-cruelty to animals.

Lord James Douglas-Hamilton: I accept absolutely that cruelty to horses should be visited with severity.

The SSPCA undertakes work beyond seeking prosecutions for offences of the type with which the Bill will deal. It acts to ensure that the welfare of animals at markets, breeding establishments and boarding places is catered for properly. In particular, it operates 10 welfare centres throughout Scotland to provide vital back-up to the inspectors. It has an important role in educating members of the public, especially young people, in the better care and welfare of animals. I congratulate the society on the success of its work. I am sure that all hon. Members will join me in wishing it continued success in all its worthy areas of activity.

There is an immense amount that I could say, but I shall say only a little more. There is unanimity of support throughout the House for the Bill. I compliment my hon. Friend the Member for Tayside, North and welcome the support of the hon. Member for Glasgow, Maryhill (Mrs. Fyfe). I emphasise the Government's wholehearted support for the Bill and the increased penalty that it contains. I congratulate my hon. Friend on introducing it and I hope that it will continue to have a swift and uneventful passage.

12.38 pm

Mr. Hartley Booth (Finchley): It is often said that politicians are animals. Of course, that is entirely untrue. There are, however, such creatures as political animals, but I am sure that no animal would ever choose to have all-night sittings.

I welcome the Bill, which is an example of the way in which the House has legislated repeatedly to stop cruelty to animals, to protect animals and to demonstrate that right hon. and hon. Members are animal lovers. There has been a huge rise in the incidence of cruelty to animals. It is sad that that has happened after 100 years of the RSPCA and its Scottish equivalent, which has been praised in the debate. There was a 27 per cent. rise in Scotland during the last recorded year and a similar rise in England in 1990-91.

It is difficult for an English Member of Parliament to speak in a debate on a Scottish Bill. However, this is an important issue and Scottish legislation often goes on to become English legislation—for example, legislation on alcohol abuse was introduced in Scotland in 1981 and then in England in 1986. Therefore, it is often useful for English Members to speak on Scottish Bills.

This is the Bill's Third Reading, so it cannot be amended, and I am not suggesting that it should be. However, it contains an unsatisfactory element on which, perhaps, the Scottish Office could help by issuing guidelines. I refer to the substance of the Bill—punishment. All those involved in the drafting, proposing and debating of the Bill are opposed to cruelty to animals, so it behoves us to get the element of punishment right.

In 1912, when the previous Act reached the statute book, there was a more primitive attitude to punishment. It was thought that the only appropriate punishment was a fine or imprisonment. Sadly, those alternatives are repeated in the Bill. In our more enlightened and experienced time, we should go beyond those alternatives wherever possible. For example, we should consider compensation for those whose animals have suffered. Indeed, the theme, "Always think of the victim", would benefit the criminal justice system.

We should consider forfeiture of, for example, items of equipment used in the torture of animals. We have all read the horrible stories about that. It may be that some poor animal has been kept incarcerated in a van——

Sir Nicholas Fairbairn: All the penalties to which my hon. Friend has referred are already available to courts in Scotland.

Mr. Booth: My hon. and learned Friend is right. I was about to come to that point.

As those punishments do not appear in the text of the Bill, they should be the subject of Scottish Office guidance. The sheriff and other courts would then automatically put them at the top of the agenda when sentencing.

There is another matter on which the Scottish Office should consider issuing guidance. It is the classic case where those who are likely to commit the offences referred to in the Bill have jobs. Such offenders should, in these more enlighted times, be put in weekend prisons, so that they may keep their jobs, pay substantial compensation, and support their families.

Sir Nicholas Fairbairn: And pay a fine.

Mr. Booth: Yes, as my hon. and learned Friend says. Those and other penalties should be considered automatically by the courts, but be discretionary in every case. However, the guidelines should be clearly spelt out by the Scottish Office. I hope to see that practice repeated south of the border.

We are in times of change and while I support the Bill in every way, I recommend further work by the Scottish Office to support those people who want greater enlightenment in respect of punishment.

Bill read the Third time, and passed.

Carrying of Knives etc. (Scotland) Bill

As amended (in the Standing Committee), considered. Order for Third Reading read.

12.45 pm

Mr. Phil Gallie (Ayr): I beg to move, That the Bill be now read the Third time.

It is my privilege to rise for a second time today to address the House, and to present a second, important Bill —one which will be welcomed by many people in Scotland.

The Bill has the support of every party represented in the House, and I hope that that support will continue and that the Bill will clear its final stage today. It was amended in the Second Scottish Standing Committee earlier this week.

The urgent need for the Bill was reflected in amendments tabled in Committee by Opposition Members. One amendment from the hon. Member for Dumbarton (Mr. McFall) disposed of the two months waiting time that would normally follow Royal Assent. I had some reservations, because those two months represented the preparation time that is built into virtually all legislation; it allows solicitors, courts and the police to prepare for new legislation. However, the hon. Member for Dumbarton was right about the urgent need for the Bill to be enacted, and I was pleased that the Committee was able to accept such an amendment.

If the Bill receives its Third Reading today, the police prosecution service and all in the Scottish legal criminal procedure chain should take note now, and be prepared to implement its provisions.

Sir Nicholas Fairbairn (Perth and Kinross): I apologise to my hon. Friend for the fact that, owing to illness, I was not able to attend the Committee to which he was gracious enough to appoint me. Having read the proceedings of the Committee, I feel that the House should be reminded that under the Prevention of Crime Act 1953, section 1 of which applies to Scotland, there is a penalty of two years' imprisonment—which is greater than any penalty imposed by the Bill. My hon. Friend may not accept the view of the law taken by my hon. Friend the Minister or me, but I have argued frequently that section 1 of the 1953 Act is qualified by subsection (4) and therefore any instrument —be it a knife, axe, tin, mace, or even the Speaker's head —carried for an offensive purpose requires the accused to explain why he is carrying it and to prove that he is not carrying it for an offensive purpose. That is the present law, punishable by two years' imprisonment. The House and the country ought to be reminded of that fact.

Mr. Gallie: I thank my hon. and learned Friend. I am aware of his concerns and have looked into the matter long and hard. I recognise that my hon. and learned Friend has far greater experience than I. However, having taken advice, I still believe that the 1953 Act does not cover the carrying of these weapons.

My hon. and learned Friend referred to the fact that if an individual carries an axe, he will inevitably be faced with punishment. In my constituency, however, when an individual, a well-known worthy, was picked up with an axe in his possession his defence was that he intended to use it to scrape the wallpaper off his mother's walls. He got away with that defence. That is unacceptable to the people of Scotland, either in the streets or in their homes.

[Mr. Gallie]

Therefore, we are trying to correct the deficiencies in the 1953 Act. With the greatest respect to my hon. and learned Friend, I suggest that he ought to look into that incident.

If the Bill is given its Third Reading today, it will lead to important messages being got home. One of those messages is that every thug who carries a blade will risk having a very severe penalty imposed on him. The provisions of the Bill would lead to a two-year term of imprisonment, which I welcome. The onus is not now, as it was in the past, on the courts to prove intent. That onus is now on the thug and, perhaps more significantly, on the carrier of the knife to prove that he had reason for having a blade in his or her possession.

My first speech today was intended to include an element of humour when seeking the approval of the House for the Third Reading of the Licensing (Amendment) (Scotland) Bill. I feel no humour and I display no humour as I speak on the Carrying of Knives, etc. (Scotland) Bill. I refer to the fear, anger, and the lack of understanding of every law-abiding Scot. They are all mystified and disillusioned by the evidence of the violence on our streets. All too often, that violence is not just on our streets; it is to be found in the home. Many elderly people, living alone, fear being violently attacked by people who gain illegal entry to their homes.

People parade our streets carrying threatening weapons. At present, however, they cannot be prosecuted. Carving knives, axes and Stanley-type knives can be carried without the fear of automatic prosecution. That is what we are trying, by means of the Bill, to prevent. I have referred to the Scots, but in this United Kingdom of ours it is not just the Scots who live in Scotland; the English, the Welsh and people of many other nationalities reside in Scotland. All those who live in Scotland feel under threat.

Before I deal with the details of the Bill, I ought to provide some statistics. They highlight the problems in my region of Scotland. They also highlight the growing tide of violence elsewhere. I am critical of a tendency that has built up since the 1960s of Governments going soft on crime. Figures for the United Kingdom demonstrate that other countries also have problems. I draw attention to some figures for murder and attempted murder in countries worldwide and compare them to figures that I have obtained for London. For example, the rate of murder in Los Angeles and New York runs at some five or six times the level of that in London. The figures for attempted murder and crimes of violence in Los Angeles and New York far outweigh the figures in London.

It is not simply in the United States. The figures for South America are absolutely horrendous. In Canada and Australia, we also see the trend. There are a few countries in which the same trends are not reflected—one of them is Japan. I cannot offer reasons why that should be so, but it would be worthy of investigation. Other countries that do not reflect the same trends include Saudi Arabia in the middle east. I wonder what effect the seriousness of penalties has on deterring crimes of murder and attempted assault and a whole range of perhaps petty crimes in such countries.

What about Strathclyde and my region of Ayr? I have looked at the figures for the five years between 1988 and 1992. The figures for murder show that the reasonably level playing field has gradually risen over that period. In 1992, the figures had almost doubled. For crimes involving the use of knives and blades, the figure rises by an amazing 135 per cent. There is something deeply wrong which fills me with concern. I express the feelings which came out in Committee.

Sir Nicholas Fairbairn: In case my hon. Friend does not know, invading another person's house to assault them is an additional crime in the law of Scotland of hamesucken. The reason why knives started to be used historically in Glasgow and elsewhere is simple: previously, people slashed others with a razor. When Lord Carman started sending people down for 14 years for razor-slashing, they used a lethal weapon rather than one which only wounded.

I appreciate my hon. Friend's spirit, vigour and purpose. I emphasise that the Prevention of Crime Act —I have appeared some 500 or 1,000 times in section 1 cases—covers matters which the Bill covers with a two-year penalty.

Mr. Gallie: I thank my hon. and learned Friend for his intervention. When he comes to the point at which he is defending these people, the prosecution system has decreed that there is a case to answer. Under the 1953 Act, the Crown must prove that there is an intent to use or that the weapon has been deliberately converted to be used for violent means. At present, it means that the prosecution service does not take the case to the point at which my hon. and learned Friend would be involved. There is a well-recognised requirement. I see that the hon. Member for Glasgow, Maryhill (Mrs. Fyfe) is nodding her head in agreement.

Mr. Bill Walker (Tayside, North): Although clever legal minds such as my hon. and learned Friend the Member for Perth and Kinross (Sir N. Fairbairn) turn their cleverness properly to the assistance of those who are charged, as a layman who knows little about these matters, I should be happy with belt and braces for the prosecution. If the belt is suspect, it is a good thing to add the braces.

Mr. Gallie: I agree. We must acknowledge that the people whom we aim to protect are the public—the law-abiding people who want to do nothing other than live in their homes and walk the streets without fear of their life or of assault. That is the aim of the Bill. I hope that the House will go with me.

Other figures show a massive rise in Strathclyde in instances of attempted murder. The use of blades and knives has risen at an astronomical rate in the past year. There has also been an escalation of serious assaults. We must send out a message from the House. If nothing else, the Bill will send out just such a message. That underlines the need for the Bill. Originally, the Bill sought to equate Scottish law with the law in England and Wales under section 139 of the Criminal Justice Act 1988. As amended, the Bill creates more appropriate sentences to suit the scene in Scotland as it is seen by Scottish Members of all parties. Scottish Members were unanimous in Committee.

Prison is now seen as a justifiable penalty for carrying a weapon. Opposition Members highlighted anxiety about overcrowding of prisons during the Committee stage of the Prisoners and Criminal Proceedings (Scotland) Bill. I welcome their change of heart on the issue. I recognise that they made justified comments in that Committee, and the fact that Opposition Members pressed for the measures in this Bill underlines the strength of feeling. I welcome that,

just as I welcome the agreement of my right hon. Friend the Secretary of State for Scotland and the Home Office to allow the Bill to be amended.

Perhaps further reviews of punishments could take place. I said in Committee that some older punishments could be effective. I might be slightly out of step with other hon. Members. I referred in Committee to the stocks. I accept that perhaps the stocks have had their day. I do not contemplate a return to the stocks of old in which criminals were placed on the street and had eggs and apples thrown at them. I do not see that as the way ahead.

However, we could have modern-day stocks. We live in a high-tech age. We have television. The bully and those who carry knives and blades and use them depend on their macho, hard-man image. Perhaps we should consider punishments that undercut their standing among their contemporaries. Perhaps we could use the television to do that.

In Committee the hon. Member for Glasgow, Shettleston (Mr. Marshall) said:

"The saddest aspect is that it is often the most vulnerable members of society who are threatened with knives and weapons. Frail, elderly pensioners who live alone, particularly ladies, are most at risk. What sort of inhuman being threatens an old lady in her 80s or 90s with a knife?"—[*Official Report, Second Scottish Standing Committee*, 23 March 1993; c. 11.]

I agree with the hon. Gentleman. We should let the public see what kind of person does that. Perhaps we could use television as part of the sentencing process so show society's abhorrence at what they have done, which may reduce their standing with their contemporaries. I believe that it is worth considering.

I know that I will not receive the agreement of hon. Members about other forms of punishment. Last Wednesday, the European Court endorsed the use of the cane in schools. That represented a change of direction and a new, enlightened vision. I emphasise that it is not relevant to the Bill, but it is perhaps a thought for the future.

Mr. Nigel Evans (Ribble Valley): I, too, welcomed the European Court's ruling allowing private schools to use the strap because of the lack of discipline in our schools and in the fabric of our society, which has led to the depths that we now have in many parts of the country. Does my hon. Friend agree that following the court's ruling we should reconsider the reintroduction of corporal punishment in the state sector?

Mr. Gallie: I welcome my hon. Friend's intervention——

Mr. Deputy Speaker (Mr. Michael Morris): Order. I do not think that we can go into corporal punishment this morning.

Mr. Gallie: I would never disagree with you, Mr. Deputy Speaker. I said that the issues were not relevant to the Bill, but I welcome my hon. Friend's intervention and take his point.

I should like to review the background to the Bill. The Prevention of Crime Act 1953 covers people who carry weapons with intent to use and weapons that have been designed to cause physical harm. In recent times, the courts, the prosecution service and certainly the police have not always been able to use that Act. The Bill, as amended, rectifies that issue.

Some of the Bill's provisions replicate the Criminal Justice Act 1988. For example, the Bill allows certain defences. One can carry a blade in public if it can be shown that the individual is clearly en route from place of work to base—home or another works premises. A blade can be carried for religious reasons. That defence was incorporated for Sikhs, who carry small blades in their turbans, in order to preserve their rights. There may be other instances of which I am not aware.

Mr. Matthew Carrington (Fulham): One aspect of the Bill causes me some concern. I am a rather enthusiastic amateur cook who cooks a great deal. In common with most cooks, I am determined to use my own knives when I cook. Cooks get very used to their knives, which are especially sharp. When I cook somewhere other than at home, I carry a collection of knives with me. Cooking is not my work, but my entertainment. However, the knives could be pretty vicious things in the wrong hands. I have a 10-in cook's knife and a 12-in boning knife, both of which are razor sharp and could perfectly happily fillet individuals as well as joints of meat. I should hate to think that people like me in Scotland would no longer be able to enjoy the gentle entertainment that I enjoy.

Mr. Gallie: On this rare occasion, we in Scotland are lagging behind people in England. My hon. Friend the Member for Fulham (Mr. Carrington) describes the law in England. I suggest that cooking is not only a leisure pursuit, but a form of leisure work. As the law seems to have caused him little difficulty until now, his mind will be completely at rest when we in Scotland come into line with England. It will cause us little difficulty either.

The exceptions also include an exception for a person who is carrying a blade as part of his national costume. My hon. Friend the Member for Tayside, North (Mr. Walker) and I on occasion wear with pride our national costume and we do not intend to change. The Bill allows us to do so.

Mr. Bill Walker: My hon. Friend will be aware that he and I have, interestingly, been accused of not wearing the correct national costume, although I shall not go into detail on that. I am in no doubt about the fact that the skean dhu is part of our national costume. My hon. Friend may be interested to know that I was responsible for ensuring that the Criminal Justice Act 1988 included a provision to allow Scots to wear the skean dhu in England. I am sorry that I have not been successful so far in Dallas, Texas where I was arrested for carrying a knife. One can carry as many guns as one wishes in Dallas, but one is not allowed to carry knives. We still have some way to go, although I thank my hon. Friend for including this exception in the Bill.

Mr. Gallie: Once again, we are all indebted to my hon. Friend the Member for Tayside, North for enlightening the House. He put forward his views when the Criminal Justice Act 1988 was going through the House. I was not aware of any questions having been raised about my wearing of the national dress, although I have been aware of some questions about his wearing of it. That is his business and I shall go no further.

Clause 2 provides powers of stop and search. There is no need for concern about that. In Scotland such powers already exist for dealing with an individual who is thought to be committing an offence. When we create a new offence

[Mr. Gallie]

in a Bill, we must give powers in relation to that new offence, and that is the intention behind clause 2. As a result of an amendment, clause 3 provides that the Bill should come into force immediately after Royal Assent.

The Bill is but a small—I emphasise "small"—step in the fight against thugging. No one conceals the fact that much more needs to be done. There are many reasons for investigating the roots of violence on our streets and the actions of some—a small minority—of our citizens. The Bill is a step in the right direction, and marks another item to be chalked off the list of our manifesto commitments—perhaps ahead of programme, but not before time.

I have a shopping list of activities, as, I am sure, do other hon. Members. We may need a major review of criminal legal procedure in Scotland, but I make no apologies for this first small step. We must keep the battle going. A Scottish phrase is appropriate, as the hon. Member for Maryhill will no doubt agree: "Many a mickle maks a muckle". By jove, we need this mickle now, and a muckle more in the future.

I thank the individuals involved in preparing the Bill—my right hon. Friend the Secretary of State, my right hon. Friend the Minister of State in another place and the Parliamentary Under-Secretary of State for Scotland, who has been a tower of strength to me in recent weeks. I thank the supporters who have backed the Bill, and the Opposition Members, particularly the hon. Member for Dumbarton who have given support. Their contributions to the debates in the House have certainly given everyone something to think about. I also thank the Scottish Office officials who helped to prepare the Bill and provided a great source of strength to me.

I hope that the Bill will proceed without opposition. The people of Scotland will be eternally grateful to the House if that happens.

1.17 pm

Mr. Bill Walker (Tayside, North): I congratulate my hon. Friend the Member for Ayr (Mr. Gallie) on his success in introducing the Bill. Lengthy debates and changes took place in Committee, and I believe that the resulting Bill will contribute substantially to overcoming the ever-growing problem of the use of knives in a offensive manner. For a Scot to have two Bills on Third Reading on a Friday in Parliament must be a record. I have no recollection of that happening before and I think that my hon. Friend may have a contribution to make to the "Guinness Book of Records".

Whatever may be said about my hon. Friend's dress and mine, I am sure that we dress alike. The misinformation being spread by odd sources is quite wrong. I wear the Scottish national costume regularly as I am proud of my ancestry, and it is important to ensure that we do not impede people who are properly dressed. I thank my hon. Friend the Member for Ayr for including such a provision in the Bill.

It was important to recognise the problems that have occurred in the courts. I have no wish to cross swords with my hon. and learned Friend from Perth and Kinross (Sir N. Fairbairn)—his constituency is next door to mine—but it has been clear to all of us who have been looking at the problems in the Scottish courts that something was not quite right. I hope and believe that the Bill, if it becomes law, will help to redress the balance.

1.19 pm

Lady Olga Maitland (Sutton and Cheam): I congratulate my hon. Friend the Member for Ayr (Mr. Gallie) on introducing the Bill. I have a particular interest, in that I am a patron of a charity called the Why? campaign, whose founder, Bill Dennison, suffered a grievous loss when his son John was stabbed to death. It has become acutely obvious that young people are increasingly carrying knives, careless of the damage they can do.

These knives have become a scourge, associated with the sort of macho image that young men like to foster. They go out in the evenings carrying car keys, wallets and knives as if the latter were part of their masculinity.

This culture of knife-carrying has led to an enormous increase in the number of deaths from sharp implements. In the past four years, the numbers of such deaths have risen by 25 per cent.

In Standing Committee, the hon. Member for Dumbarton (Mr. McFall) tried to move an amendment to make the Bill cover 3-inch pocket folding knives. Gruesome evidence was given of victims who had died from wounds less than three inches deep. Such wounds can reach the chest, heart or lungs and can prove to be mortal. There is no evidence, however, that such injuries are caused by penknives or pocket knives. Much larger weapons are needed to cause them.

In any case, the people who carry small folding pocket knives are not usually the ones likely to be committing an offence. It is the people who carry larger weapons who are more likely to inflict injury.

There is no evidence in the south that pocket knives are giving rise to concern. As my hon. Friend the Member for Fulham (Mr. Carrington) said, knives can be innocently carried for other purposes, such as cooking or whittling wood. Every self-respecting cub and boy scout knows how to handle a pocket knife. They are a part of everyday life.

There is a mythical story that Zsa Zsa Gabor kept a drawer full of pocket knives as presents for her admirers, knowing that the knives would remind them of their childhood.

We are trying to draw attention to the serious knife carrying which can lead to mortal injuries. I welcome the efforts that have gone into the Bill. When educating young people, we must emphasise to them more than ever that knives are highly dangerous and will not be tolerated in public.

1.23 pm

Mrs. Maria Fyfe (Glasgow, Maryhill): I was somewhat alarmed to hear the hon. Member for Ayr (Mr. Gallie) explain his notion of further steps that he might consider taking to achieve a muckle out of today's mickle. I will be listening carefully to his future proposals for updating the stocks and bringing back caning, but he cannot rely on our support for any such moves.

The Opposition welcome and support the Bill——

Mr. Bill Walker: I am sorry to interrupt the hon. Lady, but does she wonder where the Scottish National party is today? Its Members pretend in Parliament to defend Scotland's interests, so why are not they here today to discuss this important Bill?

Mrs. Fyfe: The members of the SNP do a great deal more talking about supporting Scottish interests than acting for them.

Mr. Gallie: In all fairness—and, as everyone knows, I am very fair—an hon. Member from the Scottish National party voiced support for the Bill and was one of its listed supporters. I should not like the position to be misrepresented.

Mrs. Fyfe: I shall leave it to the members of the SNP, all three of them, to work out whether they should have been here for this debate.

We wholeheartedly support the Bill. I pay tribute to my hon. Friend the Member for Dumbarton (Mr. McFall), who had the idea originally. Hon. Members will recall that when he raised the issue the Government claimed that they could not find time for it because of the time taken by the Bill on Maastricht. There followed such an uproar in Scotland that the Government were forced to change their mind. Instead of having the generosity to support the Bill of my hon. Friend the Member for Dumbarton, I am sorry to say that they chose to bring in a Bill of their own and place it in the hands of the hon. Member for Ayr. (Mr. Gallie). Nevertheless, I welcome the hon. Gentleman's action.

The Bill matters a great deal to people in our communities. It arises from our people's anger and sorrow at the lives that have been thrown away. We are determined to get to grips with this evil in our society. No one should have to walk the streets of our cities in fear and it is appalling that young and otherwise law-abiding men start to think about carrying weapons in case someone, perhaps crazed by drink or drugs, attacks them for no reason. As the hon. Member for Ayr said, women feel especially vulnerable to attack and will greatly welcome this move to increase their safety on the streets and at home. Many people are vulnerable in many ways, especially the elderly and those who, because of racial or other prejudice, feel under particular threat.

An alarming number of the knives that were handed to Strathclyde police during its recent amnesty initiative and the knife produced in the Chamber a few weeks ago by my hon. Friend the Member for Glasgow, Shettleston (Mr. Marshall) are vicious instruments of death and no one could pretend otherwise. It would be foolish for society to permit the carrying of such weapons and to render our police unable to take appropriate action to secure the safety of the public. I do not think that Maryhill police are entirely likely to believe some Ned walking along the street with a collection of knives who says, "Actually, officer, I am on my way to cook up a cordon bleu meal." Such a story might be more readily believable if it were told by some other member of society.

Conservative Members are aware that although we support the Bill we retain some worries. We all know that a 3-inch blade can kill, as any incident and emergency department in our hospitals will testify. I am sorry that the hon. and learned Member for Perth and Kinross (Sir N. Fairbairn) is not in his place. He may feel that the law as it stands is entirely satisfactory, but it is quite obvious to those of us who read in our daily newspapers about vicious attacks by knife-wielding thugs that the law is certainly not adequate to deal with such thugs and deter them from carrying blades. When such Neds can laugh at the law, it is time for society to do something about it.

1.28 pm

The Parliamentary Under-Secretary of State for Scotland (Lord James Douglas-Hamilton): I am grateful for the opportunity to respond briefly to the debate. Once again, the Scottish National party is conspicuous by its absence. We should have a great deal more respect for SNP Members if they took the trouble to turn up for important debates, especially those on law and order on which there is strong feeling throughout Scotland.

I assure my hon. Friend the Member for Fulham (Mr. Carrington) that the Bill contains a defence provision. Clause 1(4) states:

> "It shall be a defence for a person charged . . . to prove that he had good reason or lawful authority for having the article with him in the public place."

My hon. Friend's good intentions in this matter, as an able cook with great culinary skills, would be respected by all concerned, both south and north of the border. My hon. Friend the Member for Sutton and Cheam (Lady Olga Maitland) was correct. There have been no problems with the provisions relating to 3-inch blades so far. We shall monitor the effect of the provisions carefully and, if it is necessary to take further action, we shall take it, but so far there is no evidence that that is so.

My hon. Friends the Members for Tayside, North (Mr. Walker) and for Ayr (Mr. Gallie) are right in their reply to my hon. and learned Friend the Member for Perth and Kinross (Sir N. Fairbairn). I have told my hon. and learned Friend that he is a brilliant man, but he is not always right. Nowhere is that more clear than in his assertions in relation to the Bill. The weakness in his argument, which he put only an hour ago, is that a knife is not necessarily classed as an offensive weapon under the provisions of section 1(4) of the Prevention of Crime Act 1953. For a knife to be classed as an offensive weapon, the prosecution must first prove that the person intended to use it to cause personal injury. If the prosecution cannot prove the intent to cause injury, a knife is not an offensive weapon, so the 1953 Act is not relevant and is insufficient to deal with the problem that is facing the nation. Under the Bill, it would not be necessary to prove intent. Actual possession would be sufficient and that would be a deterrent.

I agree that there is a growing tide of violence and that we need to take strong action to confront and deal with it. Violent crime is all too common today. It disfigures the lives not only of the victims and their families but of the wider community. People change their way of life in response to concern about violent crimes. They fortify their homes, they go out less frequently, they try not to travel alone and they avoid secluded places.

Law-abiding citizens should not have to live in such fear or to consider taking such precautions. They should be able to live their lives in safety and security. That is why we place the maintenance of law and order among our highest and most important objectives. It is why we will continue to ensure that the police and the courts have the powers and the resources to tackle crime, particularly violent crime, and to protect law-abiding citizens.

Since 1979 police numbers have increased by 1,100 officers. Over £500 million a year is spent on policing in Scotland. That represents a massive investment in law and order and reflects our full support for the police.

Despite that, it is sadly true that the number of homicides and the number of attempted murders have been rising. In Strathclyde the number of homicides rose

[Lord James Douglas-Hamilton]

from 55 in 1991 to 92 in 1992, while the number of attempted murders rose from 126 to 201 over the same period.

Knives figured prominently in these assaults: they were used, for example, in over half of last year's homicide cases in Strathclyde. I commend Strathclyde police for their initiative in launching Operation Blade. I also welcome the support given to the "Bin a knife" campaign by STV and other sections of the Scottish media. That touches on what my hon. Friend the Member for Ayr said about the modern equivalent of the stocks. What television portrays is extremely important in that connection.

Dr. Norman A. Godman (Greenock and Port Glasgow): I apologise to the House for not having been here for all the debate, but I have been engaged in a series of interviews concerning the circumstances surrounding the death of four very young children in my constituency yesterday. Will the Minister confirm that new guidelines will be issued to both the police forces and the police college concerning the powers given to the police? What kind of publicity exercise will be initiated by this most welcome Bill?

Lord James Douglas-Hamilton: Guidelines and training of the police will be revised to take account of the new measures that we are introducing and the police will receive the fullest possible training. I hope very much that what we decide today will be taken full note of by the media in Scotland.

For our part, the Government have come to the view that the powers of the police and the courts need to be strengthened in relation to the prevention of indiscriminate knife carrying. We promised in the Conservative party manifesto to

"tackle the scourge of the indiscriminate use of knives to wound and kill on our streets."

We gave a commitment to

"create a new offence to make it unlawful for anyone to have in a public place any article with a blade or a sharp point."

There will, of course, be an exception for my hon. Friend the Member for Tayside, North wearing his skean dhu when he puts on highland dress.

The key feature of the Bill is to make it an offence to carry a knife or any other article with a blade or sharp point without good reason or lawful authority. There would be no need for the prosecution to prove, first, that the person involved intended to use the knife. It would simply need to prove that the person had the knife in a public place. It would then be for the person concerned to prove that he had lawful authority. The Bill will enable the police and the courts to deal with an enormous number of people who carry knives before those knives are used to damage or end innocent lives.

I will say a few words about the penalties that are proposed. When the Bill was introduced, the maximum penalty available on summary conviction was specified as a fine not exceeding level 3 on the standard scale—that is £1,000. However, when the Second Scottish Standing Committee scrutinised the Bill, it was clear that the Committee considered that, in the light of great and entirely legitimate public concern, the Bill should specify the same penalties as those contained in the 1953 Act—in other words, to provide for a maximum penalty of imprisonment for a term not exceeding six months or a fine not exceeding the statutory maximum, or both. The Government share the Committee's concern that the new offence and the consequent powers of the police should be available at the earliest opportunity. In all cases, the onus of proof will lie with the knife carrier.

Against the background of rising public concern about violent crime, I believe that the Bill will serve an invaluable purpose. It will prove to be a useful and effective extension to the range of powers that are available to the police and the courts. It meets the terms of the Conservative party's manifesto commitment. I am sure that it will help authorities to act in a preventive manner to reduce the number of assaults taking place on our streets. I welcome the Opposition's support for the Bill and I strongly commend the measure to the House.

Question put and agreed to.

Bill accordingly read the Third time, and passed.

Newly Qualified Drivers Bill

Order for Second Reading read.

1.38 pm

Mr. Simon Burns (Chelmsford): I beg to move, That the Bill be now read a Second time.

It gives me great pleasure to move the Second Reading of a Bill which started life as a ten-minute Bill; the vagaries of the parliamentary timetable have made it possible. I accept and understand that it would be unfair and unrealistic of me to expect the Bill to be given a Second Reading today. That is because we have only 40 minutes to debate an important and complicated issue. As several hon. Members wish to make known their views and to submit possible improvements, it would not be right to expect such a measure to be rushed through the House.

I appreciate that the Department of Transport is studying carefully ways of improving road safety. I suspect that the Bill may be a few months premature. None the less, I hope that it will open up a discussion that will help the Department in its deliberations.

I must offer an apology to the House, especially to my hon. Friend the Minister. I regret that I shall have to leave the House early because I need to get to Chelmsford for an important engagement. As I am driving, I want to get out of London ahead of the rush hour traffic so as not to miss some appointments that have had to be postponed to enable me to be in the House this morning.

I have introduced the Bill against the backdrop of a relentless campaign by the Government and motoring organisations to make driving and our roads safer and to reduce deaths and injuries on our roads. Yesterday, the Department of Transport published figures showing that the number of road deaths had fallen, once again, to 4,273. Of course, that figure is far too high, but it is a remarkable improvement on the figure in the mid-1960s, when it was almost double that. During the past few years, there has been an inexorable reduction in the number of deaths, and that has been due to the Department's activities. The figure announced yesterday was the lowest since 1926, yet there are now 14 times more vehicles on our roads. I congratulate successive Ministers on their devotion to and success with campaigns——

Mr. Michael Stern (Bristol, North-West): My hon. Friend is falling into the trap of having been in this place too long. Surely, the principal credit for the reduction in driving accidents should go to the motorists.

Mr. Burns: My hon. Friend is right in that it is up to motorists to be sensible and careful and to avoid accidents. However, it would be churlish to take away from Ministers and motoring organisations the credit for the way in which, with single-minded dedication, they have concentrated on the issue and sought not only to highlight the problems facing motorists as the drive, but to use campaigns to target specific areas such as drink-driving. Without that, I suspect that the figures announced yesterday would not have been so low.

The purpose of my modest Bill is to contribute to making roads safer and drivers better equipped and more confident when driving. As I have said during previous debates on this matter, during the past 25 years there has been a revolution in motoring. Improved living standards have ensured far wider car ownership. Instead of the norm being one car per family, it is now more likely that two cars or even more are owned by members of one family. Advances in technology, design and engine power have made cars far more sophisticated and powerful.

More than 29 million people have licences to drive cars. In 1988, 1·39 million people passed their driving tests, of whom 73 per cent. were aged between 17 and 25, 21 per cent. between 26 and 40 and 5 per cent. between 41 and 60. Surprisingly—indeed, staggeringly—0·3 per cent. were over 60. That intrigues me. As I shall explain later, newly qualified drivers do not necessarily mean young drivers.

I am an Essex man, in that I have the honour to represent an Essex constituency. I am pleased to see here today my hon. Friend the Minister for Transport in London, who is an Essex man, as are my hon. Friends the Members for Brentwood and Ongar (Mr. Pickles) and for Colchester, North (Mr. Jenkin). They may feel some affinity with a small article in the *Daily Mail* today, entitled "Essex girl, 83". The article said:

"A woman of 83 who sparked a major search when she vanished from her old people's flat"—

in the constituency of my hon. Friend the Member for Brentwood and Ongar—

". . . in nightclothes was found two hours later—in bed with an elderly man next door."

I accept that that has nothing to do with motoring, but if elderly Essex girls have such enterprise at the age of 83, who knows how many other enterprising Essex men and women will want to learn to drive and pass their driving tests at the age of 83? My Bill would apply to them no less than it would to youngsters of 17 to 25.

Mr. Eric Pickles (Brentwood and Ongar): This matter is of deep concern to my constituents. The case that my hon. Friend mentioned is by no means exceptional behaviour for the people of Brentwood and Ongar. Indeed, it would be a matter for national comment if my constituents in their 80s were not to show that degree of vivacity and joy of life.

Mr. Burns: I am grateful to my hon. Friend, who is the epitome of a fun-loving Essex man.

Mr. Bernard Jenkin (Colchester, North): I congratulate my hon. Friend on the diligence with which he is presenting his Bill. Does he think that the lady in the aforementioned article—an Essex girl, as he rightly called her—could have been on the hormone replacement therapy recommended by my hon. Friend the Member for Billericay (Mrs. Gorman)?

Mr. Burns: It seems to me that the Essex girl to whom I referred is in no need of hormone replacement therapy —but if problems were to arise, she will know doubt know to contact my hon. Friend the Member for Billericay, who I am sure would be more than happy to give her plenty of advice, to ensure many more years of joyful fun.

On a more serious note, the statistics that I gave before we were diverted by Essex girl made it abundantly clear that the majority of newly qualified drivers are aged between 17 and 25. The casualty figures for 1991 highlight another serious problem. In that year, drivers aged between 16 and 19 who were killed accounted for 4·6 per 100,000 of the population. The figure for those aged between 20 and 29 were almost unacceptably high, at 4·5 per 100,000. For age groups above that, the figure fell dramatically, to an average 2.2 per 100,000.

Those statistics are reinforced by a recent study by the Transport Research Laboratory of the Department of

[Mr. Burns]

Transport on the attitudes, opinions and development of skills among novice drivers in the first two years after passing their test. It showed that 28 per cent. of respondents had been involved in at least one accident as a driver. Twenty-five per cent. of those had been driving for only 12 months, 27 per cent. for 18 months, and 35 per cent. for 24 months.

Thirty-three per cent. of those involved in an accident had been involved in an injury accident. From their own estimations, 34 per cent. of those drivers felt it likely that they would be at least partly to blame if they were to have an accident as a driver during the first 12 months of their driving careers.

The report also highlighted the fact that those who had been driving for two years had higher scores on confidence in decision making than those who had been driving for a shorter period. That group also reported more frequently failing to notice a pedestrian waiting at a crossing, failing to use their mirrors when they should, misjudging, trying to beat other drivers on a getaway from traffic lights or in other stationary situations and taking other action that they knew might be dangerous.

Interestingly, the report showed that the proportion of new drivers involved in an accident between 18 and 24 months after passing a test was greater than the proportion involved between 12 and 18 months after passing one. Those statistics prove that there is a serious problem in respect of newly qualified drivers and road safety.

My Bill introduces measures to improve road safety for not only newly qualified drivers but other drivers and innocent pedestrians. The problem partly emanates from the fact that inexperienced drivers, as soon as they pass their test, are given the same privileges and rights as drivers who passed their tests more than 20 years ago and who have since gained experience and maturity. To my mind, that must be rectified.

My Bill aims at bringing greater safety and protection to newly qualified drivers and to others who share the roads with them. As I have said before, newly qualified drivers are not exclusively under the age of 25. They can be any age, through to the ages to which I referred earlier.

Clause 1(4) would make it law that a condition of granting a full licence would be that for two years after the passing of that test, the newly qualified driver would have to display a sign on his car noting that he was a newly qualified driver, in the same way as learner drivers have to display an L-plate before they pass their driving test. The type of display to be used would be left to the Secretary of State, but it is obvious that it should be something like "P" for provisional or, if one did not like that, perhaps "R" for restricted. We may quibble over the letter of the alphabet, but that would be the principle. Power would be given to the Secretary of State, who, after consultation, would come up with the right letter. My choice would be "P" for probationer.

P-plates for probationers would be a constant reminder to newly qualified drivers that they are newly qualified, that they do not know it all and that they do not have the experience of other drivers. It would also serve the useful function of drawing the attention of other drivers to the fact that they are in the vicinity of a newly qualified driver. They could then be more considerate and take more care with their driving.

It is interesting to note that the Transport Research Laboratory report shows that more than half the respondents felt that to require newly qualified drivers to display a special plate to let others know that they were inexperienced would prevent a great many accidents. Some may say that such a proposal is unenforceable, I do not share that view. I suspect that when L-plates were introduced for learner drivers, many people said that the proposal was unenforceable. Experience since then seems to be that the system works well.

Clause 2(1) would make it an offence for newly qualified drivers not to display their P-plate or their R-plate for the first two years after passing the driving test. Failure to do so would contravene the Road Traffic Offenders Act 1988. The maximum penalty on conviction would be at level 3 on the standard scale, which is a maximum fine of up to £1,000—the same penalty as is currently imposed on those who are convicted of failing to display a L-plate if they are learner drivers.

Clause 1(5) would amend the Road Traffic Act 1988. Any newly qualified driver would, for the first 24 months after passing his or her test, have to drive a vehicle of no more than 1300 cc.

Mr. Pickles: Can I ask my hon. Friend for his advice on engine size? Mine is a rural constituency. My constituents use large vehicles, such as Land-Rovers and diesel cars. A sensible choice for a young person who had just passed his driving test would be a diesel car. The Bill would discourage the use of a sensible form of transport. There has been a great increase in car ownership, but many families have only one whose engine size is usually greater than 1300 cc. The Bill would mean that newly qualified drivers would be unable to drive the family car and obtain the experience that my hon. Friend wants them to obtain. Therefore, two years after passing their test, precisely the problem that my hon. Friend has identified would arise.

Mr. Burns: I am extremely grateful to my hon. Friend. With his usual perspicacity, he has anticipated my next point. I accept that this is the most controversial and potentially the most difficult part of the Bill. I hear what my hon. Friend says, but it is important not to lose sight of the fact that the purpose of the Bill is to improve road safety. One could find exceptions to, or plead a special case for, many of the measures that we pass. I believe that 1300 cc represents a respectable level of engine size for it not to become a major problem for the majority of families. Nevertheless, I accept that it may cause some problems for some families. One could argue that a one-car family might have only a series 7 BMW. It would be slightly odd to allow a 17-year-old to drive a series 7 BMW which belongs to his or her mother or father.

In theory, 17-year-olds could pass the driving test on their birthday and leave the test centre in a Porsche, a series 7 BMW or some other high-performance car. If they got into difficulties, they would not have the experience, maturity or capability to handle the car in the same way as a more experienced driver and avoid an accident—possibly a fatal accident.

Mr. Jenkin: Will my hon. Friend give way?

Mr. Burns: No, I have little time. I accept that it is a difficult position. If the Bill were to reach the Committee stage, the matter would have to be examined carefully because one does not want to be ludicrous and over-extend the law. One must give serious thought to how newly qualified drivers can cope with road safety, which is a primary concern to everyone. New section 102A(2) specifies that those who are restricted to driving cars not exceeding 1300 cc would have that specified on their driving licence to help with the enforcement of that provision.

As hon. Members will have noticed from reading my Bill carefully, no penalties are specified in clause 2 for an offence that is committed. The reason for that is deliberate. To get it right, we must not make the law look an ass. We must produce a law that is enforceable and rational. At this stage, it would be preferable for a Committee to consider how we can get it right with the most realistic proposal and the most realistic penalties for those who contravene the law.

I accept that the Bill will not get on the statute book because it comes much too late in the parliamentary timetable. However, if it raises awareness of the problems facing newly qualified drivers, if it goes some way towards improving road safety in the United Kingdom and if it raises a serious debate about road safety and provokes discussion of ways to improve the safety of newly qualified drivers, others on our roads and innocent pedestrians, who may be seriously affected through injury or death, it will be worth while.

As I said earlier, the Minister's Department is carrying out an ongoing study of ways further to improve road safety and the position of newly qualified drivers. All hon. Members must welcome the Department's work. We await publication of the Minister's White Paper and ideas which can be put out to consultation and, if necessary, result in legislation.

My Bill is a step in the right direction. It will bring more maturity and the opportunity for newly qualified drivers to gain experience on the roads. It will give more protection to other drivers and pedestrians and make people think more about how to make our roads safer for everyone. I commend the Bill to the House.

1.58 pm

Mr. Matthew Carrington (Fulham): I congratulate my hon. Friend the Member for Chelmsford (Mr. Burns). It is a remarkable feat to get this Bill from a 10-minute rule Bill through to Second Reading. It is such a remarkable feat that it is hard to remember any other instances in which such a progression of events succeeded. My hon. Friend the Minister has achieved the same remarkable distinction, and I congratulate him on that.

The Bill is to be highly commended. It has the most remarkably worthwhile objective of improving road safety. That is an objective to which all Members of Parliament dedicate many hours of their working lives. Although fewer people are killed on the roads now, the roads in Britain are still far too unsafe and we need to do more to make them safer.

One of the great problems of road safety is undoubtedly the difficulty of other drivers in identifying motorists who are not fully in control of their motor car, so it is right that my hon. Friend has introduced a Bill which would enable an inexperienced driver to be readily identified by other road users and avoided or given enough room. Other drivers would know not to anticipate that such drivers could cope in the difficult situations which can arise on the road.

Mr. Stern: My hon. Friend is rather more complimentary than I might be about the driving standards of drivers who come across a newly qualified or learner driver. Without wishing to poor-mouth my driving standards any more than my family would consider necessary, I am not sure that my reaction when confronted by a learner driver is to make things easier for him. My reaction, which I am told is not abnormal, is to get away as fast as possible, if necessary by accelerating as fast as possible past that driver. Does that necessarily contribute to road safety?

Mr. Carrington: I am sorry to hear that intervention from my hon. Friend. He must be unusual. But I know him well and I imagine that his comments are driven—if that is the right word—by modesty. I know him to be a kind and courteous man. For all that he might not want to get too close to less experienced drivers on the road, I am sure that he would get past in such a way as to ensure that their progression down the road was safe and easy for them so that they could learn. I am sure that my hon. Friend does himself less than justice.

The Bill is an extension of the principle that has been observed since the 1930s that a learner driver should display an L-plate. My hon. Friend's Bill is a natural progression from that. I suggest that we could equally benefit from other classes of road users and drivers being required to display a sign showing what they were.

We have just been hearing about road hogs, not that I suggest that my hon. Friend the Member for Bristol, North-west (Mr. Stern) is a road hog. People who had been convicted of being road hogs or unsafe drivers should perhaps also display something on their car. People convicted of drink driving who had just got their licence back could also be required to display something on their cars. The principle could be extended to all sorts of groups.

Lady Olga Maitland (Sutton and Cheam): Is my hon. Friend aware that the concept of a restricted driving licence or plate is not novel to the British Isles? Northern Ireland has them. An R-plate restricts a driver in speed and other matters. I hope that my hon. Friend the Under-Secretary will say how effective the scheme has been in the Province.

Mr. Carrington: My hon. Friend raises an interesting point. She is right. We have other plates in this country. For example, the diplomatic corps, who are a noble and trustworthy body of people, display a D in the middle of their number plate. Any other drivers using the road know full well to steer clear of a car with a diplomatic number plate because if they have an accident with it their rights as citizens of this country will be severely reduced.

It is a well-established principle that certain classes of road user must identify their presence for the safety of other road users. One could wish to bring a number of other groups into such a category, to the point where most road users would have to display a sign on their car identifying themselves for the benefit of others.

I have to tell my hon. Friend the Member for Chelmsford that I have one or two worries about the Bill, some of which were mentioned by our hon. Friend the Member for Brentwood and Ongar (Mr. Pickles). He

[Mr. Carrington]

mentioned people who need cars with engines above a certain size. Cars that have a larger engine size may be inherently safer than those with small engines. One thinks, for instance, of the three-wheeled vehicles, which have small engines——

Mr. Tony Banks (Newham, North-West): What has the hon. Gentleman got against Reliant Robins?

Mr. Carrington: I have nothing against them at all. A Reliant Robin requires skill and understanding to drive. It is the sort of car to which people should aspire once their driving skills are such that they can cope with the challenge. The Bill should provide that only experienced drivers should aspire to driving such cars.

The other problem is that a foreigner—I am thinking particularly of someone from the United States of America—who intends to live here permanently and wishes to drive on the roads must pass an English driving test. He or she may be an extremely experienced motorist, but the moment they took their test they would have to display a "P" on their car and may have to buy a car with a smaller engine.

Mr. Burns: Does my hon. Friend accept that the vast majority of foreign drivers will not have experience of driving on the left hand side of the road? However experienced they are at handling a car, they may experience great difficulty in getting used to driving on the left hand side, with the associated problems of turning at crossroads and using roundabouts.

Mr. Carrington: My hon. Friend is absolutely right. I look forward to discussing that in Committee and I hope that my hon. Friend's pessimism about the likelihood of the Bill going into Committee is ill-founded. We must debate such issues.

Does it take two years to learn to drive on the right or left hand side of the road? Should a British motorist be allowed to drive in France without displaying a sign on their car?

Mr. Burns: They have to display a "GB" sticker.

Mr. Carrington: Even before the Maastricht Bill, once we joined the European Community motorists no longer had to display those stickers.

The Minister for Transport in London (Mr. Steve Norris): If I recall correctly, my hon. Friend's dear lady wife has been through precisely this experience.

Mr. Carrington: Indeed. My hon. Friend is absolutely right. My wife is American and she went through that great trauma. As hon. Members can imagine, marrying me was a trauma, but it was made worse by the fact that, having been a driver for 20 years, she had to pass another driving test.

Mr. Nigel Evans (Ribble Valley): Does my hon. Friend agree that when our European neighbours come to this country, their cars have foreign plates which enable us to work out whether the driver is from Germany, from France or from Italy? We normally give such cars leeway simply because we see the foreign plates and because of the problems already mentioned.

Mr. Carrington: That is right. The Bill proposes nothing revolutionary. It is an extension of the fact that we identify cars by looking for signs such as whether the steering wheel is on the right or the left, whether the driver is smoking a pipe—or wearing a sharp suit, to pick up a point made in an earlier debate. We look for signs of potential problems.

I strongly recommend the Bill to the House, but I make one suggestion for improvement. My hon. Friend the Member for Chelmsford said that he felt that the right sign to have on the back or front of a car, where the L-plate now is, would be a P-plate. I can see the argument for having letters and we can discuss in Committee whether to have P, S or some other letter, such as D for danger.

I suggest that it would be more appropriate to have not a letter, but a picture which would make the whole process more flexible. I am sure that my hon. Friend the Member for Chelmsford will realise the merit of what I am saying. Someone who has been disqualified for drink-driving and who gets his licence back could, for the next three, five or 10 years, display the sign of a foaming tankard on the back of his car, which might be a considerable discouragement. Similarly, a driver who had had a road accident could display a sign of a crash which might also be a considerable discouragement. One could extend the principle to those whose cars had been clamped or to those who had not paid parking fines. The potential is enormous and I hope that my suggestion will be considered.

Mr. Harry Cohen (Leyton): Does the hon. Gentleman agree that as the Chancellor of the Exchequer has just put up taxes on petrol, a suitable picture for him would be of a hand in somebody else's pocket?

Mr. Carrington: I am sure that the hon. Gentleman is making a serious point. His comment is extraordinary in that he is, I know, absolutely dedicated to preserving our environment and to stopping the misuse of carbon energy resources which is so dangerous in terms of global warming. Far from wishing the Chancellor to carry a sign which, I am sure from the description, would be for the purposes of vilification, the hon. Gentleman should wish the Chancellor to be identified as somebody who has contributed significantly to saving our planet. I am sure that my hon. Friends join me in that wish.

I am straying a long way from the Bill and I am sure that you will call me to order before long, Mr. Deputy Speaker. I shall now make a point that will be vital for the whole process. At present, L-plates have to be tied on to cars with bits of string or stuck on with Sellotape which destroys the finish. Under the Bill, we should make it a condition that all motor cars are designed to have a card holder on the front and the back so that, as the motorist progresses, the appropriate sign can be inserted to demonstrate the stage of his or her development as a motorist. That is another matter to be discussed in Committee. I look forward to the debates in Committee, which will be important for road safety. I congratulate my hon. Friend the Member for Chelmsford and I wish the Bill well.

2.13 pm

Mr. Bernard Jenkin (Colchester, North): It is always a pleasure to follow my hon. Friend the Member for Fulham (Mr. Carrington), who developed a number of important arguments. My hon. Friend said that the Bill might require

the modification of motor vehicles at the point of manufacture to allow a plate to be displayed on the vehicle as required. Unfortunately, I believe that such action may be beyond the Bill's scope. It would also require European legislation, as national legislation for the approval of changes to the manufacture of motor vehicles is governed by, and falls under the exclusive competence of, European law. Therefore, we would be unable to legislate on that.

I congratulate my hon. Friend the Member for Chelmsford (Mr. Burns) on presenting his Bill so ably. The principle of the legislation has an entirely laudable aim. New, upstart young Members of Parliament like myself are allowed, on their first outing, a maiden speech, during which other hon. Members are advised by the Chair or convention to avoid running into them or upsetting them. They give us a wide berth so that we can complete the process without damaging or injuring anyone.

I have a number of concerns about the Bill. My hon. Friend the Member for Chelmsford made it absolutely clear that the issue of the plate would be one for the Committee or the Secretary of State if the Bill becomes law. However, the use of the letter "P" could be open to misinterpretation, particularly if we move to a system such as that recommended by my hon. Friend the Member for Fulham, in which "P" could be seen to stand for a poor or pathetic driver.

I believe that "N" for novice would be a more appropriate plate. The "N" could stand for new, novice or "newly qualified" to reflect the Bill's title. If the system is expanded, my hon. Friend the Member for Bristol, North-West (Mr. Stern) might have an "A" on his plate to stand for aggressive driver—if that is not being unfair to him. I note that he is nodding. We might have "C" for careless or "E" for expert—we could develop the concept of driver labelling to inform others in a variety of ways. The letter "A" for aggressive is attractive as it is a reversible letter. The driver of a car in front could read it in his mirror to give him an idea of the sort of person driving behind, not just in front.

Lady Olga Maitland (Sutton and Cheam): Does my hon. Friend agree that all the discussions about putting plates on cars are somewhat beside the point? We should really be discussing the introduction of a suitable restriction such as 45 mph speed limit, or—as in New Zealand—a ban on carrying passengers so that teenagers do not show off, or not allowing driving at night. We should be considering elements to discipline newly qualified car drivers.

Mr. Jenkin: I am grateful for my hon. Friend's intervention, which leads me to the next part of the Bill: the restriction on engine size—the only restriction currently proposed in the Bill—about which I am anxious. I used to work in the motor industry for the Ford motor company. I did so when the then Chancellor of the Exchequer introduced restrictions on engine size relating to the taxation of company cars. It caused great distortion in the car market and it was a relief to the motor industry when the restrictions were altered so that the engine size restriction no longer applied.

When the restrictions on engine size applied, some privately owned car fleets—not those of my employer—adopted a system called badge engineering. The fleet manager, more than anyone else, used to indulge in the process and ensure that the badge on the back of his car suggested that the car's engine was below 1800cc—other documentation might also lend weight to that suggestion. The car driver would know that he was driving a car with a larger engine and would not want the taxation authorities or his boss to know that he had a better car than the boss.

This leads to the problem of the enforceability of engine sizes. It might be impossible for the police to know whether a car had an engine bigger than 1300cc. I recall using my father's car many years ago. Its engine was considerably larger than 1300cc, although it was not a BMW 735—hon. Members will know the sort of salary my father had to live on. *[Laughter.]* Nevertheless, because it was my father's car, I took great care of it. I was far less likely to damage it than I would have been had I driven a cheap banger of my own with a small engine. So restricting engine size might not achieve the intended result.

Mr. Nigel Evans: Does my hon. Friend remember that a Reliant Robin was caught speeding at well over 70 mph? The owner had souped up the engine. Robins present challenge enough to drive and they must be somewhat worse with souped-up engines.

Mr. Jenkin: I remember the newspaper stories about that. It amply demonstrates some of the difficulties that might be involved in applying this restriction to newly qualified drivers.

I emphasise that this measure has great merits which deserve serious debate. I hope that all hon. Members who want to speak on Second Reading will have the time to do so. I end with a few remarks about foreign drivers. We can see from the signs on the back of their cars that they are foreign—and clearly inferior drivers. We know from watching foreign buses manoeuvring round Hyde Park what a risky business that can be, so the principle behind the Bill has a proven track record and I hope that the House will continue to give it lengthy and sober consideration.

2.22 pm

Mr. Nigel Evans (Ribble Valley): I am glad that my hon. Friend the Member for Chelmsford (Mr. Burns) has introduced the Bill. The intention behind it is right: to reduce the number of accidents on our roads and to reduce the numbers of people killed, maimed or injured on them.

My hon. Friend the Member for Chelmsford said that a great many 60 and 80-year-old people are learning to drive these days, but I want to talk about the number of accidents caused by younger people.

The idea of putting a letter or symbol on the back of a car to identify a newly qualified driver is right. My hon. Friend the Member for Sutton and Cheam (Lady Olga Maitland) said that people in Northern Ireland in this category have to display an R plate. It has proved extremely successful.

Mr. Peter Bottomley (Eltham): Common sense might suggest that, but no research that I have been able to find shows that it makes the slightest bit of difference. The problem has been properly identified, but the solution to it has not—certainly not by this simple method.

Mr. Evans: Research has shown that the number of accidents caused by young, learner or newly qualified drivers in Northern Ireland has fallen significantly.

[Mr. Evans]

In this country people are not obliged to carry their driving licence with them. How long a person has been driving can be determined by the licence. If such a person is stopped and asked to produce his licence within three days at a police station, there is nothing to prevent him from giving the wrong name and address to the police officer and asking somebody else to furnish a licence to a police station that is many miles from the scene of the incident. It would be difficult to enforce the measure, although it opens wide the door to the introduction of identity cards, a measure which I favour for reasons other than enforcing the proposed legislation.

It is rather anomalous that a newly qualified driver is allowed to build up 12 points in the same way as someone who has been driving for 20 years. A newly qualified driver should initially have a lower points limit, perhaps four, so that if he causes an accident or breaks the law in some other way he can lose his licence far earlier and have to retake the test. That would be better than being allowed three or four accidents before the licence is removed.

Education should also be more widely used to warn of the dangers of speed on the roads. The advertising industry has much to answer for. Some vehicles are advertised in a way that will attract people who wish to drive fast cars. Time and again, the fast car is presented as the vehicle for virile young men to prove their masculinity on the roads. That is wrong and other drivers are placed in danger by the emphasis on such cars.

Education in the home is also important. My hon. Friend the Member for Bristol, North-West (Mr. Stern) said that members of his family comment on the quality of his driving. It has been proved that competent drivers—I am sure that that describes my hon. Friend—influence members of their families who are learning to drive. People tend to imitate some of the habits of their parents on the roads. Parental persuasion is therefore important.

Mr. Stern: The picture conjured up by my hon. Friend is mind-boggling. On the principle that he advocates, if my daughter emulates her parents while being driven by them she will look around the car for another back-seat driver.

Mr. Evans: I am sure that many people suffer from a similar problem. More discussion is needed of the measures that are necessary to reduce the number of incidents and accidents on our roads.

2.27 pm

Lady Olga Maitland (Sutton and Cheam): I welcome the Bill because the time has come to take a much more disciplined approach to newly qualified drivers. We should seek examples in Northern Ireland and overseas. For instance, Germany applies strict rules under which the licence of a first offender is taken away and he has to resit the driving test. The authorities in Australia are extremely tough on young drivers. That is right because most offences are caused by teenage boy racers and the time has come to stop them racing and showing off. If we can clip their wings we shall do a great service for mankind because fatalities in the 16 to 19 age group is disproportionate to all other age groups. I hope that the Bill receives a fair wind, if not today on another occasion. Perhaps it can be reintroduced later. The time has come to take a firm grip. What do we mean by allowing newly qualified drivers on the roads without any supervision or restriction?

2.29 pm

Mr. Michael Stern (Bristol, North-West): I intend to be brief. Given the time, I will be brief. However, I wish to make two points. The first, which has not yet been made, concerns the showing of signs on the vehicle. I do not know whether my hon. Friend the Member for Chelmsford (Mr. Burns) gets as confused as I do by the multiplicity of signs on the backs of cars. I am a little worried, and he will have to be careful about how the Bill defines the regulations——

It being half-past Two o'clock, the debate stood adjourned.

Mr. Deputy Speaker (Mr. Michael Morris): Debate to be resumed what day? No day named.

Remaining Private Members' Bills

DECLARATION OF WAR (REQUIREMENT FOR PARLIAMENTARY APPROVAL) BILL

Order for Second Reading read.

Hon. Members: Object.
Second Reading deferred till Friday 23 April.

HOMICIDE (DEFENCE OF PROVOCATION) BILL

Order for Second Reading read.

Hon. Members: Object.
Second Reading deferred till Friday 23 April.

PENSIONS BILL

Order for Second Reading read.

Hon. Members: Object.
Second Reading deferred till Friday 23 April.

MARITIME SAFETY BILL

Order for Second Reading read.

Hon. Members: Object.
Second Reading deferred till Friday 23 April.

JUSTICE BILL

Order for Second Reading read.

Hon. Members: Object.
Second Reading deferred till Friday 23 April.

DRUGS ENFORCEMENT BILL

Mr. Deputy Speaker (Mr. Michael Morris): Not moved.

EMPLOYMENT PROTECTION (PARENTAL LEAVE) BILL

Order for Second Reading read.

Hon. Members: Object.
Second Reading deferred till Friday 23 April.

REGULATION OF WHEEL-CLAMPING BILL

Order for Second Reading read.

Hon. Members: Object.
Second Reading deferred till Friday 23 April.

NATIONAL SCHOOL HEALTH SERVICE BILL

Order for Second Reading read.

Hon. Members: Object.
Second Reading deferred till Friday 23 April.

LOCAL GOVERNMENT (AMENDMENT) BILL

Read a Second time.

Bill committed to a Standing Committee, pursuant to Standing Order No. 61 (Committal of Bills).

HOUSE PURCHASE (SIMPLIFICATION) BILL

Mr. Deputy Speaker: Not moved.

CHRONICALLY SICK AND DISABLED PERSONS (AMENDMENT) BILL

Order for Second Reading read.

Hon. Members: Object.
Second Reading deferred till Friday 23 April.

WEDDINGS BILL

Order for Second Reading read.

Hon. Members: Object.
Second Reading deferred till Friday 23 April.

HARE COURSING BILL

Order for Second Reading read.

Hon. Members: Object.
Second Reading deferred till Friday 23 April.

EUROPEAN UNION (PUBLIC INFORMATION) BILL

Order for Second Reading read.

Hon. Members: Object.
Second Reading deferred till Friday 23 April.

HUMAN FERTILISATION (CHOICE) BILL

Order for Second Reading read.

Hon. Members: Object.
Second Reading deferred till Friday 23 April.

ENERGY CONSERVATION BILL

Order for Second Reading read.

Hon. Members: Object.
Second Reading deferred till Friday 2 July.

BUSINESS OF THE HOUSE

Ordered,

That, at the sitting on Wednesday 31st March, notwithstanding the provisions of Standing Orders No. 14 (Exempted business) and No. 15 (Prayers against statutory instruments, &c. (negative procedure)), the Speaker shall not later than Seven o'clock put the Questions necessary to dispose of proceedings on the Motions in the name of Mr. Secretary Lang relating to Legal Aid and Advice (Scotland) and on such of the Motions in the name of Mr. John Smith relating to Legal Aid and Advice as may then be moved.—*[Mr. Arbuthnot.]*

Ordered,

That, at the sitting on Thursday 1st April, notwithstanding the provisions of Standing Order No. 9 (Sittings of the House), the Motion in the name of the Prime Minister for the adjournment of the House shall not lapse at Ten o'clock and may be proceeded with, though opposed, until Eight o'clock in the morning, at which hour, unless proceedings thereon have previously been concluded, the Motion shall lapse.—*[Mr. Arbuthnot.]*

EUROPEAN STANDING COMMITTEES

Resolved,

That European Community Document No. 4608/93, on the prices for agricultural products and on related measures, 1993-94, shall not stand referred to European Standing Committee A.—*[Mr. Arbuthnot.]*

Points of Order

Mr. Max Madden (Bradford, West): On a point of order, Mr. Deputy Speaker. My point of order is about the availability of papers for Monday's debate on coal. You will recall that yesterday, as reported at columns 1233 and 1234 of *Hansard*, the President of the Board of Trade referred to the French interconnector.

Following those exchanges, I asked the Library whether I could be provided with a copy of that

[Mr. Max Madden]

agreement. I have been advised by the Library that the agreement consists of the original protocol, which was signed in 1981, and subsequent commercial agreements. None of the commercial agreements is in the public domain. The original protocol has never been made public either, although part of one of the articles was quoted in a recent report from the Select Committee on Trade and Industry.

The report of the Committee, which was published on Wednesday 2 December 1992, contained a quotation from article 14 of the protocol. The White Paper that is the subject of Monday's debate makes numerous references to the French interconnector between pages 55 and 58, as well as references to the protocol. The report of the Select Committee is of considerable importance in the context of Monday's debate, and it makes extensive comments also on the protocol and the subsequent agreement.

Bearing in mind the vital interest in the French interconnector, the agreement and the protocol, which have never been made available or published, and bearing in mind also the direct quotations in the report of the Select Committee on Trade and Industry, I urge you, Mr. Deputy Speaker, and perhaps Madam Speaker, to reflect on whether the protocol and all the subsequent agreements relating to the French interconnector should be made available in time for Monday's debate.

Mr. Deputy Speaker (Mr. Michael Morris): I am sure that the hon. Member realises that the occupants of the Treasury Bench will have heard his point of order. Presumably they will act accordingly.

Mr. Harry Cohen (Leyton): Further to that point of order, Mr. Deputy Speaker. My hon. Friend the Member for Bradford, West (Mr. Madden) has raised a most important matter. I heard what you said, Mr. Deputy Speaker, about my hon. Friend's point of order being heard by those on the Treasury Bench, but there is a ruling that if documents are referred to on the Floor of the House they should be provided subsequently. They certainly should be provided for the debate on Monday. There is a great deal of political capital——

Mr. Deputy Speaker: Order. That rule applies only when there is a direct quotation from a state paper.

London Taxis

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Arbuthnot.]*

2.36 pm

Mr. Vivian Bendall (Ilford, North): First, I declare an interest; I represent the London Taxi Drivers Association. My representation is listed in the Register of Members' Interests. In this instance, however, I am not representing only the association. I believe that I shall be speaking for the vast majority of black-cab drivers in London. Therefore, this is a significant debate.

I initiated the debate because of the speculation that has recently appeared in much of the national press and the London evening press. I refer especially to an article that appeared on 2 March in the *Evening Standard,* which said:

"Mr. Norris has now decided to impose the same minicab regulations in London as the rest of the country."

That is causing great concern and distress to most of the black-cab drivers in London, who now number about 20,000.

I am sorry that I have had to bring my hon. Friend the Minister into the Chamber on a Friday afternoon; I appreciate the onerous duties of a Minister. However, given the distress that has been caused to London taxi drivers, I felt that it was necessary to bring the matter to the attention of the House.

I begin by referring to a report from the Department of Transport working party on the safety of users of taxis and minicabs in London, which was published in July 1992. Paragraph 23 states:

"If the Government were minded to propose a two-tier system of licensing in London, we believe that it should first look hard at the provincial system and any difficulties being experienced there."

That is the crux of the matter. When we consider what is being experienced in Birmingham and other parts of the midlands, it is clear that many problems are being caused by the 1976 legislation. It was interesting to note that Tony Cross, a trading standards officer in Birmingham, recently said that he believed tht the only real way to work in the provinces was to have a one-tier system.

There is fear that my hon. Friend the Minister will begin to introduce a two-tier system for the licensing of black and minicabs in London. That would be a slippery slope. It would give minicabs an air of respectability that they have not had previously. Everything comes down to what the driver of a licensed black cab has to do. Many people do not understand that he has to put in an immense amount of effort to obtain a green or yellow badge, and in particular the green badge. He has to do the knowledge for two years. Then, once he has acquired his vehicle, it has to be inspected twice a year.

If the minicab is to be licensed and given that air of respectability, there will be not a level playing field, but a two-tier system, and slowly but surely we shall see the decline of the black cab. I shall explain how that will occur as a I develop my argument.

My second point, which is of paramount importance, is that one of the major problems in London, as elsewhere, is illegal touting by minicab drivers. Although that is illegal, there are only five enforcement officers in London, so touting continues unabated and unchecked. If the minicab driver is given a licence, and the air of respectability that goes with that, people will be even more confused.

Currently, the police appear unable to stop that plying for hire; nor can they stop the ranking that occurs, for example, outside clubs and theatres. There is continuous touting at large railway stations, especially at weekends. The problem was recently highlighted when the police decided to purge Victoria station, which resulted in a great number of convictions. However, usually there is not sufficient enforcement to prevent that practice.

If we go down the slippery slope of a two-tier licensing system, London will experience the problems currently being experienced in areas such as Birmingham, where there are taxi wars and violent disputes not only between minicab drivers and black-cab drivers, but among the various members of the minicab trade. That will happen in London, but at 100 times the level in the provinces. The 1976 Act has failed for a number of reasons. We need to create a system that will resolve the problems once and for all.

The black cab has been part of London's heritage since the days of the hansom cab. It has successfully competed throughout the century. It is part of the London scene and part of the heritage of this great city. Like the Tower of London, Buckingham palace and Westminster abbey, the black cab is part of the London scene and a great tourist attraction. It is also part of the integrated London transport system. What incentive will there be for black-cab drivers to continue buying a black cab and to do the knowledge? A purpose-built cab costs £24,000. One can easily buy an ordinary new car to use as a minicab for £8,000, or a second-hand vehicle for as little as £3,000 or £4,000. If there is no future for the black cab, that will be a sad day for London and for a trade which has given great service to the capital over many decades.

Another problem results from the evolution of the radio cab, which allows taxis to be booked by telephone —particularly for company contract work. That business might start to die because there would not be fair competition. Black cab fares are set by the Government, but minicabs charge whatever they like. One could soon see the demise of the contract sector, with all the consequences that would follow. If drivers were compelled to move away from radio-circuit work and had to ply for hire on the streets, that would add to the likelihood of cab wars of the kind seen in Birmingham and elsewhere.

The black cab also contributes significantly to helping the disabled, with their ability to accommodate wheelchairs. That facility is not generally available in minicabs. The demise of the black cab would bring problems for the disabled. It has long been Government policy to ensure that the disabled have an opportunity to use black cabs and that every black cab will be able to accommodate wheelcharis by the year 2000.

The provision of that facility has increased the price of the black cab, quite apart from the original cost of developing it. Sir Peter Baldwin of the Disabled Persons Transport Advisory Committee and Ann Fry have done immense work to help the disabled and are very much against the likely consequences of any diminution in the black cab. Dial-a-Ride and Taxicard users are opposed to a two-tier system.

One must consider also the disastrous effect on black-cab production. It is a British-produced vehicle. Given the erosion of our industrial base over the years, it would be sad to see yet another part of it lost. The LTI and Metrocab have worked unceasingly to ensure more success for the black cab. In the past two years, LTI production has fallen 50 per cent. My hon. Friend the Minister may argue that some of that was caused by the recession, but from speaking to black-cab drivers over the past few months, I know that much of it is the result of uncertainty about the future of the trade.

Drivers are not buying new black cabs because of that uncertainty. Half the work force at LTI have been made redundant over the past year and if black-cab production stopped altogether, the rest of the work force would be made redundant—as would large numbers of workers in the black-cab spare parts and service industries.

I appreciate that the Minister faces a great dilemma. I appreciate also the work of the Suzy Lamplugh Trust to improve ladies' safety. The black-cab trade believes that ladies who travel with them must be properly protected. Therefore, it would be disastrous if the black cab trade, as we know it, in London were to come to an end.

Diana Lamplugh and others have rightly pointed out to me that we must also consider the safety of drivers, whether they be minicab drivers or black-cab drivers. Many black-cab drivers have been shot, knifed or viciously attacked. We must, therefore, take account of their safety, too. The black cab provides safety for the driver. If one talks to black-cab drivers, one finds that the panel between driver and passenger is of paramount importance to them.

I urge the Minister to set up a commission to inquire into the problems faced by the black-cab trade and the minicab trade in London. If he did that, we could address immediately the issues relating to ladies' safety, as well as all the other issues. For far too long, we have tampered and tinkered with the problem.

In 1990, I argued during our proceedings on the London Local Government Bill that the black cab should be saved. The report of a working party on the safety of users of taxis and minicabs in London came to no firm conclusion. If the Minister sets up a commission, it should be given clear terms of reference and asked to consider how these problems should be dealt with.

I hope that the Minister will not put the cart before the horse by announcing that he intends to start a two-tier system. I hope that he will announce a full investigation which will satisfy the Suzy Lamplugh Trust and result in taxi drivers and the people of London feeling safe. If he does that, we shall preserve one of our finest trades—a trade which, for many generations, has provided a great service to Londoners.

2.52 pm

The Minister for Transport in London (Mr. Steve Norris): I congratulate my hon. Friend the Member for Ilford, North (Mr. Bendall) on his customary assiduity in prosecuting the interests of the licensed trade. I welcome to the debate my hon. Friends the Members for Romford (Sir M. Neubert), for Wanstead and Woodford (Mr. Arbuthnot) and for Battersea (Mr. Bowis), all of whom I know take a close interest in these matters. I see on the Opposition Benches my hon. Friend—for such he is—the Member for Newham, North-West (Mr. Banks), who is my shadow on transport matters, as well as the hon. Member for Lewisham, West (Mr. Dowd).

In 1991, my predecessor, the hon. Member for Derbyshire, West (Mr. McLoughlin), set up a working party, whose terms of reference were

"to make recommendations on the framework needed to ensure that users of taxis and minicabs can travel in reasonable safety and security."

[Mr. Steve Norris]

Last July, I received the working party's report. It has been widely circulated and was duly deposited in the Library. Following on from it, I have considered carefully, with the assistance of many interested parties who have spoken or written to me, whether any changes to the structure of the London taxi and minicab trades should be made.

I had intended to make an announcement by the end of last year. For the record, I should say that, in an attempt to do full justice to the complex issues involved, my deliberations, and the work of my officials, have taken me beyond that original time scale. My hon. Friend and other hon. Members will agree that it is important that the solution is the right one and not a superficial answer simply for the sake of speed. I hope that I shall be in a position to make an announcement definitively by the middle of this year. My hon. Friend will appreciate that, having said that, I am not prepared to be drawn at this stage on speculation about my plans, whether in the *Evening Standard*, the taxi press or anywhere else.

In the meantime, it might be helpful if I set out the current position and described the principal factors that my review has addressed, involving potential solutions that have been put to me. Before I do that, I shall take this opportunity—as we are debating taxis—to make an important point on fares and fees. Taxi fares in London are strictly controlled by the Secretary of State for Transport. They are reviewed annually on the basis of an agreed formula which is in two parts: an average earnings index and a range of costs associated with operating a cab —classically, licence fees, spare parts, fuel and so on. Today, I can announce that all London taxi fares will rise by 20p for each journey from 24 April. That is an average increase of just over 4 per cent. and takes account of the increase in fuel duty in the Budget.

As I said, one element of the fares formula relates to fees paid to the Public Carriage Office for taxi and driver licensing. An increase from £81 to £87 in the fee for a London taxi driver's licence will take effect from 24 April and has, accordingly, been incorporated in the fares increase. Of course, a London taxi driver's licence lasts for three years. There is to be no immediate increase in the fees for licensing taxis.

My hon. Friend will know that the working party to which I referred recommended that regulation should be introduced to cover so-called minicab operations in London, but the diverse nature of the interests represented on the working party meant that it could not agree on what form the controls should take. The taxi trade in London, which is fairly well known for its strength of feeling on most issues, understandably had ideas about the future structure of the trade. Having spoken to many of its representatives, it is clear that they rightly feel a great sense of pride in their trade.

The debate to which my hon. Friend referred was—if my memory serves me—the last time that we debated the licensed trade. In that debate, I joined him in expressing appreciation for the great worth of the licensed trade to our city. I know that hon. Members on both sides of the House recognise that it is part of the attraction which London offers to tourists from around the world who, almost uniquely in London, can approach a taxi in the secure knowledge that they will be taken directly to the place that they wish to go—regardless of whether they have any idea of where it is—that they will be charged a fair fare and that they will be dealt with courteously and with respect. That is a unique advantage and one which I never fail to mention when I get the opportunity, as do hon. Members on both sides of the House. I have made it clear time and again that I have no intention of harming that London taxi trade when I address the problem identified by the working party.

The London Taxi Board has been energetic in promoting the concept of a one-tier licensing system, not least to right hon. and hon. Members of the House. Such a system would require both taxis and minicabs to be subject, essentially, to the same conditions of licensing. The argument is that that would give all users the same protection. After all, taxis and minicabs offer similar services with the widespread use of radio making it sometimes difficult to distinguish between the two.

Those who advocate a single-tier system refer to the safety aspects of taxis as opposed to minicabs. As I said earlier, taxi drivers are subject to stringent checks of their criminal background and medical fitness. They know the geography of London and their vehicles are comfortable and safe. One of the most important factors in favour of the black cab is its capacity to carry a disabled passenger in a wheelchair. Since 1 February 1989, all new taxis licensed to work in London have had a requirement to be wheelchair accessible. The whole fleet will conform to that specification by the year 2000. That is just another way in which transport in London for the disabled sets a standard to be followed in cities all over the world.

The issue of safety in minicabs is a serious and emotive one. We have seen reports in the media of women being assaulted by bogus minicab drivers or driven to an isolated spot, robbed and abandoned. We all know that we must take that issue extremely seriously. We are also all aware and may even have had experience of the touts who stand outside mainline railway stations, theatres and clubs touting improperly for work. They deny that work to the licensed trade, which has invested a great deal of its time and money to acquire the unique right to ply for hire. I am keenly aware of the problem that that represents for the police in enforcing the law. It is worth making that point absolutely clear.

As my hon. Friend the Member for Ilford, North will agree, the problem is that the touting law dates back to the days of horse-drawn carriages and makes it almost impossible for a conviction to be obtained without the corroboration of the often reluctant passenger who, after all, often simply wants to get home.

The safety problem is simply stated. Many companies that offer so-called minicab services are well managed and responsibly operated. Many minicab drivers are, of course, decent men. They have clean driving licences, they drive sensibly, they drive vehicles that have passed an MOT test, they are in perfectly good health, they have a perfectly adequate idea of where they are going and the area in which they work and they have no material criminal convictions.

However, unfortunately, while the law makes it an offence not to have a driving licence or to drive a vehicle not in a roadworthy condition, and while, arguably, a detailed topographical knowledge of London is not necessary on many journeys, the one thing that the law cannot guarantee in London, unlike in the rest of the country, is that the driver does not have a serious conviction for an offence that would disqualify him in the

eyes of any sensible person from being allowed to take a single, vulnerable person in his car. The Suzy Lamplugh Trust has frequently drawn attention to that and I commend it for its assiduity in so doing. I recall a speech made by Baroness Hollis of Heigham, who speaks for the Opposition in another place. She accurately and movingly described the situation that a vulnerable person may face in the back of such a vehicle.

The availability of taxis and minicabs in London is another important factor in the wider debate. We might have the best taxi service in the world, but it is not always easy to get a taxi. Hon. Members can go outside to a particularly attractive spot at the Members' Entrance where we can attract a taxi at most times of the day and night. My hon. Friend the Member for Ilford, North and I represent adjacent and similar constituencies. In those parts of London, as, indeed, in many suburban areas, taxis are in short supply or in practice do not exist at all. It is in serving suburban passengers that the informal so-called minicab arrangement has come into its own. Offices outside railway and tube stations and the freephone services that I see occasionally at supermarkets are becoming an all-too-familiar sight.

Various options have been put to me to deal with the many issues that have been raised. As I said, many people in the taxi trade would bring minicabs up to the same standard as taxis. That would include introducing an abridged version of the knowledge, criminal record and medical checks for drivers and regular MOT checks for vehicles. The same system of fares regulation would apply. That would, arguably, give all users the same degree of safety.

However, can it be argued that all those stringent requirements are always necessary for many of the journeys that the minicab industry currently undertakes? I remind the House, and I know that there will be common agreement on this, that my most important responsibility is not to any individual interest group. It is not even ultimately to the licensed trade, which we all admire. My responsibility must ultimately be to the citizen as a consumer of services. I am not sure that consumers would necessarily thank me for denying them the opportunity of the cheaper travel in perfectly acceptable conditions which is currently on offer in many places.

Another option, which my hon. Friend the Member for Ilford, North mentioned, is a two-tier system with separate licensing for minicabs which broadly reflects the system outside London. Like my hon. Friend, I have reservations about how that would work in the capital, given the stringency of the controls that are applied to licensed taxis. There would be a danger that two-tier licensing would pose a significant threat to the viability of the present licensed trade and would thus damage the very part of the taxi business that is agreed not to be the cause of the problem.

The answer must be to endeavour to put the interests of the public, especially those of vulnerable passengers, at the centre of our attention in a way that does not impact adversely on the licensed trade, which, by virtue of the time and effort that it has devoted to obtaining its unique right to apply for hire, has shown a sense of responsibility and an awareness of the importance of its task which is to be much admired.

I have not the slightest doubt of the inevitable unpopularity that will accompany whatever announcement I make. Before the hon. Member for Newham, North-West leaves, he would do well to contemplate that, in the unlikely event of his transferring to this side of the Chamber, making unpopular announcements is likely to be a feature of this job for many years to come. But I have no doubt that, in the circumstances, he would discharge it with great distinction and good humour, as he always does.

I want to make it clear to my hon. Friend the Member for Ilford, North and to hon. Members who represent London constituencies that I will do my level best to incorporate the principles that I have outlined to ensure that the standards of the service in London are maintained.

Question put and agreed to.

Adjourned accordingly at six minutes past Three o'clock.

Written Answers to Questions

Monday 15 March 1993

HEALTH

Abortion

Mr. Alton: To ask the Secretary of State for Health what was the number of national health service funded agency abortions for each district health authority in England and Wales for the last year for which figures are available.

Mr. Sackville: Information on abortions by district health authority (DHA) of operation is not released for reasons of confidentiality. Statistics showing the number of abortions performed under national health service agency agreements (that is, abortions to NHS patients performed in non-NHS premises) by DHA of usual residence are given in the table.

Central receipt of the notification of dates when agency agreements come into effect, and when they are dissolved, can be subject to delay, and therefore these figures should be interpreted with caution. For this reason such statistics are not, at present, routinely released at the DHA level. However, a more timely system for reporting of agency agreements is now in place, and these figures will be published annually from 1992 onwards.

Number of abortions performed under NHS agency agreements[1] by area of usual residence, England and Wales, 1991

Area of usual residence	*Number of abortions performed under NHS agency agreements*
England and Wales	9,197
England	9,190
Wales	7
Northern RHA	3
Hartlepool DHA	—
North Tees DHA	—
South Tees DHA	1
East Cumbria DHA	—
South Cumbria DHA	—
West Cumbria DHA	—
Darlington DHA	—
Durham DHA	—
North West Durham DHA	—
South West Durham DHA	—
Northumberland DHA	—
Gateshead DHA	—
Newcastle DHA	1
North Tyneside DHA	—
South Tyneside DHA	—
Sunderland DHA	1
Yorkshire RHA	529
Hull DHA	3
East Yorkshire DHA	—
Grimsby DHA	—
Scunthorpe DHA	—
Northallerton DHA	—
York DHA	2
Scarborough DHA	—
Harrogate DHA	—
Bradford DHA	—
Airedale DHA	—
Calderdale DHA	1
Huddersfield DHA	300
Dewsbury DHA	221
Wakefield DHA	1
Pontefract DHA	—
Leeds DHA	1
Trent RHA	86
North Derbyshire DHA	4
Southern Derbyshire DHA	2
Leicestershire DHA	69
North Lincolnshire DHA	1
South Lincolnshire DHA	2
Bassetlaw DHA	—
Central Nottinghamshire DHA	2
Nottingham DHA	2
Barnsley DHA	—
DoncasterDHA	1
Rotherham DHA	1
Sheffield DHA	2
East Anglia RHA	2
Cambridge DHA	—
Peterborough DHA	—
West Suffolk DHA	—
East Suffolk DHA	—
Norwich DHA	1
Great Yarmouth and Waveney DHA	—
West Norfolk and Wisbech DHA	—
Huntingdon DHA	1
North West Thames RHA	875
North Bedfordshire DHA	1
South Bedfordshire DHA	7
North Hertfordshire DHA	2
East Hertfordshire DHA	—
North West Hertfordshire DHA	3
South West Hertfordshire DHA	2
Barnet DHA	16
Harrow DHA	126
Hillingdon DHA	5
Hounslow and Spelthorne DHA	6
Ealing DHA	8
Riverside DHA	10
Parkside DHA	689
North East Thames RHA	39
Basildon and Thurrock DHA	—
Mid Essex DHA	—
North East Essex DHA	—
West Essex DHA	—
Southend DHA	1
Barking, Havering and Brentwood DHA	1
Hampstead DHA	13
City and Hackney DHA	2
Newham DHA	1
Tower Hamlets DHA	12
Enfield DHA	3
Haringey DHA	1
Redbridge DHA	—
Waltham Forest DHA	1

Area of usual residence	Number of abortions performed under NHS agency agreements
Bloomsbury and Islington DHA	4
South [illegible] Thames RHA	819
Brighton DHA	5
Eastbourne DHA	3
Hastings DHA	1
South East Kent DHA	—
Canterbury and Thanet DHA	1
Dartford and Gravesham DHA	1
Maidstone DHA	6
Medway DHA	17
Tunbridge Wells DHA	2
Bexley DHA	—
Greenwich DHA	2
Bromley DHA	2
West Lambeth DHA	720
Camberwell DHA	44
Lewisham and North Southwark DHA	15
South West Thames RHA	53
North West Surrey DHA	4
West Surrey and North East Hampshire DHA	5
South West Surrey DHA	—
Mid Surrey DHA	2
East Surrey DHA	3
Chichester DHA	2
Mid Downs DHA	3
Worthing DHA	3
Croydon DHA	2
Kingston and Esher DHA	—
Richmond, Twickenham and Roehampton DHA	1
Wandsworth DHA	22
Merton and Sutton DHA	6
Wessex RHA	622
East Dorset DHA	119
West Dorset DHA	30
Portsmouth and South East Hampshire DHA	82
Southampton and South West Hampshire DHA	102
Winchester DHA	53
Basingstoke and North Hampshire DHA	55
Salisbury DHA	28
Swindon DHA	63
Bath DHA	79
Isle of Wight DHA	11
Oxford RHA	415
East Berkshire DHA	8
West Berkshire DHA	10
Aylesbury Vale DHA	11
Wycombe DHA	—
Milton Keynes DHA	362
Kettering DHA	3
Northampton DHA	19
Oxfordshire DHA	2
South Western RHA	76
Bristol and Weston DHA	5
Frenchay DHA	2
Southmead DHA	42
Cornwall and Isles of Scilly DHA	2
Exeter DHA	1
North Devon DHA	—
Plymouth DHA	4
Torbay DHA	2
Cheltenham and District DHA	7
Gloucester DHA	6
Somerset DHA	5

Area of usual residence	Number of abortions performed under NHS agency agreements
West Midlands RHA	5,659
Bromsgrove and Redditch DHA	4
Herefordshire DHA	5
Kidderminster and District DHA	1
Worcester and District DHA	6
Shropshire DHA	2
Mid Staffordshire DHA	11
North Staffordshire DHA	2
South East Staffordshire DHA	6
South Warwickshire DHA	586
East Birmingham DHA	315
North Birmingham DHA	251
West Birmingham DHA	558
Coventry DHA	1,063
Dudley DHA	386
Sandwell DHA	518
Solihull DHA	134
Walsall DHA	13
Wolverhampton DHA	316
North East Warwickshire DHA	666
South Birmingham DHA	816
Mersey RHA	5
Chester DHA	—
Crewe DHA	—
Halton DHA	1
Macclesfield DHA	—
Warrington DHA	—
Liverpool DHA	—
St. Helens and Knowsley DHA	1
Southport and Formby DHA	—
South Sefton DHA	—
Wirral DHA	3
North Western RHA	7
Lancaster DHA	—
Blackpool, Wyre and Fylde DHA	—
Preston DHA	—
Blackburn, Hyndburn and Ribble Valley DHA	1
Burnley, Pendle and Rossendale DHA	—
West Lancashire DHA	1
Chorley and South Ribble DHA	—
Bolton DHA	1
Bury DHA	1
North Manchester DHA	—
Central Manchester DHA	1
South Manchester DHA	—
Oldham DHA	—
Rochdale DHA	1
Salford DHA	—
Stockport DHA	—
Tameside and Glossop DHA	—
Trafford DHA	1
Wigan DHA	—
Wales	7
Clwyd DHA	3
East Dyfed DHA	—
Pembrokeshire DHA	—
Gwent DHA	—
Gwynedd DHA	—
Mid Glamorgan DHA	2
Powys DHA	—
South Glamorgan DHA	2
West Glamorgan DHA	—

* Abortions to NHS patients performed in non-NHS premises:
RHA Regional health authority
DHA District health authority

Salmonella Poisoning

Mr. Campbell-Savours: To ask the Secretary of State for Health what information, in what form, other than purely statistical, has been published on salmonella poisoning outbreaks.

Mr. Sackville: The "Communicable Disease Report" produced by the Public Health Laboratory Service communicable disease surveillance centre, and the "PHLS/SVS Udate on Salmonella Infection", produced jointly by the Public Health Laboratory Service and the State Veterinary Service, provide background information on outbreaks of human Salmonellosis. Copies of both documents are available in the Library. Information may include, in the former publication, a detailed description of the outbreak and, in the latter, the type of premises where the food was prepared and the suspect vehicle of infection. Reports of outbreaks are also published in the scientific press, particularly if there is an aspect of the outbreak or the investigation that adds to the body of medical and/or scientific knowledge or where there are food hygiene lessons to be learned.

Mr. Campbell-Savours: To ask the Secretary of State for Health (1) what constraints exist on the Chief Medical Officer relating to his publication of data relating to salmonella poisoning outbreaks;

(2) how many cases of salmonella relating to eggs and egg products have been reported since 1988; and if he will publish the reports of the Chief Medical Officer on those cases in such a form as to exclude the names of individual patients.

Mr. Sackville: Investigations of individual cases of human salmonellosis are not usually undertaken as in such isolated instances it is rarely possible to determine a suspect vehicle of infection. However, data on general outbreaks of human salmonellosis (where two or more persons in more than one household experience a similar illness after eating the same food and where epidemiological evidence implicates the food as the source of the illness) is published in the Public Health Laboratory Service State Veterinary Service (PHLS-SVS) "Update on Salmonella Infection". The table shows the number of general outbreaks for the period 1988 to 1991 where eggs or products containing eggs have been identified by local investigators as being the suspect vehicle of infection. The figure for 1992 has not yet been published. No additional data are available to the Chief Medical Officer.

General outbreaks of human salmonellosis where egg or products containing eggs are the suspect vehicle of infection
England and Wales
1988-91

Year	*Number of outbreaks*
1988	34
1989	41
1990	50
1991	52

Source: PHLS-SVS Update on Salmonella Infection.

Mr. Campbell-Savours: To ask the Secretary of State for Health whether she will provide information to technical advisers to the United Kingdom Egg Producers Association on matters relating to the effectiveness of agencies in the investigation of salmonella poisoning outbreaks.

Mr. Sackville: We will consider any such request.

Mr. Campbell-Savours: To ask the Secretary of State for Health whether the numbers of reported cases of salmonella poisoning from eggs from 1988 to 1991 is in need of revision in terms of statistics or data details.

Mr. Sackville: Eggs or products containing eggs were reported as the suspect vehicle of infection in a number of outbreaks of salmonella food poisoning between 1988 and 1991. The identification of the suspect vehicle was made by the outbreak investigators on the basis of evidence available at the time of the outbreak. This data is therefore not open to revision.

Mr. Campbell-Savours: To ask the Secretary of State for Health if she will instruct those agencies responsible for the collection of data on outbreaks of salmonella food poisoning to publish details of such incidents as soon as possible after notification and investigation.

Mr. Sackville: We are considering this matter.

Benzodiazepines

Mr. Kevin Hughes: To ask the Secretary of State for Health what specific initiatives her Department has taken to find alternatives to treatment with benzodiazepines in accordance with paragraph C21 of "The Health of the Nation"; and how self-help groups are being supported and encouraged to help reduce benzodiazepine dependency.

Dr. Mawhinney: Since 1982 there has been a steady reduction in the number of benzodiazepine prescriptions from 24·5 million to 15·7 million in 1991. Many services for people who wish to withdraw from tranquillisers are provided by locally-based self-help groups. The Government have funded the National Association of Mental Health (MIND), which runs self help groups throughout Great Britain for tranquilliser dependence, to compile a national directory of tranquilliser services.

Mr. Kevin Hughes: To ask the Secretary of State for Health what steps her Department is taking to ensure that, through the medical audit process, patients being treated with benzodiazepines for the first time are being prescribed these drugs for a maximum of two weeks.

Dr. Mawhinney: Detailed advice on the prescribing of benzodiazepines by the committee on the safety of medicines is given in the British National Formulary which is issued free to all doctors.

General practitioners, in conjunction with the medical audit advisory groups (MAAGs) which have been set up by family health service authorities, are being encouraged to address the issue of medical audit in regard to many aspects relating to their work, of which prescribing is one. The particular areas of prescribing to be identified are best left to individual MAAGs who can tailor medical audit to meet particular local needs or areas of concern.

Mental Health Services

Mr. Kevin Hughes: To ask the Secretary of State for Health if she will list the measures that her Department has taken to ensure that information on mental health services is provided to people whose main language is not English.

Mr. Yeo: The Department allocates £500,000 each year to develop projects to improve access to health services for the black and ethnic minority community. The Department has funded a number of projects in different black and ethnic minority languages including projects in the mental health field.

Horton Hospital (Patient Death)

Ms Lynne: To ask the Secretary of State for Health (1) what steps her Department has taken on the issues raised by the case of Dr. Kypros Loucas;

(2) what action her Department has taken following its receipt of the internal inquiry by Riverside health authority into the death of a patient at Horton hospital in 1990.

Mr. Yeo: I refer the hon. Member to the reply that I gave her and the hon. Member for Sheffield, Brightside (Mr. Blunkett) on 10 December 1992 at columns *781-82*. It would not be appropriate to comment further pending any consideration of these matters by the General Medical Council.

Social Services (Discharge Arrangements)

Mrs. Dunwoody: To ask the Secretary of State for Health (1) what measures were taken to evaluate the feasibility of the joint discharge arrangements made by each social services department with its health authorities;

(2) what assessment she has made of the extent of consultation between each social services department and its local health authorities on integrating arrangements for discharge from hospital into community care; and what plans she has to monitor the effective implementation of these arrangements.

Mr. Yeo: To receive a special transitional grant for community care all local authorities were required to agree with the relevant health authorities arrangements for integrating assessment and hospital discharge arrangements and to submit a copy of the agreement under joint signatures to the Department. All 109 local authorities did so. Each agreement reflects local circumstances. The operation of joint discharge arrangements will be one area covered in the overall monitoring of the community care reforms.

Mrs. Dunwoody: To ask the Secretary of State for Health what arrangements have been made for public access to the written submissions on the integration of joint discharge arrangements between health authorities and social service departments.

Mr. Yeo: We have made it clear that authorities should publish details of these agreements in their community care plans.

Mrs. Dunwoody: To ask the Secretary of State for Health what advice has been given to primary care and hospital staff about the joint discharge arrangements between social services departments and health authorities.

Mr. Yeo: Agreements have been reached locally and will reflect local circumstances. It is for the health and local authorities concerned to communicate these agreements to the staff who need to know about them.

Merit Awards

Ms Armstrong: To ask the Secretary of State for Health what is the Government's policy regarding recommendations for the new merit awards for 1993-94 resulting in pay rises of above 1·5 per cent.; and if she will make a statement.

Dr. Mawhinney: Existing performance pay arrangements, including the merit or distinction award scheme for consultant medical and dental staff, will continue in the normal way. The value of distinction awards will increase by 1·5 per cent. from 1 April 1993.

My right hon. Friend the Prime Minister announced in his reply to the hon. Member for Poole (Mr. Ward) on 12 February at column *838* that the Government had accepted the recommendation of the Doctors and Dentists Review Body for an increase in the number of distinction awards. We have now agreed with the medical and dental professions that there should be 178 new awards in 1993-94. As recommended by the review body this figure takes account of the increase in consultant numbers and of the agreement reached last year that postgraduate deans should be eligible to receive awards.

Domiciliary Care

Mrs. Wise: To ask the Secretary of State for Health if she will introduce regulations to require the providers of private domiciliary care to register with social services departments and to meet appropriate minimum requirements as to ensure protection for users of such provisions.

Mr. Yeo: I refer the hon. Member to the reply that I gave to the hon. Member for Bradford, West (Mr. Madden) on 22 October 1992 at column *371*.

Nursing Homes

Mrs. Dunwoody: To ask the Secretary of State for Health what guidance has been given to local authorities to ensure that an individual's right to choose to be placed in residential or nursing home care is observed when assessed for community care needs.

Mr. Yeo: My right hon. Friend the Secretary of State for Health has issued a statutory direction requiring local authorities to place someone to whom it decides to offer residential care in the accommodation of their choice, subject to practical conditions such as cost, availability and suitability. We have also made it clear that authorities should use their discretion in a way which respects users' and carers' wishes when arranging the provision of any community care service.

GP Remuneration

Mr. Devlin: To ask the Secretary of State for Health if she has reached a decision on general medical practitioner remuneration for 1993-94; and if she will make a statement.

Mrs. Virginia Bottomley: As part of his autumn statement, my right hon. Friend the Chancellor of the

Exchequer announced that public sector pay settlements for the coming year will be restricted to no more than 1·5 per cent. In line with this, the intended average net income for general medical practitioners will be increased from £40,010 per GP in 1992-93 to £40,610 per GP on 1 April.

I announced in reply to a question from my hon. Friend the Member for Hayes and Harlington (Mr. Dicks) on 3 December 1992 at column *319* that the health departments were to pursue other issues concerned with general medical practitioners' remuneration in 1993-94 directly with the profession. The two parties have now agreed the relevant factual evidence, and the profession has set out its views on all the outstanding issues. After giving careful consideration to the profession's views, Health Ministers have reached the following conclusions:

first, the level of practice expenses to be incorporated in fees and allowances for the average GP for 1993-94 should be £22,190. This includes an adjustment to take account of evidence that practice expenses in 1990-91, the first year of the new GP Contract, were substantially higher than the Doctors' and Dentists' Review Body (DDRB) had forecast.

secondly, that the normal rules applied by the DDRB when correcting for previous over or underpayments of remuneration should be applied as usual in 1993-94. We have noted that significantly more money was paid to the profession in 1990-91 and 1991-92 than was provided for by DDRB. We are committed to further discussions with the profession in the Autumn of 1993 on how these overpayments might be handled. Pending these discussions, we consider it only right and proper to begin some recovery in 1993-94 of the amounts outstanding.

thirdly, we have asked officials to pursue with the profession their request for a substantial increase in the payment made to trainee general practitioners in respect of "out of hours" work, with a view to putting a joint submission to DDRB in the next pay round.

fourthly, after taking account of the modest overdelivery of remuneration predicted for 1992-93, the decision to apply the normal recovery rules, and the 1·5 per cent. increase in the intended average net income, an increase in fees and allowances averaging 3·3 per cent. will be required to deliver the amount due to the profession in 1993-94. We have accepted the profession's proposal that this increase should be spread evenly across all fees and allowances.

My officials are today writing to Dr. Bogle, chairman of the general medical services committee of the British Medical Association, with the details of the decisions. A copy of that letter will be placed in the Library.

Medical Advisers

Sir Michael Grylls: To ask the Secretary of State for Health what measures are being taken to monitor the effect of family health service authority medical advisers; and on what criteria their performance is determined.

Dr. Mawhinney: I refer my hon. Friend to the reply that I gave him on 10 March at column *619*.

Stomacare Nurses

Mr. Campbell-Savours: To ask the Secretary of State for Health (1) what representations she has received on the means used by Messrs Danzac to influence stomacare nurses in the use of their applicances;

(2) if she will set up an investigation into the methods used by Messrs Danzac to influence nurses to advise on the use of their products by ostomists.

Mr. Yeo: We have recently received representations from the Campaign for Impartial Stomacare (CIS) and AMCARE, a supplier of stomacare products. We have no evidence that sponsorship of national health service stomacare nurses has affected the exercise of their clinical judgment in prescribing suitable products. I have assured CIS that I will investigate any such allegations in individual cases.

Limited List

Mr. Wareing: To ask the Secretary of State for Health how many representations she has received in respect of the extension of the limited list for medicines; how many were favourable to the proposed changes; and how many were unfavourable.

Dr. Mawhinney: We have received a number of representations about the extension of the selected list scheme, most of which have registered concern about various aspects of the new arrangements. In response, we have made it clear that the resources available to the national health service must be used as effectively as possible and that the select list scheme has already shown that it can exert downward pressure on the drugs bill without jeopardising patient care.

Mr. Wareing: To ask the Secretary of State for Health (1) what discussions she has had with the Family Planning Association in respect of the limited list affecting contraceptives; and if she will make a statement;

(2) what discussions she has had with the British Association of Dermatologists in respect of the limited list affecting skin products; and if she will make a statement.

Dr. Mawhinney: None. Decisions on which drugs may no longer be prescribed under the national health service will be based on advice from the advisory committee on NHS drugs, which is free to seek any advice that it considers necessary for its review.

Mr. Wareing: To ask the Secretary of State for Health if she will make a statement on the future of the limited list for medicines.

Dr. Mawhinney: The selective list scheme is to continue and as announced in November its scope is being extended to drugs in 10 additional therapeutic categories.

Waiting Times

Mr. Alfred Morris: To ask the Secretary of State for Health what additional resources will be made available to health authorities to allow them to ensure that no patients are kept waiting for treatment until the new financial year if they are in priority need.

Mr. Sackville: The Government have invested an additional £2·5 billion in the national health service this year and patients who require urgent treatment will be given proper priority. The Government also plan to invest a further £1 billion for 1993-94 which is equivalent to a further 190,000 more in patients and day patients and 1 million extra patient contacts by community nurses.

Mr. Nicholas Winterton: To ask the Secretary of State for Health what assessment she has made of the extent to which district health authorities have exhausted resources to fund other non-emergency treatment and operations for patients from non-fund holding practices for the remainder of the current financial year; and what effect she forecasts this will have upon waiting lists and other objectives of the patients charter.

Mr. Sackville: Regional health authorities are responsible for monitoring district health authorities. Where hospitals have completed their routine contracted work before the end of the financial year patients have been treated earlier than they would otherwise have been. Emergencies are not affected and urgent cases are given proper priority. Waiting times and patients charter guarantees remain unchanged.

Leishmaniasis

Mr. Hinchliffe: To ask the Secretary of State for Health what action she takes to safeguard against Leishmaniasis contamination in blood donations from service personnel who have served overseas.

Mr. Sackville: All service personnel returning home after the war in the Gulf, where the condition is endemic, were deferred from donating blood for 12 months. All donors are routinely questioned about foreign travels and any illnesses following that travel. Blood is not taken from potential donors with a history of clinically proven Leishmaniasis. This provides an adequate safeguard against the extremely low risk of transmitting the disease through a donor and there is no known case of its having been transmitted through blood transfusion in this country.

Oncologists

Ms Lynne: To ask the Secretary of State for Health what is the number of NHS consultant oncologist posts in England and Wales.

Dr. Mawhinney: At 30 September 1991 there were 31 whole-time equivalent oncologist posts in England and Wales.

Breast Cancer

Ms Lynne: To ask the Secretary of State for Health what is the number of consultant radiotherapists dedicated to treating women with breast cancer within the NHS in England and Wales.

Mr. Sackville: The number of consultant radiotherapists dedicated to treating women with breast cancer within the national health service in England and Wales is not known. This is because most consultant radiotherapists treat the full range of cancers. At 30 September 1991 the total number of consultant radiotherapists treating all cancers in the NHS in England and Wales was 212 whole-time equivalents.

Ms Lynne: To ask the Secretary of State for Health how many women with breast cancer are treated by cancer specialists in England and Wales per year; and what comparable figures she has for France, Germany, Italy and the United States of America.

Mr. Sackville: This information is not held centrally. In 1987, the total number of newly diagnosed cases of malignant neoplasm of the female breast in England and Wales of all ages was 23,740. The treatment of breast cancer may require contributions from specialists in a number of medical fields, not all of whom would be cancer specialists.

Ms Lynne: To ask the Secretary of State for Health how many women with breast cancer in England and Wales are treated by general physicians and radiotherapists and not referred to cancer specialists.

Mr. Sackville: This information is not held centrally. It is a matter for employing authorities to choose the optimum distribution between specialties of consultants in their hospitals in order to provide an appropriate service to their local population. The choice of treatment for individual patients is a matter for clinical judgment.

Community Care

Mr. Hinchliffe: To ask the Secretary of State for Health what role is envisaged for public sector community care provision after 1 April.

Mr. Yeo: The Government are committed to a mixed economy of care, with statutory authorities working alongside an expanding independent sector.

Dental Remuneration

Mr. Clapham: To ask the Secretary of State for Health what is the time scale for her response to the Bloomfield report on dental remuneration.

Dr. Mawhinney: Consultation on the Bloomfield report will continue at a determined and realistic pace. We will announce our proposals in due course.

Dental Treatment

Mr. Clapham: To ask the Secretary of State for Health what was the average cost to the patient of a course of dental treatment in 1979; and what is the cost in 1993 expressed as a proportion of the average adult income for both years.

Dr. Mawhinney: The average cost to a fee-paying patient of a course of dental treatment in 1979 was £6·37. The average cost to a fee-paying patient of a course of treatment in 1991-92, the latest year for which figures are available, was £21·15.

The cost of a course of dental treatment expressed as a proportion of the average adult yearly gross earnings was 0.001397 in 1979 and 0.001335 in 1992.

Care for the Elderly

Mr. Blunkett: To ask the Secretary of State for Health (1) what guidance she has given to district health authorities regarding the contracting out of continuing elderly care; and if she will make a statement;

(2) how many health authorities have contracted out the provision of continuing elderly care in the last year; and if she will list them, stating the number of patients affected.

Mr. Yeo: In purchasing continuing care, health authorities are expected to consider the whole range of available services, including those in the independent sector. The extent of such provision, including any purchased from independent providers, is a matter for individual health authorities to determine in the light of local needs and priorities.

Hospital Catering

Ms Ruddock: To ask the Secretary of State for Health what was the weekly average budget allocation per patient in hospital for breakfast, lunch, tea and supper on 1 January 1973, 1 January 1983 and 1 January 1993.

Mr. Sackville *[holding answer 16 February 1993]:* Information in the precise form requested is not collected centrally. However, provisional data derived from the annual financial returns of health authorities in England for 1991-92 (the latest year available) indicate the average provisions cost per patient day as £2·04 and the average total daily cost of meals per patient as £5·01. The latter figure includes the costs of provisions, staff and energy.

Equivalent average costs in 1982-83 were £1·24 and £2·55, respectively. Information for 1972-73 is not available.

NHS Staff

Mr. Raynsford: To ask the Secretary of State for Health how many *(a)* consultants, *(b)* other medical staff, *(c)* nurses, *(d)* ancillary staff, *(e)* administrators and *(f)* accountants were employed within the South East Thames region in each of the years from 1987 to 1992; and how many are estimated to be employed in the region in 1993, 1994 and 1995.

Dr. Mawhinney *[pursuant to his replies, 27 October 1992, column 618 and 28 January 1993, column 814:]* The number of administrative and clerical staff in the South East Thames region at 30 September 1991 was 10,800. The figure previously supplied was incorrect as it excluded those staff employed in national health service trusts.

HOUSE OF COMMONS

Standing Committees

Mr. Steen: To ask the Chairman of the Catering Committee if he will make a tea trolley available on the Committee Corridor for hon. Members serving on Standing Committees sitting in the afternoon and evening.

Mr. Colin Shepherd: The existing trolley service on the Committee corridor is to be replaced during the forthcoming Easter recess by a permanent coffee station sited in the Upper Waiting Hall. The hours of operation of this service have yet to be determined by the Director of Catering Services, but will undoubtedly take account of expected levels of demand throughout the day. The existing vending machine in the Upper Waiting Hall is due to be replaced by another machine offering fresh brew coffee.

World Development Movement (Exhibition)

Mr. Wells: To ask the Chairman of the Administration Committee if he has considered an application for an exhibition relating to the World Development Movement to be displayed in the Upper Waiting Hall.

Mr. Michael J. Martin: I understand that, under procedures agreed by the Administration Committee arrangements have been made for the exhibition to be held in the Upper Waiting Hall from 17 to 21 May 1993.

Forests Forever (Exhibition)

Mrs. Peacock: To ask the Chairman of the Administration Committee if he has considered an application for an exhibition relating to Forests Forever to be displayed in the Upper Waiting Hall.

Mr. Michael J. Martin: I understand that, under procedures agreed by the Administration Committee arrangements have been made for the exhibition to be held in the Upper Waiting Hall from 24 to 28 May 1993.

Deprivation and Dementia (Exhibition)

Mr. Barry Jones: To ask the Chairman of the Administration Committee if he has considered an application for an exhibition relating to deprivation and dementia to be displayed in the Upper Waiting Hall.

Mr. Michael J. Martin: I understand that under procedures agreed by the Administration Committee arrangements have been made for the exhibition to be held in the Upper Waiting Hall from 26 to 30 April 1993.

OVERSEAS DEVELOPMENT

Brazil

Mr. Llew Smith: To ask the Secretary of State for Foreign and Commonwealth Affairs what meetings Ministers or officials of his Department's Overseas Development Administration had with representatives of the Brazilian Grupo de Trabalho Amazonico (GTA) and other representatives from Brazilian rubber tapper groups during their recent visit to London.

Mr. Lennox-Boyd: The chief natural resources adviser and officials of the Environment and Latin America departments of the Overseas Development Administration met Juan Carlos Carrasco Pueda, executive secretary of GTA, and Atanagildo Matos-Gatao, president of the Rubber Tappers Union, on Monday 8 March.

Chlorofluorocarbons

Mr. Simon Hughes: To ask the Secretary of State for Foreign and Commonwealth Affairs what is the United Kingdom's outstanding contribution to the multilateral fund of the Montreal protocol set up to help developing countries phase out CFCs and other ozone-depleting chemicals; and when it will be paid.

Mr. Lennox-Boyd: The United Kingdom's full share of the multilateral fund is US $13·8 million. We have paid the equivalent of US $4·4 million to date. The balance of US $9·4 million will be paid up to financial year 1995-96 against a disbursement profile provided by the fund managers.

Cambodia

Mr. Simon Hughes: To ask the Secretary of State for Foreign and Commonwealth Affairs how much financial support he has committed to the United Nations appeal for Cambodia since the appeal in Tokyo in June 1992; and to which sectors it has been committed.

Mr. Lennox-Boyd *[holding answer 11 March 1993]:* In June 1992 we announced that our total aid pledge for

Cambodia had been increased to some US $30 million, including all bilateral support since November 1991. Since June 1992 some US $13 million of this pledge has been allocated, mainly to the areas of humanitarian aid, food aid, repatriation, human rights, demining, health, English language teaching and urban and rural water supply.

FOREIGN AND COMMONWEALTH AFFAIRS

Central Asia

Mr. Elletson: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement about the effect on United Kingdom interests of Turkish diplomatic and commercial activity in central Asia.

Mr. Douglas Hogg: We are aware of the high level of Turkish commercial activity in central Asia. British companies are also looking at investment opportunities in the region. Some British companies are considering the merits of forming joint ventures with Turkish companies, as John Laing already has with the Turkish contracting company, Alarko, in the redevelopment of Ashkabad airport. We welcome the diplomatic influence that Turkey can bring to bear in central Asia in helping those states to develop free market democracy.

Pakistan

Mr. Gordon Prentice: To ask the Secretary of State for Foreign and Commonwealth Affairs what information has been received from the Pakistani authorities by the High Commission in Islamabad concerning the murder of Mohammed Afzal in Juarah village, Pakistan, on 4 October 1992.

Mr. Lennox-Boyd: The British high commission has still not received a report from the Pakistan authorities. The high commission will continue to press the Ministry of Foreign Affairs for a full report.

Moscow Airport (Transit Passengers)

Mr. Cousins: To ask the Secretary of State for Foreign and Commonwealth Affairs what information he has on the numbers of transit passengers from Britain via Moscow airport being made to go through customs; how many representations he has received from passengers about this practice; and what representations he has made to the Confederation of Independent States or the ambassador of the Russian Federation.

Mr. Lennox-Boyd: We have no information on numbers of British transit passengers being made to go through customs at Moscow airport, nor have we received any representations about this. Any serious complaint would be taken up with the Russian authorities by our embassy in Moscow.

Kurile Islands

Mr. Elletson: To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment he has made of the effect of the dispute between Russia and Japan over the Kurile islands on Japanese participation in western arrangements for aid and investment for Russia.

Mr. Douglas Hogg: We hope the dispute over the islands can be resolved quickly and to the satisfaction of both parties but it has not prevented Japan from taking a close interest in the progress of economic reform in Russia along with other G7 partners. Japan hosted the Tokyo conference on assistance to the former Soviet Union in October last year. As G7 chair this year, Japan is considering with other colleagues what more the west can do to support reform in Russia and invited the Russian Deputy Prime Minister for talks with senior G7 officials in Hong Kong over the weekend.

Hong Kong

Mr. Cox: To ask the Secretary of State for Foreign and Commonwealth Affairs when he expects the Democratic Reform Bill for Hong Kong to be published; and if he will make a statement.

Mr. Goodlad: The Governor of Hong Kong, with the advice of his Executive Council and our full report, published the draft legislation on electoral arrangements in Hong Kong on 12 March.

We have made clear since September last year that we are willing to hold talks with the Chinese side without preconditions. That remains our position.

Despite our best endeavours, it has not so far proved possible to resolve our differences with the Chinese side over the arrangements for talks. We particularly regret this, as we consider that these differences could and should have been resolved quickly.

We told the Chinese side that we were prepared to talk on the basis of the Joint Declaration, the principle of convergence with the Basic Law, and the relevant understandings and agreements reached between Britain and China. We consider the Governor's proposals to be wholly compatible with these.

We also made plain that in any talks the British team would include the necessary Hong Kong officials with the relevant knowledge and experience on the same basis as other officials taking part in the talks. Hong Kong officials have participated in past discussions with the Chinese side as members of the British team, including during the negotiations on the Joint Declaration and in the joint liaison group.

We have also said to the Chinese side that Sir Robin McLaren, the British ambassador to China, would be the British representative, supported by a team consisting of Mr. Michael Sze, the secretary for constitutional affairs, Mr. William Ehrman, the political adviser, Mr. Peter Lai, the deputy secretary for constitutional affairs, and Mr. Peter Ricketts, head of the Hong Kong department in the Foreign and Commonwealth Office. There would be no distinction between members of the team from Hong Kong and from London.

Having received a positive response from the Chinese side in early February on the principle of talks, we and the Governor, with the advice of the Hong Kong Executive Council, decided to postpone the Hong Kong Government's original plan to publish the legislation on 12 February. But we made it clear to the Chinese side that there could not be an indefinite delay, given the practical need to press ahead with legislation so that the 1994-95 elections can take place on schedule. We proposed an early starting date for the talks.

Despite the absence of a solution to the remaining difficulties, we and the Governor with Exco's advice

decided to delay gazettal for a second time on 19 February, for a third time on 26 February, and for a fourth time on 5 March.

The Governor explained to the Legislative Council in Hong Kong on 5 March that we wished to go the extra mile and give the Chinese side every opportunity to respond.

Unfortunately, by 12 March the outstanding differences had not been resolved and we still had no date for talks. We had not even been able to obtain agreement that an announcement about talks could be made early the following week. Having deferred gazettal on four occasions, we and the Governor therefore decided with the advice of Exco to gazette the draft legislation on 12 March. We shall have to judge, in the light of subsequent developments, when to introduce the draft legislation into the Legislative Council.

We remain ready to hold talks with the Chinese side without preconditions. The remaining issues are matters which, given the will, could be solved quickly. We still hope that they can be.

Yugoslavia

Dr. Godman: To ask the Secretary of State for Foreign and Commonwealth Affairs what recent discussions have taken place with his counterparts in other member states of the European Community concerning the effectiveness of the embargo on trade with Serbia and Montenegro in relation to regulation No. 1432/90 and decision 92/285/ECSC; and if he will make a statement.

Mr. Garel-Jones: Sanctions are essential pressure on Serbia and Montenegro to co-operate with the peace process. My right hon. Friend the Secretary of State discusses regularly with his EC colleagues the effectiveness of these EC measures to implement United Nations Security Council resolution 757. He did so most recently at the Foreign Affairs Council on 8 March.

Baltic States

Mr. Flynn: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he is making to the Commonwealth of Independent States to encourage the acceleration of repatriation of former Soviet troops from the Baltic states.

Mr. Douglas Hogg: We have pressed the Russian Government repeatedly at the highest level on this issue. We welcome the Lithuanian-Russian agreement of September 1992 on a withdrawal timetable, and we look to Russia to agree and implement similar timetables with Estonia and Latvia without delay and without linkage to other issues. We are pleased that withdrawals are continuing despite the Russian announcement in October 1992 temporarily suspending them.

EDUCATION

National Curriculum

Mr. Cousins: To ask the Secretary of State for Education what considerations underlay the withdrawal of health education and personal and social education from the national curriculum core subjects; and what steps he is taking to monitor the practice of teaching this subject.

Mr. Forth: Health education and personal and social education have never been core or foundation subjects of the national curriculum. Aspects of these topics are, however, included in several core and foundation subjects, and must be studied by all pupils. My right hon. Friend will look to the Office for Standards in Education to provide him with information and advice about all aspects of education provision in schools.

Dyslexic Students

Mr. Cousins: To ask the Secretary of State for Education what provision is made for dyslexic students in guidance given for public examinations, and for the national standard tests.

Mr. Forth: Examining boards for GCSE and A-level examinations advise schools and colleges that candidates suffering from dyslexia may be given up to 25 per cent. extra time to enable them to read the paper, to plan and to correct their answers. Additional facilities, such as the use of a reader, amanuensis or a word processor, are also available.

The School Examinations and Assessment Council (SEAC) has advised schools through their school assessment folders that similar arrangements may also be made, at the discretion of the head teacher, for national curriculum tests. If the pupil does not have a statement of special needs, approval must also be sought from the LEA or, in the case of non-LEA maintained schools, from SEAC.

The main vocational awarding bodies have special arrangements for dyslexic students and are continually monitoring the situation both with centres and individual students.

Funding Councils

Mr. Eastham: To ask the Secretary of State for Education what appeals procedures are available to institutions to challenge the decisions of the new funding councils.

Mr. Boswell: Any institution which is dissatisfied with a decision of the Higher Education Funding Council for England or the Further Education Funding Council is free to make representations to that council.

Blind Students

Mr. Steinberg: To ask the Secretary of State for Education what percentage of further and higher education funding is allocated to equipment and resources for blind students.

Mr. Boswell: From 1 April the Further Education Funding Council and the Higher Education Funding Council for England will be responsible for distributing public funds for further and higher education to individual institutions. Neither earmarks funds specifically for blind students. However, they are both taking forward initiatives to improve access to further and higher education for students with learning difficulties and disabilities. It is for institutions themselves to decide how to provide appropriate facilities for students from within the total resources available.

Teachers' Salaries

Mr. French: To ask the Secretary of State for Education what percentage of each education authority's budget is spent on teachers' salaries.

Mr. Forth: The information for 1990-91, the latest year for which information on actual spending is available, is given in the table.

Percentage of teachers' salaries to net recurrent expenditure 1990-91

	Per cent.
City	6
Camden	61
Greenwich	53
Hackney	45
Hammersmith	60
Islington	53
Kensington	42
Lambeth	43
Lewisham	50
Southwark	48
Tower Hamlets	49
Wandsworth	48
Westminster	40
Barking	59
Barnet	57
Bexley	55
Brent	45
Bromley	52
Croydon	50
Ealing	44
Enfield	53
Haringey	44
Harrow	50
Havering	58
Hillingdon	48
Hounslow	55
Kingston-upon-Thames	57
Merton	55
Newham	52
Redbridge	52
Richmond-upon-Thames	57
Sutton	51
Waltham Forest	54
Birmingham	56
Coventry	55
Dudley	58
Sandwell	55
Solihull	58
Walsall	55
Wolverhampton	55
Knowsley	49
Liverpool	55
St. Helens	56
Sefton	51
Wirral	53
Bolton	56
Bury	52
Manchester	56
Oldham	57
Rochdale	54
Salford	60
Stockport	54
Tameside	56
Trafford	51
Wigan	61
Barnsley	55
Doncaster	56
Rotherham	60
Sheffield	54
Bradford	56
Calderdale	54
Kirklees	55
Leeds	58
Wakefield	58
Gateshead	55
Newcastle upon Tyne	53
North Tyneside	56
South Tyneside	58
Sunderland	59
Isles of Scilly	43
Avon	53
Bedfordshire	52
Berkshire	52
Buckinghamshire	47
Cambridgeshire	53
Cheshire	51
Cleveland	56
Cornwall	51
Cumbria	54
Derbyshire	54
Devon	54
Dorset	53
Durham	55
East Sussex	53
Essex	54
Gloucestershire	52
Hampshire	54
Herefordshire	56
Hertfordshire	56
Humberside	55
Isle of Wight	51
Kent	56
Lancashire	53
Leicestershire	54
Lincolnshire	53
Norfolk	55
North Yorkshire	53
Northamptonshire	56
Northumberland	55
Nottinghamshire	54
Oxfordshire	49
Shropshire	55
Somerset	54
Staffordshire	56
Suffolk	59
Surrey	53
Warwickshire	54
West Sussex	55
Wiltshire	53

Notes:

1. Figures are derived from local education authorities' returns of their spending to the Department of the Environment.
2. The table shows for each authority teachers salaries as a percentage of the authority's net recurrent expenditure on education.

Pupil-Teacher Ratio

Mr. Steinberg: To ask the Secretary of State for Education what measures his Department will take to reduce the number of classes of over 30 per teacher; and what pupil to teacher ratio his Department has as a policy objective.

Mr. Forth: Our policy is to provide greater autonomy for schools so that they can make their own decisions on the deployment of resources. It would run counter to that policy to seek to impose a view on what the pupil to teacher ratio should be, or to introduce measures based on some arbitrarily determined maximum class size.

Teachers' Salaries

Mr. French: To ask the Secretary of State for Education if he will set out the scale of basic salaries for classroom teachers and the range of incentive allowances and incremental enhancements available.

Mr. Forth: Qualified teachers other than head teachers or deputy head teachers are paid on a 10 point standard scale:

Scale point	Annual salary £
1	11,184
2	11,775
3	12,366
4	12,954
5	13,839
6	14,721
7	15,606
8	16,488
9	17,664
10	18,837

A teacher not at the top of the scale can have the value of his or her incremental point enhanced by £294, £591, £885, or £1,173, provided that the next scale point is not exceeded by more than £3.

Discretionary scale points may be added to the top of the standard scale up to a maximum of £3,225 and awarded in the light of a teacher's performance.

Incentive allowances may be awarded at one of the following rates:

Rate	Annual amount (£)
A	1,296
B	2,097
C	4,194
D	5,595
E	7,692

Mr. French: To ask the Secretary of State for Education what is the maximum salary payable to a classroom teacher inclusive of incentive allowances and incremental enhancements.

Mr. Forth: The maximum salary payable to a classroom teacher at the top of the standard scale—excluding London allowances—is £29,754. This includes an incentive allowance at rate E and discretionary scale points worth £3,225.

Mr. French: To ask the Secretary of State for Education what percentage of education funding goes towards teachers' salaries.

Mr. Forth: The great bulk of central Government support for local authorities is through unhypothecated revenue support grant. It is therefore not possible to say how much of this support is for teachers' salaries. Decisions about how much to spend on teachers' pay are for local authorities and, under local management and grant maintained status, individual schools. Teachers' salaries represented about 55 per cent. of LEAs' total net recurrent spending in 1990-91, the latest year for which outturn information is available.

Text Books

Mr. Steinberg: To ask the Secretary of State for Education what was the amount spent on textbooks per pupil in primary and secondary schools for each year since 1982, in real terms.

Mr. Forth: The available information on expenditure per pupil on books and equipment for years up to 1990-91, the latest year for which information on actual spending is available, is given in the table.

Per pupil expenditure on books and equipment at 1992-93 prices

	Nursery and primary (£)	Secondary (£)	Combined nursery, primary and secondary (£)
1982-83	36	63	50
1983-84	38	65	51
1984-85	37	67	52
1985-86	37	67	52
1986-87	41	83	61
1987-88	42	86	62
1988-89	41	90	62
1989-90	46	95	67
1990-91	46	89	64

Notes to table:

1. Real terms figures are at 1992-93 prices, repriced using the GDP (market prices) deflator index.
2. Figures are derived from local education authorities' returns of their spending to the Department of the Environment, and of their pupil numbers to the Department of Education. The table shows combined figures for books and equipment because not all authorities' returns identify separately spending on books from that on equipment.
3. Expenditure on nursery and primary schools was not collected separately for years after 1986-87. A comparable combined nursery and primary figure is therefore given for each year.

Grant-maintained Schools

Mr. Sproat: To ask the Secretary of State for Education if he will list the name of all the schools which have achieved grant-maintained status, or been given permission to go ahead.

Mr. Forth: The details requested are as follows:

Operating schools
Abbotswood Grant Maintained Middle School
Acle High School
Adams' Grammar School
Aloeric Grant-Maintained School
Angley School
Ash Green Grant-Maintained School
Audenshaw High School
Avonbourne School
Aylesford School
Bacup and Rawtenstall Grammar School
Baines School
Balcarras School
Bankfield High School (GM)
Barnehurst Infant Grant-Maintained School
Barnehurst Junior Grant-Maintained School
Bassingbourn GM Village College
Baverstock Grant-Maintained School
Beaconsfield High School
Beauchamps Grant-Maintained School
Beaverwood School for Girls
Beechen Cliff School
Belmont Primary School
Bingley Grammar School
Bishopshalt School
Borough Green Primary School
Borrow Wood Junior School
Bourne Abbey Primary School
Bournemouth School
Bournemouth School for Girls
Brentside High School
Bridgewater Hall School
Brindley Hall School
Bromfords School, Wickford
Brookmead School
Bruton Primary School
Budmouth School
Bullers Wood School for Girls
Burgate School
Burntwood School
Caistor Grammar School
Cardinal Vaughan Memorial School
Carre's Grammar School
Castle Hall Grant-Maintainted School
Castle View School
Chalvedon School
Charles Darwin School
Chatham Grammar School for Girls
Cheam High School
Chellaston School
Chelmsford County High School for Girls
Chipping Campden School
Chosen Hill School, Gloucester
Christ Church CE School
Churchdown Grant-Maintained School
Cippenham Middle School (Grant-Maintained)
Claremont High School (Grant-Maintained)
Clifford CE Grant-Maintained School
Clitheroe Royal Grammor School
Collingwood Grant-Maintained School
Colyton Grammar School
Coopers School
Copland Community School and Technology Centre
Costessey High School, Grant-Maintained
Cranbrook School
Crofton Junior School
Crofton School, Fareham
Cromer High School—Grant-Maintained
Crompton Fold Primary School
Crossgates Primary School
Crosshall Infant School
Crosshall Junior School
Dartford Grammar School
Dartford Grammar School for Girls
de Stafford School
Denefield School
Dereham Church CE Grant-Maintained School
Desborough Comprehensive School
Downham Market High School—Grant-Maintained
Drayton Manor High School
Eastwood County High School and 6th Form Centre
Elliott School (GM)
Epsom and Ewell High School
Ermine Junior Grant-Maintained School
Ethelburga Primary School (Grant-Maintained)
Francis Bacon School
Front Lawn Middle School
Fulston Manor School
Furtherwick Park School
Gamlingay (Grant-Maintained) Village School
Gleed Girls Grant-Maintained School
Glyn School
Gordon's Grant-Maintained School
Graveney School
Great Barr Grant-Maintained School
Great Totham Primary School, Essex
Greenford High School
Gresham Village School (Grant-Maintained)
Guildford County School
Handsworth Grammar School for Boys
Hardley School (Grant-Maintained)
Hartshill Grant Maintained School
Hatchford Grant-Maintained Primary School
Hawkedale First School
Haydon School
Hayes School
Hayton CE Grant-Maintained School
Heacham Middle School (G.M.)
Heathside Secondary School
Heckmondwike Grammar School
Hendon School
Herschel Grammar School
Hertingfordbury Cowper JMI School
Highams Park School
Highbury Secondary Boys' School
Highcliffe Comprehensive School
Holy Family RC School
Holy Innocents Roman Catholic Primary School
Holy Trinity CE Primary School
Homewood School
Jack Hunt School, Peterborough
Katharine Lady Berkeley's School
Katherines Primary School
Kelsey Park School
Kettleshulme St. James CE G.M. Primary School
King Edward VI Grammar School (G.M.)
King Edward VI School
King Harold Grant-Maintained School
Kingsley Park Middle School
Kingswood School
Kirkbie Kendal School
La Retraite R.C. Girls, (G.M.) School
Lancaster Girls Grammar School
Lancaster Royal Grammar School
Langley Grammar School
Langley Park School for Boys
Lavington Comprehensive School
Lincoln Christ's Hospital School
Loddon Middle Grant-Maintained School
Lodge Park School
London Nautical School
London Oratory School
Long Field GM High School
Manor High School, Sandwell
Manor School, Northamptonshire
Manshead School Grant Maintained
Marling School
Marshland High School
Mellow Lane School
Meopham School Grant-Maintained School

Mill Hill Grant-Maintained High School
Minster College
Monk's Dyke High School
Montagu School
Moseley Park GM School
Moulton Primary School (Grant-Maintained)
Myton School
Netherthorpe School
Newent Community School
Newlands Spring Grant Maintained School
Newstead Wood School for Girls (G.I..)
Newton Bluecoat C of E GM Primary School
Nonsuch High School for Girls
North Crescent Primary School
North Kesteven Grant-Maintained School
Northampton (G.M.) School for Boys
Northlands Grant-Maintained Junior School
Northolt High School
Northwood School
Norwich Road School
Oak Farm Infant School (Grant-Maintained)
Oak Farm Junior Mixed School (G.M.)
Oakwood Park Grammar School
Old Swinford Hospital
Oldborough Manor Community College
Oldfield School
Overstone Grant Maintained Combined School
Parkside First School
Parkstone Grammar School
Parmiters School
Pate's Grant Maintained Grammar School
Priory School
Queen Elizabeth Grammar School
Queen Elizabeth Lower Atherstone GM School
Queen Elizabeth Upper Atherstone GM School
Queen Elizabeth's G.M. Grammar School
Queen Elizabeth's GM Grammar School
Queen Elizabeth's GM School for Boys
Queensbury School
Queensmead School
Raines Foundation School
Rainham Mark Grammar School
Rauceby School CE G.M.
Ravens Wood School for Boys
Ravensdale Middle School
Reading School
Redgate Grant-Maintained Middle School
Ribston Hall High School
Rickmansworth School
Riddlesdown Grant-Maintained School
Ringwood School (GM Comprehensive)
Robert Kett Grant-Maintained Middle School
Robert Pattinson Grant-Maintained School
Robinswood Primary School
Rosebery School
Saffron Walden County High School
Saintbridge G.M. Technology School
Salesian College
Salterlee Primary School
Sandown Court Community College
Sawtry Village College GM School
Scotby CE Grant Maintained Primary School
Senacre Technology School
Send C of E First School (Grant-Maintained)
Sexey's School
Sharnbrook Upper School
Sheringham High School
Simon Langton Grammar School for Boys
Sir Christopher Hatton School
Sir Roger Manwood's School
Skegness Grammar School
Slough Grammar School (Formerly Upton Grammar)
Small Heath School
Snodland CE Primary School
South Wootton Grant-Maintained Junior School
Southfield School For Girls
Southlands Comprehensive School
Southlands School
St. Aidan's County High School
St. Augustine RC (G.M.) Comprehensive School
St. Bartholomew's School
St. Bernadette RC Junior Mixed School
St. Francis Xavier's College
St. George's Church of England School
St. George's Grant-Maintained School
St. Helen's Primary School
St. James' CE School
St. John Rigby School
St. John the Baptist School
St. Mary's Catholic Primary School
St. Olave's and St. Saviour's Grammar School
St. Simon Stock School
St. Thomas More RC Comprehensive G.M. School
St. Thomas More RC High School
Stoneleigh First School (Grant-Maintained)
Stratford School
Streetly School
Stroud High School
Sutton Grammar School for Boys
Testwood School
Tewkesbury Grant-Maintained School
Thamesmead School
Thamesview School
The Ancaster High School, Lincoln
The Appleton School
The Archibishop's CE Grant Maintained School
The Arnewood School
The Avon Valley Grant-Maintained School
The Beacon School
The Bishop's Stortford High School
The Boswells School
The Bradbourne School
The Canterbury High School
The Castle Hills GM School, Gainsborough
The Catholic School of St. Gregory the Great
The Chalfonts Community College (GM)
The City of Portsmouth Boys' School
The Cornelius Vermuyden School
The Cornwallis School
The Cotswold School
The Crossley Heath School
The Crypt School
The Deanes School
The Douay Martyrs School
The Downs School
The Ecclesbourne School
The Ellen Wilkinson School for Girls
The Elmwood Primary School
The Fitzwimarc School, Rayleigh
The Gartree Grant Maintained School
The Grammar School for Girls, Wilmington
The Hayes Manor School
The Hedley Walter High School (GM)
The Hugh Christie School
The John Fisher School
The King Edmund School
The King John School
The King's School (Peterborough Cathedral Sc)
The Kings School Grantham
The Magdalen School
The Malling School
The Manor County First School
The Maplesden Noakes School
The Merrill Community School
The North Halifax High School
The Park Lane Primary School
The Philip Morant School
The Plume School
The Priory School
The Queen Katherine School
The Queen's School
The Rednock School
The Rickstones School
The Robert Napier Grant-Maintained School
The Skinners' School, Tunbridge Wells
The Windmill County GM Primary School
The Woodroffe School
Thomas Whitehead CE School
Thurstable School
Tiffin School

Torells Grant-Maintained School
Torquay Boys' Grammar School
Trinity School, Carlisle
Turnham Primary with Nursery GM School
Uxbridge High School
Vyners School
Watford Grammar School for Boys
Watford Grammar School for Girls
Weavers School
West Flegg Middle School (GM)
West Hatch High School
Westborough County Primary School
Westcliff High School for Boys
Westcliff High School for Girls
Wheatfields Junior School
William Alvey CE Junior School
William Farr CE Comprehensive School
Wilmington Grammar School For Boys
Wilsons School
Wold Newton Grant-Maintained Primary School
Wolverhampton Girls High School
Wood End First School
Wood End Middle School
Wrenn School
Wrotham School
Wymondham College (GMS)
Yardborough High School

Schools which were approved or minded to approve as of 10 March 1993 but are not yet operating
Abbs Cross School
Abington High School
Ailwyn Community School
Alcester Grammar School
All Hallows RC School
Appleby Grammar School
Archbishop Tenison's School
Ashcroft High School
Ashlyns School
Ashton-on-Mersey County High School
Bay House School
Beechview Middle School
Belfairs School/6th Form Centre
Belper School
Bishop Thomas Grant Secondary School
Blackfield Middle School
Blessed Edward Oldcorne RC High School
Blue Coat CE Primary School
Bohunt School
Bushey Hall School
Bushey Meads School
Bushloe High School
Calmore Grant-Maintained Middle School
Cannon Slade School
Chelmer Valley High School
Cliff Park High School
Coppins Green Primary School
Crawley Green Infant School
Dallam School
Dame Alice Owens School
Danesholme Junior School
Davenant Foundation School
Deacon's School
Dunraven School
Edenham School
Fallibroome County High School
Flegg High School
Friesland School
Gable Hall School
Grays Secondary School
Greenwood Dale School
Gumley House Convent School for Girls
Gunnersbury Catholic School
Hall Green School
Hamilton Combined School
Hanson School
Harraby School
Heanor Gate School
Henbury County High School
Henry Harbin Technical High School
Hillbrook Primary School
Holy Cross Convent School
Icknield High School
John Paul II RC School
John Port School
Jotmans Hall County Primary School
King Edward VI Aston School
King Edward VI Camp Hill School for Boys
King Edward VI Camp Hill School for Girls
King Edward VI Five Ways School
King Edward VI Handsworth School
Kirkby Stephen Grammar School
Lacey Gardens Junior School
Laisterdyke Middle School
Lea Manor High School and Community College
Lincroft Middle School
Lord Grey School
Lynn Grove High School
Mascalls School
Murray Park Community College
New Wellington High School
Newport Free Grammar School
Noel Baker School
Northwick Park County Infant School
Northwick Park County Junior School
Oakbank School
Orton Wistow Primary School
Picklenash County Junior School
Queen's School
Rainsford School
Rastrick High School
Richard Challoner School
Rolph CE VA Primary School
Roseacre Junior School
Rugby High School for Girls
Sale Moor County High School
Sawston Village College
Shenington CE Primary School
Smithy Bridge Primary School
South Wigston High School
Southend Girls High School
Southfields School (GM)
St. Andrew's CE Primary School
St. Augustine's RC High School
St. Bede's RC School
St. Boniface's College
St. Clement's High School
St. Clere's School
St. Francesca Cabrini RC Primary School
St. Gregory's Catholic Comprehensive School
St. John Fisher School, Chatham
St. Joseph's College
St. Joseph's RC VA Primary School
St. Martin's School
St. Mary and St. Joseph's School
St. Paul's Catholic School
St. Philomena's School, Carshalton
St. Walburga's RC Primary School
Stanground College
Sutton-at-Hone CE Primary School
Teign School
Tendring High School
The Charles Dickens School
The Corbet School
The Ellowes Hall School
The Folkestone School for Girls
The Frances Bardsley School for Girls
The George Spencer School
The Gilberd School
The Greensward School
The Kingswinford School
The Malcolm Sargent County Primary School
The Shire Oak Community School
The Thorpe Bay School
The Village College, Comberton
The Wildernesse School
Thornton School
Uppingham Community College
Wallington High School for Boys
Wallington High School for Girls

Wardle High School
West Hill High School
Westlands High School
Whitelocke Infant School
William De Ferrers School
William Edwards School
Woodnewton Way Junior School
Wootton Upper School
Wycombe Royal Grammar School
Wyedean School

Dance, Drama and Music

Mr. Beggs: To ask the Secretary of State for Education whether he will provide a number of fully funded places for the most talented students from England, Scotland, Wales and Northern Ireland to study dance, drama and music in the United Kingdom on an annual basis; and if he will make a statement.

Mr. Forth: Under the Government's music and ballet scheme help is already being made available to more than 550 talented children at the Royal Ballet school, four specialist music schools in England and, under slightly different arrangements, one in Scotland. Mandatory student awards and student loans are available for full-time first degree and comparable level courses in dance, drama and music. The Government also contribute significant amounts of taxpayers' money towards local authority expenditure on education. Local education authorities may also make discretionary awards for lower level courses. It is, however for each authority to determine its own policies on such support.

Questions about funding students in Scotland and Northern Ireland are matters for my right hon. Friend the Secretary of State for Scotland and my right hon. and learned Friend the Secretary of State for Northern Ireland.

School Hours

Mr. Simon Coombs: To ask the Secretary of State for Education how many hours per week secondary school students are required to work in Britain; and what are the equivalent figures for the United States of America, France, Germany and Japan.

Mr. Forth: The readily available information on teaching hours per week and the length of the school year are shown in the table.

Secondary schools

	Teaching hours per week	*Length of school year*
England[1]	24	38 weeks
Wales[2]	24	38 weeks
Scotland[3]	27·5	38 to 40 weeks
Northern Ireland[4]	22·5	37 weeks
France[5]	24	33 weeks
Germany[6]	36	40 weeks
Japan	30	35 weeks minimum
USA[7]	26	35 weeks

[1] Suggested minimum weekly hours.
[2] Average teaching time per week.
[3] Timetabled week in education authority schools.
[4] Minimum teaching hours.
[5] Represents 21 hours core curriculum time plus three hours of sport.
[6] Represents an average miminum and may vary according to the providing authorities (Länder).
[7] Average minimum number of hours in class over a five day week.

Portakabin Classrooms

Mr. Alex Carlile: To ask the Secretary of State for Education how many Portakabin classrooms are currently in use; how many there were in 1979, 1985 and 1990; and if he will make a statement.

Mr. Forth: The Department holds no records on how many Portakabin classrooms are currently in use or how many were in use at any time in the past.

On temporary accommodation generally, "A Study of School Building" published by the Department and the Welsh Office in 1977 showed that 10 per cent. of primary and 7 per cent. of secondary school places were provided in temporary accommodation, both fixed and mobile. The "Survey of School Buildings" published by the Department in 1987 showed a reduction in these proportions to 7 per cent. of primary school accommodation and 6 per cent. of secondary school accommodation in England only.

Information on the position in 1990 could be provided only at disproportionate cost.

Retired Teachers

Mr. O'Hara: To ask the Secretary of State for Education how many male teachers retired from the profession at age 60, 61, 62, 63 and 64 years during each of the financial years 1989-90 to date.

Mr. Forth: The table shows the number of male teachers who retired from the profession at age 60, 61, 62, 63 and 64 years during each of the financial years 1989-90 to date.

Year to March	*Age 60*	*Age 61*	*Age 62*	*Age 63*	*Age 64*
1990	814	481	357	275	277
1991	784	424	312	241	188
1992	695	383	338	251	213
1993[1]	731	426	358	227	168

[1] Provisional only.

Ministerial Visits

Mr. Pawsey: To ask the Secretary of State for Education if he will list the schools which he and his ministerial colleagues have visited since April 1992.

Mr. Patten *[pursuant to his reply, 11 January 1993, c. 591-92]:* The DFE ministerial team has now visited over 100 schools since taking up office. The total of 105 is made up of

2 Nursery schools;
28 Primary schools, including 1 middle school;
62 Secondary schools, including 13 grant-maintained schools and 10 independent schools;
7 Special schools;
6 CTCs.

The list of schools is as follows:

Secretary of State's Visits
Appleton CE Primary School, Abingdon Oxford
Dunmore Infants School, Abingdon Oxford
Greenvale Primary School, Croydon
The Hague Primary, Tower Hamlets
Lyne and Longcross First School, Surrey
St. Edmund's RC Primary, Abingdon, Oxford
Thomas Reade Primary School, Abingdon, Oxford
Frideswide Middle School, Oxford
Archbishop Blanch CE High School, Liverpool
Archbishop Tenison's Secondary School, Croydon
Bishop David Brown Secondary School, Surrey
Bishop Thomas Grant RC School, Lambeth
Cardinal Newman School, Hove, East Sussex
Cockshut Hill Secondary School, Birmingham
Compton Secondary School, Finchley
Culham European School
Hardnhuish School, Chippenham, Wiltshire
St. Peter's C of E School, Wootton, Oxford
Tesdale School, Abingdon, Oxford
Wimbledon College, Merton
Small Heath GM School, Birmingham
Marymount International Secondary School, Kingston
Mayville High School, Portsmouth
Mulberry High School for Girls, Tower Hamlets
Nottingham High School, Nottingham
Radley College, Oxford
School of St. Helen and St. Katherine, Abingdon, Oxford
Mary Hare Grammar School for the Deaf, Newbury, Berkshire
Netherlands Avenue Special School, Bradford
St. Nicholas Special School, Chippenham, Wiltshire
Bradford CTC, Bradford
Djanogly CTC, Nottingham

Minister of State's Visits
Mulgrave Play Group, Hammersmith and Fulham
Caverstede Nursery School, Peterborough
Appleton Primary School, Humberside
Buckden CE Primary School, Huntingdon
Davenant Foundation School, Essex
Dean Grange Prep School, Cambridgeshire
Even Swindon Infant and Junior Schools, Wiltshire
Kingston Park Primary School, Newcastle
New Scotland Hill Primary School, Berkshire
St. Paulinas CofE Primary School, Bexley
Wittering County Primary School, Peterborough
Aylward School, Enfield
Bexley Technical High School for Girls, Bexley
Calderstones Community School, Liverpool
Chantry High School, Suffolk
Eastholm School, Peterborough
Gosforth High School, Newcastle
Hills Road Sixth Form College, Cambridgeshire
Hinchingbrooke School, Cambridgeshire
Keldholme School, Cleveland
Kennet School, Berkshire
Kesgrave High School, Suffolk
King David High School, Liverpool
Latymer School, Enfield
Roedean School, East Sussex
Theale Green Secondary School, Reading, Berkshire
Verulam School, Hertfordshire
Beechen Cliff GM School, bath
Christ Church GM School, Hertfordshire
Handsworth Grammar GM School, Birmingham
Jack Hunt GM School, Peterborough
Kingsley Park GM Middle School, Northamptonshire
London Oratory GM School, Fulham
Oakbank GM School, Bradford
Sawtry Village GM College, Cambridgeshire
Small Heath GM School, Birmingham
Southfield Girls GM School, Kettering
Southlands GM School, Berkshire
Bedford School, Bedfordshire
Reed's School, Surrey
Teesside High School for Girls, Stockton
Frederick Holmes Special School, Humberside
Harris CTC, Croydon
John Cabot, CTC, Bristol
Macmillan CTC, Cleveland

Parliamentary Under-Secretary of State for Schools Visits
Balby Street County Primary School, Doncaster
Dunn Street Primary School, South Tyneside
Kelvin Grove Primary School, Gateshead
Nabbotts County Infant and Junior Schools, Essex
New Beckton Primary School, Newham
Pott Shrigley CE Primary School, Cheshire
Puss Bank County Infant and Junior Schools, Cheshire
St. Stephen's CE First School, Hereford and Worcester
Winton County Infant and Junior Schools, Dorset
Abbey County High School, Hereford and Worcester
Brampton Manor School, Newham
Droitwich High School, Hereford and Worcester
Ducie Central Boys' High School, Manchester
Glenmoor County Secondary School for Girls, Dorset
Hagley RC High School, Worcester
Hungerhill County Secondary School, Doncaster
King Edward VI Camp Hill School for Boys, Birmingham
Light Hall County Secondary School, Solihull
Woodside Community School, Newham
Chalvedon GM School, Essex
Maple Hayes Hall Independent Special School, Staffordshire
Whitefields Special School, Walthamstow
Royal National Institute for the Blind, Worcester
Wycliffe Independent College, Gloucestershire
Kingshurst CTC, Solihull

Parliamentary Under-Secretary of State for Further and Higher Education Visits
Beanfield Infant and Junior Schools, Corby
Grange Infant and Junior Schools, Daventry, Northamptonshire
Danetre School, Daventry, Northamptonshire

PRIME MINISTER

Poland

Mr. Mackinlay: To ask the Prime Minister if he will make a statement on the matters dicussed during the recent visit of the Prime Minister of Poland and the outcome of those discussions.

The Prime Minister: I had valuable discussions with Ms Suchocka on a wide range of issues.

Ms Suchoka briefed me on the Polish economic reform programme. We discussed Poland's wish to become a full member of the European Community, and ways in which the United Kingdom could help Poland towards this goal. We agreed on the need to develop trade and investment. Ms Suchocka stressed the importance to Poland of the restoration of ECGD cover. I agreed to review the position.

Military Equipment

Mr. Llew Smith: To ask the Prime Minister if he will publish in the *Official Report* his correspondence to date with the hon. Member for Blaenau Gwent since 24 November 1992 on the involvement of United Kingdom companies in supplying Iraq with military equipment, the sales of United Kingdom origin military equipment to Yugoslavia and United Kingdom compliance with the nuclear non-proliferation treaty.

The Prime Minister: No. It is not my normal practice to do so.

China (Human Rights)

Mr. David Atkinson: To ask the Prime Minister when he now expects to receive the final report on the outcome of the visit to China of the delegation led by Lord Howe to discuss human rights last December; and if he will make a statement.

The Prime Minister: I refer my hon. Friend to the reply which I gave him on 17 December 1992 at column *352*. Work on the report by my right hon. noble and learned Friend, Lord Howe, is well advanced. As soon as it is available we propose to place copies in the Library of the House and to make it available to the public. We continue to raise the issue of human rights in China, most recently in Geneva at the UN Commission on Human Rights, and with Chinese embassy officials here on 4 March.

Liverpool

Mr. Parry: To ask the Prime Minister what plans he has to visit Liverpool; and if he will make a statement.

The Prime Minister: I have at present no plans to do so.

Polish Prime Minister

Mr. Llew Smith: To ask the Prime Minister what matters in regard to *(a)* PHARE, *(b)* environmental technology transfer and *(c)* export controls on military or dual-use equipment were discussed during his recent meeting with his Polish counterpart in London.

The Prime Minister: These matters were not raised in my discussions with the Polish Prime Minister.

Kashmir

Mr. Madden: To ask the Prime Minister, pursuant to his letter of January to the hon. Member for Bradford West, what information he has received about the detention of Kashmiri leaders, Shabir Shah and Yasin Malik in Delhi; and if he will make a statement.

The Prime Minister: We have asked the Indian Government through our High Commission in New Delhi for information about Shabir Shah and Yasin Malik and are awaiting a reply.

Public Bodies

Dr. Wright: To ask the Prime Minister what percentage of total Government spending is accounted for by the bodies listed in "Public Bodies 1992".

The Prime Minister: Gross expenditure by executive non-departmental public bodies was 8·2 per cent. of general Government expenditure in 1978-79 and 5·8 per cent. in 1991-92.

Dr. Wright: To ask the Prime Minister how many non-departmental public bodies there were in *(a)* 1979 and *(b)* the last year for which figures are available.

The Prime Minister: There were 2,167 non-departmental public bodies in 1979 consisting of 492 executive bodies, 1,485 advisory bodies, 70 tribunals and 120 boards of visitors; and 1,412 in 1992 consisting of 369 executive bodies, 846 advisory bodies, 66 tribunals and 131 boards of visitors.

Dr. Wright: To ask the Prime Minister how many appointments to public bodies and positions he is able to make; and if he will list the bodies and positions.

The Prime Minister: The information requested could be provided only at disproportionate cost.

Dr. Wright: To ask the Prime Minister what was the total budget of all non-departmental public bodies in *(a)* 1979 and *(b)* the latest year for which figures are available.

The Prime Minister: Total expenditure by executive non-departmental public bodies was £6,150 million in 1979 and £13,750 million in 1992.

Scott Inquiry

Mr. Dalyell: To ask the Prime Minister how many of additional topics have been referred to Lord Justice Scott since his terms of reference were established; and when he will now report.

The Prime Minister: The wide terms of reference of Lord Justice Scott's inquiry enable him to examine whatever topics he considers relevant to the issues of his inquiry. Lord Justice Scott has not yet announced when he expects to publish his report.

Water Privatisation, Scotland

Mr. Kirkwood: To ask the Prime Minister, pursuant to his oral answer to the hon. Member for Angus East, of 9 March, *Official Report*, column 783, what plans the Scottish Office now has to announce the conclusions of its consultative process on the privatisation of the water industry in Scotland; and if he will make a statement.

The Prime Minister: My right hon. Friend the Secretary of State for Scotland is considering the responses to the Government's consultation paper on the future of water and sewerage in Scotland. An announcement will be made when that consideration is complete.

Ghazanfer Ali

Mr. Madden: To ask the Prime Minister, pursuant to his letter of 21 October concerning Ghazanfer Ali, in prison in Pakistan, what further information he has received about the progress of the case; and if he will make a statement.

The Prime Minister: Mr. Ghazanfer Ali is facing two murder charges. They were due to be heard on 13 and 14 March 1993. We shall continue to watch developments.

Prerogative Powers

Mr. Allen: To ask the Prime Minister what prerogative powers pertain to public borrowing.

The Prime Minister *[holding answer 9 March 1993]:* Central Government borrowing to raise money for general purposes is undertaken under the National Loans Act of 1968 and not under the prerogative. Public borrowing to raise money for various specific functions is generally undertaken under statutory powers.

Maastricht Treaty

Mr. Winnick: To ask the Prime Minister when he last communicated with his counterparts in other EC countries over the proposed ratification of the Maastricht treaty by the United Kingdom; and if he will make a statement.

The Prime Minister *[holding answer 12 March 1993]:* I last discussed ratification of the Maastricht treaty with my European Community colleagues collectively at the Edinburgh European Council on 11 and 12 December 1992. I have since reaffirmed to our partners our commitment to ratify the treaty, most recently in my meeting with the Prime Minister of Denmark on 9 March.

Scottish Water Privatisation

Mr. Chris Smith: To ask the Prime Minister, pursuant to his oral answers to the hon. Member for Angus, East (Mr. Welsh) and for Edinburgh, Leith (Mr. Chisholm), of 9 March, *Official Report*, column 783-4, whether a decision has now been taken to proceed with the privatisation of Scottish water.

The Prime Minister *[holding answer 12 March 1993]:* My right hon. Friend the Secretary of State for Scotland has consulted widely on the future of the water and sewerage services in Scotland. We will announce our conclusions after the responses have been carefully considered. No decision has been taken.

DUCHY OF LANCASTER

Tinnitus

Mr. Kirkwood: To ask the Chancellor of the Duchy of Lancaster (1) if he will list all projects currently being undertaken by the Medical Research Council specifically targeted at the problems of tinnitus; and how much money has been allocated to each project;

(2) if he will list all projects currently being undertaken by the Institute of Hearing Research specifically targeted at the problems of tinnitus; and how much money has been allocated to each project;

(3) what plans he has to fund medical research projects specifically targeted at the relief of tinnitus; and if he will make a statement.

Mr. William Waldegrave: The main Government agency for the funding of medical research is the Medical Research Council (MRC). The MRC's Institute of Hearing Research in Nottingham is conducting research into the epidemiology, diagnosis and treatment of tinnitus and the rehabilitation of tinnitus sufferers. There is one project directly relevant to this condition entitled "Clinical and Psychoacoustical Studies of Tinnitus". Elements of other projects being undertaken at the Institute of Hearing Research are also applicable to the problem of tinnitus. In the last financial year, 1991-92, the expenditure figure for research specifically targeted at the problem of tinnitus was £129,000. In addition, the council supports a considerable number of projects in hearing research, many of which may have implications for the understanding of this condition. The council's total expenditure on hearing research in 1991-92 was £2·6 million.

The council is always willing to consider soundly based scientific proposals in competition with other applications.

ATTORNEY-GENERAL

Maastricht Treaty

Mr. Hain: To ask the Attorney-General what would be the impact upon the United Kingdom's ability to ratify the Maastricht treaty of making amendment 119 to the European Communities (Amendment) Bill; and if he will give an explanatory opinion.

The Attorney-General: I will advise the House, as necessary in relation to any particular point, if and when such a point arises during the Committee's consideration of the Bill.

NATIONAL HERITAGE

Hotel Industry

Mr. Clifton-Brown: To ask the Secretary of State for National Heritage what steps the Government have taken since the publication in 1985 of the White Paper, "Lifting the Burden", to reduce the regulation of the United Kingdom hotel industry.

Mr. Key: Since the 1985 White Paper was published many deregulatory gains of benefit to hotels and other types of business have been made. These include measures to speed up planning appeals, removal of the requirement for small firms to file full accounts, and the introduction of experimental schemes liberalising road signs for hotels. The hotel sector has welcomed the proposal by my right hon. Friend the Secretary of State for Employment to abolish the remaining wages councils.

My right hon. Friend the President of the Board of Trade recently announced the creation of seven task forces of business people to examine the scope for further deregulation in various sectors, which will add to the work going on across Whitehall. One of the task forces will cover retailing and tourism, including hotels.

Mr. John Birt

Mr. Corbett: To ask the Secretary of State for National Heritage, pursuant to the answer from the Chancellor of the Duchy of Lancaster on 8 March, *Official Report*, column *396*, what general direction he gave when consulted about the appointment of Mr. John Birt as director-general of the BBC on a consultancy contract arrangement.

Mr. Brooke: I gave no general direction; nor was I consulted on this matter. The appointment of senior BBC staff and how they are remunerated are matters for the corporation's board of governors.

Olympic Symbol

Sir Thomas Arnold: To ask the Secretary of State for National Heritage if he will make a statement on the outcome of the consultation about legislating to protect the Olympic symbol in the United Kingdom.

Mr. Brooke: My Department together with the Department of Trade and Industry has consulted widely with those who have an interest in the Olympic symbol, motto and related terms. I am pleased to report that there is overwhelming support for the proposal to legislate to

confer the United Kingdom rights to the Olympic symbol, motto and related terms on the British Olympic Association, with suitable safeguards for holders of existing rights. Such a measure would bring substantial benefits to British Olympic teams as well as satisfying the IOC's requirements of countries bidding to host the Olympic Games. It underlines once again the seriousness of the Government's commitment to supporting the British bid to host the Olympic Games in Manchester in the year 2000. Legislation will be introduced as soon as the parliamentary timetable allows it.

Monuments

Mr. Martlew: To ask the Secretary of State for National Heritage how many scheduled monuments have been destroyed in each of the last five years in England; what were the causes of the damage or destruction; and if he will make a statement.

Mr. Brooke: I am advised by English Heritage that, according to its records, no scheduled monuments were completely destroyed during the past five years. However, there were a number of cases of reported damage, due to a variety of causes, and the numbers are as follows: 1988-89—74; 1989-90—53; 1990-91—72; 1991-92—28; 1992-93—46.

It is an offence under the provisions of the Ancient Monuments and Archaeological Areas Act 1979 to carry out any works to a scheduled monument without obtaining prior consent or unless the works are permitted under the Ancient Monuments (Class Consents) Order 1981. In appropriate cases offenders are prosecuted.

Sites of Archaeological Interest

Mr. Martlew: To ask the Secretary of State for National Heritage how many inspectors have been employed to carry out the scheduling of sites of archaeological interest in England in each year since 1985; and if he will make a statement.

Mr. Brooke: Prior to 1988 there were 15 English Heritage inspectors dealing with all matters concerning ancient monuments in England; none of these was concerned specifically with the scheduling of monuments. English Heritage subsequently embarked on its monuments protection programme (MPP) and in 1988 three inspectors were appointed with specific responsibility for managing the MPP and supervising field workers who now prepare scheduling recommendations. The complement of field workers has risen from four in 1989-90 to eight in 1990-91, 13 in 1991-92, and 16 in 1992-93.

HOME DEPARTMENT

Prostitution

Mr. Cox: To ask the Secretary of State for the Home Department how many *(a)* men and *(b)* women were charged in courts in the Greater London area for soliciting for prostitution in each of the last three years.

Mr. Cox: To ask the Secretary of State for the Home Department how many *(a)* men and *(b)* women were charged in the courts in the Greater London area for living on the immoral earnings of prostitution in each of the last three years.

Mr. Jack: Information for the Metropolitan police district (including the City of London) is given in the table; 1992 information will not be available until the autumn.

Number of persons convicted in the Metropolitan Police District (including the City of London) for certain offences by sex 1989, 1990 and 1991

Offence		*Year*	*Convictions* *Males*	*Females*
Kerb-crawling	Sexual Offences Act 1985, Section 1	1989	49	—
		1990	47	10
		1991	87	—
Persistent soliciting of women for the purposes of prostitution	Sexual Offences Act 1985, Section 2	1989	4	—
		1990	9	1
		1991	33	—
Common prostitute loitering or soliciting for the purposes of prostitution	Street Offences Act 1959, Section 1	1989	—	4,500
		1990	15	4,336
		1991	9	4,459
Living on earnings of prostitution or exercising control over prostitute	Sexual Offences Act 1956, Sections 30 and 31	1989	30	4
		1990	20	7
		1991	22	1
Living wholly or in part on the earnings of male prostitution	Sexual Offences Act 1967, Section 5(1)	1989	—	1
		1990	2	—
		1991	—	—

Animal Experimentation

Mr. Llwyd: To ask the Secretary of State for the Home Department if he will make it his policy to increase the representation of animal welfare organisations on the Animal Procedures Committee.

Mr. Charles Wardle: In making appointments to the Animal Procedures Committee my right hon. and learned Friend is required by section 19 of the Animals (Scientific Procedures) Act 1986 to have regard to the disirability of ensuring that the interests of animal welfare are adequately represented. The current composition of the committee is in line with that requirement.

Firearms

Mr. Nigel Evans: To ask the Secretary of State for the Home Department what checks are made on the people to whom firearm licences are awarded.

Mr. Charles Wardle: Under the Firearms Act 1968, firearms certificates are issued by chief officers of police. Before granting or renewing a certificate, that chief police officer must be satisfied that an applicant has a good reason for requiring the firearm and can be permitted to have it without danger to public safety or to the peace. A certificate must not be granted to any person whom the chief officer has reason to believe to be prohibited by the Act from possessing a firearm, or to be of intemperate habits or unsound mind, or to be for any reason unfitted to be entrusted with a firearm.

Prison Service Industries

Mr. Mike O'Brien: To ask the Secretary of State for the Home Department what are the receipts from prison service industries in each of the last five years; and what is the estimate for the current financial year.

Mr. Peter Lloyd: The total receipts of prison service industries and farms in the past five years and the estimate for the current financial year are as follows:

Year	*£ million*
1987-88	6·3
1988-89	5·7
1989-90	5·5
1990-91	5·5
1991-92	5·3
1992-93	5·0

Accommodation Charges

Mr. Mike O'Brien: To ask the Secretary of State for the Home Department what has been the total estimated cost for 1992-93 for bridging loans and other accommodation charges met from public funds in respect of transfers of staff within *(a)* the prison service, *(b)* the police service and *(c)* employees of his Department.

Mr. Kenneth Clarke: Information is not available in the specific form requested. The estimated cost for 1992-93 of all expenditure in respect of the transfer of staff (which includes travel-related costs as well as bridging loans and accommodation-related charges) is £39,229,000 for the prison service and £4,736,000 for the rest of the Home Office. The question of costs arising from staff transfers within the police forces is a matter for individual chief officers of police.

International Crime

Mr. Mike O'Brien: To ask the Secretary of State for the Home Department when he expects a report from the Trevi ad hoc working party on Europol; and what co-operation exists between that working party and the EC ad hoc working group on international organised crime.

Mr. Charles Wardle: The ad hoc working group of Europol reports to Trevi Ministers once during each EC presidency. It will next report at the Trevi ministerial meeting in Copenhagen on 1 and 2 June.

Mr. Mike O'Brien: To ask the Secretary of State for the Home Department when he expects a report from the EC ad hoc working group on international organised crime set up in September 1992; whether that report will be published; and what consideration is being given in the report to dealing with the organisation and structures of international crime organisations.

Mr. Charles Wardle: The ad hoc working group on international organised crime is expected to report to Ministers of the Interior and Justice during the Danish presidency. It will be for these Ministers to decide whether the report should be published.

The ad hoc working group on Europol and the ad hoc working group on organised crime have some common membership.

Police Cells

Mr. Mike O'Brien: To ask the Secretary of State for the Home Department what is the total estimated cost of keeping prisoners in police cells for 1992-93.

Mr. Peter Lloyd: The estimated cost of keeping prisoners in police cells in 1992-93 is £92·2 million. Some further claims are being processed and the final figure for the year may be slightly higher.

Drug Trafficking

Mr. Mike O'Brien: To ask the Secretary of State for the Home Department what has been the cost to his Department of participation in CELAD since 1989; what practical proposals have come from this committee; and what is his analysis of its effectiveness in combating international drugs trafficking.

Mr. Jack: The full cost of Home Office participation in CELAD is not readily available and could be obtained only at disproportionate cost. The travel and subsistence cost of Home Office officials' attendance at the 29 CELAD meetings since 1989 is in the region of £28,000. The cost of hosting the three CELAD meetings in London during the United Kingdom presidency was £135,595.

The practical proposals made by CELAD since its inception include the preparation and implementation of an EC-wide action plan on measures to combat drug misuse, the establishment of a European drugs monitoring centre and the European Drugs Prevention Week (16 to 22 November 1992).

CELAD has not been directly involved in developing measures to combat international drug trafficking. Within the European Community, this is mainly the responsibility of the Trevi group, the customs mutual assistance group and the enforcement agencies of member states. CELAD has, however, helped to develop a coherent Community strategy to combat drug misuse, which has included proposals to combat trafficking.

Common European Time

Mr. Peter Bottomley: To ask the Secretary of State for the Home Department (1) what is the minimum notice for introducing common European time;

(2) what legislation is needed to introduce common European time.

Mr. Peter Lloyd: The adoption of central European time by the United Kingdom would require primary

legislation. Subject to any necessary future consultation, our understanding is that transport operators would be the sector requiring the longest period of notice, of between 12 to 18 months, in which to prepare for such a move.

Witness Intimidation

Mr. Tony Lloyd: To ask the Secretary of State for the Home Department how many proceedings have been brought for witness intimidation in each of the last five years for which figures are available.

Mr. Jack: It is not possible from the information held centrally to identify offences of interference with witness from other common law offences of "attempting to pervert the course of public justice".

The table shows the number of prosecutions in England and Wales from 1987 to 1991 for attempting to pervert the course of public justice; 1992 data will not be available until autumn 1993.

Number of prosecutions at magistrates' courts for the offence of attempting to pervert the course of public justice[1] under common law for the years 1987 to 1991 (England and Wales)

Year	Prosecutions
1987	652
1988	864
1989	1,139
1990	1,376
1991	1,565

[1] Under common law the offence of "attempting to pervert the course of public justice" includes fabrication of false evidence, causing person to be wrongly convicted and interference with witness etc.

Mr. Tony Lloyd: To ask the Secretary of State for the Home Department what information he has on the number of cases of violence against the person which collapsed because of witness intimidation in each of the last five years.

Mr. Jack: I regret that this information is not available.

Unitary Fine System

Mr. Llwyd: To ask the Secretary of State for the Home Department how many representations have been received about the unitary fine system operating in magistrates courts; and if he will make a statement.

Mr. Jack: The provisions in the Criminal Justice Act 1991 relating to unit fines were implemented on 1 October 1992. Between that date and 28 February 1993 some 77 letters have been received from right hon. and hon. Members specifically about the sentencing provisions of the Act; 52 of these letters were concerned either in whole or in part with the unit fines scheme. Figures on the number of letters received from members of the public about the scheme are not readily available from correspondence records and could be compiled only at disproportionate costs.

The new sentencing framework, including the unit fine scheme, is being carefully monitored, and we will consider fully any representations made about it.

Coroners

Mr. Sheerman: To ask the Secretary of State for the Home Department what power he has to investigate the proper conduct of coroners' courts and to discipline coroners.

Mr. Charles Wardle: Under section 3(4) of the Coroners Act 1988, the Lord Chancellor alone has the power to dismiss a coroner. By agreement between the Lord Chancellor's Department and the Home Office, inquiries into complaints against coroners are carried out by the Home Office, with the Lord Chancellor's Department becoming involved only where there is a clear instance of grounds for dismissal. In carrying out its investigative role, the Home Office acts on a non-statutory basis. It has no disciplinary powers.

Criminal Justice Act 1991

Mr. Brandreth: To ask the Secretary of State for the Home Department what representions he has received from law societies in the north-west on the effects of the Criminal Justice Act 1991.

Mr. Jack: We have not been able to identify any such representations.

Secure Units

Mr. Michael: To ask the Secretary of State for the Home Department, pursuant to his oral statement of 2 March, *Official Report*, column 139, (1) what plans he has for the reintegration of young people into family and community after a period in his proposed secure units;

(2) who will have operational oversight of the proposed secure units.

Mr. Jack: As my right hon. and learned Friend indicated in his statement on 2 March, *Official Report*, columns 139-42, we are now working up detailed plans for the introduction of a new secure training order for persistent juvenile offenders between the ages of 12 and 15. At this stage, before the completion of discussions with those who will be involved, it is not possible to provide details of the aftercare provision which will be necessary as an integral part of the secure training order. It is similarly premature to go into detail about such matters as operational oversight of the custodial part of the new order, but as my right hon. and learned Friend indicated in his statement, it is intended that there should be independent inspection of both the care and social work activities and the educational provision that will be part of the regime provided to an offender made subject to such an order.

Juvenile Crime

Mr. Alex Carlile: To ask the Secretary of State for the Home Department what research has taken place into the connection between food additives and juvenile crime; and if he will make a statement.

Mr. Jack: We are not aware of any reliable British research on the relationship between food additives and juvenile offending. The Department's research and planning unit is currently considering the possibility of funding a small-scale study on links between diet and crime as part of a wider programme of research on juvenile offending.

Special Constables, Dorset

Mr. Paice: To ask the Secretary of State for the Home Department whether an interim evaluation has been made of the pilot bounty payment scheme for special constables in Dorset which started in October 1991 and is due to finish in October 1993; and if he will make a statement.

Mr. Charles Wardle: When this pilot scheme was set up, it was decided that two years was a sensible period over which to assess its usefulness. A full evaluation will be made when the scheme ends next autumn.

Notifiable Offences

Mr. Winnick: To ask the Secretary of State for the Home Department if he will state the percentage change in the total number of notifiable offences recorded by the police between 1979 and the latest available year.

Mr. Jack: The number of notifiable offences recorded by the police in England and Wales increased by 108 per cent. between 1979 and 1991.

Greyhound Racing

Sir John Wheeler: To ask the Secretary of State for the Home Department what plans he has for consulting interested parties about the deregulatory proposals put forward by the greyhound racing industry.

Mr. Kenneth Clarke: We have today issued two consultation documents which seek views on a number of deregulatory measures suggested by the greyhound industry.

The first covers possible changes to section 19 of the Betting, Gaming and Lotteries Act 1963 which currently prevents track owners from having an interest in the bookmaking at their own tracks.

The second covers a number of proposals for change: inter-track betting, advance betting, changes to ticket restrictions, changes to pool display, restrictions and abolition of the requirement for public auditors to attend tracks whilst racing is taking place.

I have arranged for copies of the consultation documents to be placed in the Library of the House. Respondents are asked to reply by the end of April.

Racehorses (Drugs)

Mr. Meale: To ask the Secretary of State for the Home Department (1) what is the Government's policy on the illegal administering of drugs to thoroughbred racehorses;

(2) if he or his Department will meet representatives of the Jockey Club to discuss the problem of the illegal doping of racehorses;

(3) when he was informed about the circumstances surrounding the illegal doping of the thoroughbred racehorse Flash of Steel; when the doping took place; when it was made public; and if he will make a statement.

Mr. Peter Lloyd *[holding answer 4 March 1993]:* The administration of horseracing, including security measures to prevent doping, is a matter for the horseracing authorities. I understand that the Jockey Club has recently introduced additional security measures.

NORTHERN IRELAND

Planning Appeals

Mr. Clifford Forsythe: To ask the Secretary of State for Northern Ireland (1) how many planning service decisions were reversed on appeal in 1990-91 and 1991-92 in each planning division in Northern Ireland;

(2) how many planning service decisions rejected by district councils were subsequently reversed on appeal in 1990-91 and 1991-92 in each planning division in Northern Ireland.

Mr. Atkins: Planning decisions in Northern Ireland are taken by the Department of the Environment for Northern Ireland after consultation with district councils.

The information requested is set out in the table:

Year and Division	*Number of decisions reversed on appeal*	*Number of decisions where District Councils disagreed with Department's decision which was subsequently reversed on appeal*
1990-91		
Londonderry	21	5
Ballymena	38	19
Omagh	6	3
Craigavon	9	3
Downpatrick	36	5
Belfast	34	3
Total	144	38
1991-92		
Londonderry	16	3
Ballymena	15	6
Omagh	8	5
Craigavon	5	3
Downpatrick	17	7
Belfast	22	1
Total	83	25

Minority Languages

Mr. William Ross: To ask the Secretary of State for Northern Ireland what representations he has received regarding the European charter for regional or minority languages.

Mr. Hanley: The chairman of the Community Relations Council, Dr. James Hawthorne, wrote to the Secretary of State for Northern Ireland on 25 June 1992 to convey the council's desire that the Government ratify the convention in due course.

Mr. William Ross: To ask the Secretary of State for Northern Ireland what discussions he has had with the Government of the Irish Republic regarding the European charter for regional or minority languages.

Mr. Hanley: None.

Race Relations

Mr. William Ross: To ask the Secretary of State for Northern Ireland what representations he has received from the Fair Employment Commission regarding future race relations legislation in Northern Ireland.

Mr. Hanley: None.

Roads

Mr. McGrady: To ask the Secretary of State for Northern Ireland what measures will be taken to increase the budgetary allocation to the roads infrastructure; and if he will make a statement.

Mr. Atkins: Expenditure allocations for roads in 1993-94 have now been determined and in real terms will be maintained at much the same levels as in 1992-93 with increased emphasis being given to minor works and bridge strengthening schemes. Every effort will be made to ensure that future expenditure levels for roads are sufficient to meet identified needs, taking into account the many competing demands on public expenditure in Northern Ireland.

Hospital Budgets

Dr. Hendron: To ask the Secretary of State for Northern Ireland what degree of flexibility there is for a hospital if, during the financial year, that hospital has overspent its budget.

Mr. Hanley: Under the rules of Government accounting, HPSS boards must contain expenditure within the allocation made to them for any year, and a board has the primary responsibility to ensure that units of management within the board also live within their budgets.

Boards, individual units and hospitals within units have freedom to take management decisions to curtail expenditure in order to achieve this.

A certain amount of flexibility is available to a unit of management in that, with the approval of its board, it may transfer funds from capital to revenue to cover a temporary overspend. In addition a board can make use of underspendings in other budget heads to cover overspendings within a unit of management.

Dr. Hendron: To ask the Secretary of State for Northern Ireland to what extent the budget available for any hospital in any coming year is based on the number of deaths and discharges from the previous year.

Mr. Hanley: The budget available for a hospital in any year will be based on its anticipated income which will be earned from contracts to provide health and personal social services. These contracts will be made with boards, and GP fundholders and will be related to agreed activity levels measuring in-patient, day-patient and out-patient activity. Previous years activity levels do form a baseline for contract negotiations.

Royal Victoria Hospital

Dr. Hendron: To ask the Secretary of State for Northern Ireland what percentage of the total amount of moneys spent at the Royal Victoria hospital during each of the last five years was spent on administrative duties.

Mr. Hanley: The information is not available in the form requested. Total revenue expenditure at the Royal Victoria hospital for the last five years was as follows:

Year	*£ million*
1987-88	39·4
1988-89	42·4
1989-90	43·3
1990-91	47·5
1991-92	49·5

The Royal Victoria hospital is part of the Royal group of hospitals unit of management within the Eastern health and social services board, and the cost of administration is gathered on a unit of management basis. The Royal group of hospitals unit of management was created on 1 April 1990, and the following table shows the percentage of the total revenue expenditure spent on administration duties during 1990-91 and 1991-92.

The Royal Group of Hospitals Unit of Management

	Total revenue expenditure £ million	*Unit of management administration £ million*	*Percentage*
1990-91	87·7	2·2	2·5
1991-92	94·5	3·4	3·6

The increase in administration expenditure during 1991-92 was partly caused by the recharge to units of management of certain finance and supplies administration costs formerly absorbed in board headquarters administration.

Dr. Hendron: To ask the Secretary of State for Northern Ireland what percentage of the total amount of moneys spent at the Royal Victoria hospital during each of the last five years was spent directly on patient care.

Mr. Hanley: The information requested is as follows:

Royal Victoria hospital

	Total net revenue expenditure £ million	*Expenditure on Direct treatment £ million*	*Percentage*
1987-88	39·4	25·6	64·97
1988-89	42·4	29·4	69·34
1989-90	43·3	30·7	70·90
1990-91	47·5	34·2	72·00
1991-92	49·5	35·9	72·53

Direct patient care is taken as direct treatment and ancillary departments' revenue expenditure, together with specialists remuneration and expenses.

Dr. Hendron: To ask the Secretary of State for Northern Ireland how much money was spent at the Royal Victoria site in 1992 on *(a)* administration and *(b)* patient care.

Mr. Hanley: The information is not available in the form requested.

Expenditure figures are not produced for calendar years, the latest figures available being those for the financial year ended 31 March 1992.

The following figures relate to the Royal group of hospitals unit of management, and patient care is taken as direct treatment and ancillary departments revenue expenditure, together with specialists remuneration and expenses.

Royal group of hospitals unit of management

	Revenue expenditure on direct treatment of patients £ million	*Unit of management administration* £ million
1991-92	65·6	3·4

Electricity

Mr. Stott: To ask the Secretary of State for Northern Ireland what progress he is making in establishing the electricity interconnector between Scotland and Northern Ireland; and if he will make a statement.

Mr. Atkins: This is a matter for Northern Ireland Electricity plc. I understand from the chairman of NIE plc that satisfactory progress is being made in planning the project.

Mr. Stott: To ask the Secretary of State for Northern Ireland what study his Department has made of the disparity in the price of electricity between Northern Ireland and the rest of the United Kingdom; what plans he has to bring prices in Northern Ireland into line with electricity prices in the rest of the United Kingdom; and if he will make a statement.

Mr. Atkins: Domestic, agricultural and small business electricity prices are lower than some parts of the United Kingdom, although there is a disparity for consumers with a peak demand in excess of 1MW. Since the price of electricity for industrial consumers in Great Britain is governed by commercially confidential contracts it is not possible to undertake such a study.

Mr. Stott: To ask the Secretary of State for Northern Ireland what plans he has to re-establish an electricity interconnector between the south and the north of Ireland; what study his Department has made of the effect of such an interconnector on electricity prices in the north; and if he will make a statement.

Mr. Atkins: The question of restoration of the interconnector with the Republic of Ireland is kept under regular review.

Re-establishment of the interconnector with the Republic of Ireland would have a beneficial effect on energy prices in both Northern Ireland and the Republic of Ireland.

Actively-Seeking-Work Test

Ms Short: To ask the Secretary of State for Northern Ireland what benefit penalties can be applied to unemployed claimants who are found not to be actively seeking work; what procedures are followed before those penalties are applied; and if he will make a statement.

Mr. Hanley: Responsibility for the subject in question has been delegated to the Social Security Agency under its chief executive, Mr. Alec Wylie. I have asked him to arrange for a reply to be given.

Letter from Mr. A. Wylie to Ms Clare Short, dated 12 March 1993:

As I am responsible for Social Security operational matters your recent Parliamentary Question on the benefit penalties applied to unemployed claimants who are found not to be actively seeking work and the procedures which are followed before the penalties are applied has been passed to me for reply.

The position on penalties is that if an unemployed claimant is found not to be actively seeking work, any Unemployment Benefit or Income Support that is in payment can be withdrawn for the period in question up to a maximum of two weeks.

The procedures operated before the penalty is applied are that, at the initial claim stage, unemployed claimants are fully advised about the actively seeking work conditions and that failure to meet them could result in the withdrawal of benefits. If, subsequently, the Adjudication Officer decides that sufficient efforts have not been made to find work then the Unemployment Benefit and any Income Support in payment are withdrawn.

However, in some cases where the claimant's job search has been considered inadequate but the person genuinely did not understand what was required, a warning letter would be issued and an interview arranged to ensure that the person was taking adequate steps to seek employment.

I hope you find this information helpful. A copy of this reply will appear in the Official Report and copies will be placed in the Library.

Income Support Claimants

Ms Short: To ask the Secretary of State for Northern Ireland what plans he has to change the 21 hour rule enabling unemployed income support claimants to take up part time education courses; and if he will make a statement.

Mr. Hanley: Regulations governing social security are maintained on a United Kingdom-wide basis.

English Language Teaching

Mr. Beggs: To ask the Secretary of State for Northern Ireland if he will make a statement on provision of teaching of English as a foreign language in primary schools and post-primary schools in Northern Ireland.

Mr. Hanley: There is no provision for teaching English as a foreign language in either primary or post-primary schools in Northern Ireland.

In the case of pupils whose mother tongue is not English and who have little command of English, schools are often able to make additional remedial provision from within their existing resources to meet their needs. Where needs are so significant that they cannot be met from within the school's existing resources, education and library boards can provide extra help, either in terms of additional tuition, for example through their peripatetic remedial service, or by the provision of additional resources.

Community Care

Ms Rachel Squire: To ask the Secretary of State for Northern Ireland what form his proposed alterations to existing legislation will take to enable community care trusts to be formed.

Mr. Hanley *[holding answer 11 March 1993]:* The Government intend to publish a proposal for a draft Order in Council later this year to enable boards to delegate certain statutory functions to health and social services trusts. The precise form and content of the order are still being considered.

Health Service

Ms Rachel Squire: To ask the Secretary of State for Northern Ireland what assessment he has made of the Eastern health and social services board's acute services proposals in relation to the criterion of clinical effectiveness for providing and purchasing acute services.

Mr. Hanley *[holding answer 11 March 1993]:* In formulating its proposals for purchasing acute services the Eastern health and social services board used clinical effectiveness as one of its fundamental criteria. In doing so the board was guided by the Department of Health and Social Service's regional strategy for 1992-1997, which emphasised the importance of clinical effectiveness. The board also took account of a number of reports from various professional bodies in the United Kingdom on the provision of acute hospital care.

Community Care Trusts

Mr. William O'Brien: To ask the Secretary of State for Northern Ireland what steps he intends to take to review Government policy on the creation of community care trusts in Northern Ireland from 1 April 1994; and if he will make a statement.

Mr. Hanley *[holding answer 9 March 1993]:* The Government have no plans to review their policy on the creation of health and social services trusts, which it sees as the natural organisation model for all provider units in the health and personal social services in Northern Ireland, offering significant benefits to patients and clients and also to staff.

My noble Friend Lord Arran has already approved 10 applications for trust status, including four from community units and recently invited three further units which had expressed an interest to submit applications.

Radioactive Material

Mr. Beggs: To ask the Secretary of State for Northern Ireland what measures have been taken to protect the people of east Antrim and Northern Ireland in the event of an accident in the north channel involving shipments of radioactive material.

Mr. Norris: I have been asked to reply.

Nuclear fuel flasks are designed to international standards to withstand severe accidents. The transporters of radioactive material have in place appropriate plans in the case of marine accidents for the recovery of flasks.

TRADE AND INDUSTRY

Sellafield

Mr. Cohen: To ask the President of the Board of Trade if he will make a statement on the role and function of building B203 at British Nuclear Fuels Ltd. Sellafield; when it was first declared operational; and what is the expected cost of decommissioning it.

Mr. Eggar: This is a matter for the company.

Gas-powered Electricity Generation

Mr. Alan W. Williams: To ask the President of the Board of Trade if he will list all the gas-powered stations that are operational, under construction and that have been planned, giving the capacity of each station in megawatts and the date when it is expected to start generating electricity.

Mr. Eggar: I refer the hon. Member to my reply to the hon. Member for Wentworth (Mr. Hardy) on 10 November 1992, *Official Report*, columns *734-36*. The following information reflects the change in status of a number of projects since then.

Station	*Proposer*	*Status*
Killingholme (2nd unit)	PowerGen plc	Commissioned
Charterhouse Street	Citigen Ltd.	Under construction
Deeside	Deeside Power Development Co. Ltd.	Under construction
Little Barford	National Power plc	Under construction
Medway	Medway Power Ltd.	Under construction
Spondon	Derwent Cogeneration	Under construction

There are 13 applications made under section 36 of the Electricity Act 1989 for gas-fired generating stations with a capacity greater than 50MW which have not yet been determined.

The dates when these stations are planned to come into operation are a commercial matter for the companies concerned.

Power stations in Scotland and Northern Ireland are matters for my right hon. Friends the Secretary of State for Scotland and the Secretary of State for Northern Ireland respectively.

Utilities (Pension Schemes)

Ms Estelle Morris: To ask the President of the Board of Trade what was the surplus in the pension schemes of *(a)* British Telecom, *(b)* British Gas and *(c)* electricity boards in the three years prior to privatisation.

Mr. Leigh: British Telecom did not have an independent pension scheme prior to privatisation in 1984. Employee contributions were made into the Post Office staff superannuation scheme. It is not possible to attribute surpluses or deficits separately to British Telecom employees and former employees within this scheme, but the overall Post Office staff superannuation scheme did not show a surplus in this period.

Valuations of the electricity supply pension scheme are normally carried out once every three years. The last valuation prior to privatisation took place on 31 March 1989 and revealed a surplus of £89 million.

There was no surplus in the British Gas staff pension schemes in the three years prior to privatisation.

Radio Amateurs

Mr. Redmond: To ask the President of the Board of Trade (1) what consideration he has given to allowing radio amateurs to use a "for sale" facility on pocket radio; and if he will make a statement;

(2) when the radio investigation service last carried out a site inspection of GB3NA and GB3SY at Barnsley; what abuse was found; and what action he is taking;

(3) how many repeaters used by amateur radio operators have on-air remote control providing for immediate shutdown;

(4) what plans he has to change the repeater franchise scheme presently held by the Radio Society of Great Britain; and if he will make a statement;

(5) what consideration he has given to the introduction of a no-code high frequency licence for licensed radio amateurs;

(6) how many amateur radio licences have been revoked or modified in the last 12 months;

(7) what action he is taking to prevent yachtsmen using pirate call signs on 14313 MHz and conducting illegal phone-patch traffic back to the United Kingdom;

(8) what consideration he has given to abolishing the requirement for log-keeping by amateur radio operators using low-power FM;

(9) how many inspections of repeater sets in respect of radio operators have been carried out in the last 12 months; how many licence violations were found; what was the most common violation; and what action he is taking to reduce violations;

(10) what representations he has received regarding the abuse of repeaters by amateur radio operators in London;

(11) what regulations govern the fees for amateur radio licences;

(12) how many people have been prosecuted for amateur radio related offences in each of the last five years; what has been the budget of the radio investigation service in each of the last five years; and what assessment he has made of the effectiveness of the monitoring and enforcement activities of the service.

Mr. Leigh: These questions concern operational matters which are the responsibility of the Radiocommunications Agency. I have asked the chief executive to write to the hon. Member.

Letter from Mr. B. Maxwell to Mr. Martin Redmond, dated 12 March 1993:

You recently tabled a series of questions concerning the regulation of amateur radio. As you know, the Chief Executive of the Agency has been asked to write to you with the information requested as the questions relate to operational matters for which this Agency is responsible. I am replying in his absence. The questions and the information are as follows.

Question 172 tabled on 9 March 1993: To ask the President of the Board of Trade, what consideration he has given to allowing radio amateurs to use a for sale facility on pocket radio; and if he will make a statement.

Packet messages should reflect the purpose of the amateur licence, that is self-training in wireless telegraphy. It is not felt that advertising of goods fits into such a category. Packet radio provides both in the UK and, indeed, throughout the world an immensely useful tool for the dissemination of information, the seeking of help and advice and the publication of radio related news. The Amateur Radio Licence was compiled with this in mind and hence advertising is not currently allowed. In addition, there are already numerous outlets available for buying and selling of amateur equipment, for example through amateur radio magazines and amateur radio rallies.

Question 175 tabled on 9 March 1993: To ask the President of the Board of Trade, when the RIS last carried out a site inspection of GB3NA and GB3SY at Barnsley; what abuse was found; and what action he is taking.

GB3NA was last inspected on 13 September 1990. No contraventions were found. No inspections have been carried out of GB3SY.

Question 176 tabled on 9 March 1993: To ask the President of the Board of Trade, how many repeaters used by amateur radio operators have on-air remote control providing for immediate shut-down.

The Agency is prepared to consider representations from any repeater group requesting on-air remote control. One application has been granted to date and one application is under consideration.

Question 177 tabled on 9 March 1993: To ask the President of the Board of Trade, what plans he has to change the repeater franchise scheme presently held by the Radio Society of Great Britain; and if he will make a statement.

A decision has been made in principle to change the present arrrangement. From 1 April 1993, authority for these stations to operate will be granted by the issue of Notices of Variation to the repeater keeper's personal Amateur Radio Licence. Further details will be announced shortly.

Question 178 tabled on 9 March 1993: To ask the President of the Board of Trade, what consideration he has given to the introduction of a no-code high frequency licence for licensed radio amateurs.

The International Radio Regulations require that a licence to operate on frequencies below 30 MHz can be granted only to radio amateurs who have proved their ability to send and receive Morse code signals. The Agency is consulting widely on this issue and initial responses indicate that there are strong opinions both for and against this requirement.

Question 182 tabled on 9 March 1993: To ask the President of the Board of Trade, how many amateur licences have been revoked or modified in the last 12 months.

One amateur radio licence has been revoked and two re-applications have been refused during the last 12 months. During this period one amateur radio licence has been modified by the issue of a Notice of Variation.

Question 183 tabled on 9 March 1993: To ask the President of the Board of Trade, what action he is taking to prevent yachtsmen using pirate call signs on 14313 MHz and conducting illegal phone-patch traffic back to the United Kingdom.

Where complaints have alleged licence contraventions by United Kingdom amateurs, the Agency has an arrangement to pass details to the Radio Society of Great Britain's Amateur Radio Observation Society (AROS) to inquire into the matter in the first instance. AROS will decide in the light of its findings, whether to report the matter to the Agency for possible further investigation.

Question 186, tabled on 9 March 1993: To ask the President of the Board of Trade, what consideration he has given to abolishing the requirement for log-keeping by amateur radio operators using low power FM.

A radio amateur is required to keep a permanent record (a log) of all transmissions with the exception of transmissions from low power devices as defined in sub-clause 2(4)(b) of the amateur radio licence.

Question 187 tabled on 9 March 1993: To ask the President of the Board of Trade, how many inspections of repeater sets in respect of radio operators have been carried out in the last 12 months; how many licence violations were found; what was the most common violation; and what action he is taking to reduce violations.

There have been 27 inspections of amateur repeaters in the current financial year to the end of February. These revealed

5 licence contraventions. There were two instances each of removal of attenuators and unauthorised unattended operation and one instance of spurious emissions.

The Agency's priorities are set by Ministers. Top priority is given to tackling interference which could endanger lives and to helping those whose business operations are disrupted as a result of interference. Other complaints, including those relating to hobby radio, are dealt with after higher priorities have been met. Within this limitation, the Agency has devoted considerable effort to tackling repeater abuse. In addition to the programme of site inspections, actions taken in response to complaints have included imposing restrictions on individuals' use of repeaters, requiring attenuators to be fitted to reduce coverage, limiting the hours in which repeaters operate and, where necessary and justified in the public interest, prosecuting. Prosecution usually requires extensive monitoring to obtain supporting evidence.

Question 188 tabled on 9 March 1993: To ask the President of the Board of Trade, what representations he has received regarding the abuse of repeaters by amateur radio operators in London.

Since the beginning of 1992, the Agency has received a total of 8 representations from 3 individuals complaining about abuse of repeaters in London and one letter objecting that measures taken by the Agency to combat the abuse were excessive.

Question 189 tabled on 9 March 1993: To ask the President of the Board of Trade, what regulations govern the fees for amateur radio licences.

The current amateur radio licence fee is set by the Wireless Telegraphy (Licence Charges) Regulations 1991 (S.I. 1991/542) as amended by the Wireless Telegraphy (Licence Charges) (Amendment) Regulations 1992 (S.I. 1992/362). These Regulations are made under Sections 1 and 2 of the Wireless Telegraphy Act 1949 and the fees are set out within the limitations set out in Part V of the Schedule 1 and Part 1 of Schedule 2 to the Department of Trade and Industry (Fees) Order 1988 (S.I. 1988/93).

Question 192 tabled on 9 March 1993: To ask the President of the Board of Trade, how many people have been prosecuted for amateur radio related offences in each of the last five years; what has been the budget of the Radio Investigation Service in each of the last five years; and what assessment he has made of the effectiveness of the monitoring and enforcement activities of the services.

Statistics on prosecutions are published annually in the Agency's report. I am enclosing a copy for your attention. The figures for the last five financial years are 3 (1987-88), 7 (1988-89), 3 (1989-90), 5 (1990-91), and 4 (1991-92). All resulted in convictions.

Total expenditure by the Radio Investigation Service (RIS) since the Agency was created was £5·51 million in financial year 1990-91 and £5·99 million in financial year 1991-92. These figures are net of receipts and do not include overheads. Comparable figures for previous years could be obtained only at disproportionate cost.

Effectiveness of the Agency's monitoring and enforcement activities is assessed against the enforcement quality of service targets set by Ministers and published in the Agency's annual report. In 1991-92, the targets were to handle 100% of safety of life complaints within 24 hours, to handle 95% of business complaints within 5 working days and to handle 95% of domestic complaints within 1 month. The RIS succeeded in meeting or surpassing all these targets, which have been made even more demanding for the current financial year. Performance figures will be published in the Agency's next annual report.

I enclose a full set of the Agency's amateur radio information sheets for your information and hope this is all helpful.

Air-cooled Diesel Engines

Mr. Llew Smith: To ask the President of the Board of Trade what developments he has funded in the industrial research and production of air-cooled diesel engines optimised for emission minimisation.

Mr. Eggar: My Department has not funded research and development specifically of air-cooled diesel engines, although considerable funds have been given to encourage research into cleaner diesel engines generally.

Plastic

Mr. Llew Smith: To ask the President of the Board of Trade what communications he has received from the European Centre for Plastics in the Environment concerning its work on eco-balance analysis of plastic production and recycling.

Mr. Eggar: Officials in my Department's Environment Division have had frequent contact and correspondence with the centre over several years on plastics recycling issues, including a number of major reports on plastics waste management to which the centre has contributed.

Petrol Stations

Mrs. Lait: To ask the President of the Board of Trade what estimate has been made of the costs of implementing stage 2 of draft EC directive 8348/92 for *(a)* urban petrol stations, *(b)* rural petrol stations, *(c)* independently owned petrol stations and *(d)* petrol stations owned or franchised by the oil companies.

Mr. Eggar: The Commission has yet to make a proposal on stage 2 VOCs controls during car refuelling.

Mrs. Lait: To ask the President of the Board of Trade what estimate has been made of the cost of implementation of draft EC directive 8348/92, stage 1, to petrol stations in rural areas.

Mr. Eggar: The costs of implementation of stage 1 VOCs emissions controls at rural petrol stations is currently being reviewed with industry.

Offshore Oil and Gas Industry

Dr. Godman: To ask the President of the Board of Trade how many *(a)* males and *(b)* females have been employed in the offshore oil and gas installations, rigs and vessels in each of the past 10 years.

Mr. Eggar: An annual survey carried out by the Inland Revenue estimated that the total employed in offshore oil and gas installations, rigs and vessels in 1992 was some 29,500. These surveys do not distinguish between male and female. Estimates from previous surveys are given in my Department's reports to Parliament, the "Development of the Oil and Gas Resources of the United Kingdom" (the Brown Book), copies of which are available in the Library. The 1993 edition of the Brown Book will be available by the end of April.

Trawsfynydd Power Station

Mr. Alex Carlile: To ask the President of the Board of Trade if he will make a statement regarding the discovery of broken rods in Trawsfynydd nuclear power station's reactor 2.

Mr. Eggar: Nuclear Electric discovered in 1992, during routine inspection work of reactor 2's core restraint system, that two tie rods had failed. A similar inspection of reactor 1 revealed no failures. The company subsequently

carried out a structural analysis of the reactors' core restraint systems. This is currently being evaluated by the Health and Safety Executive's nuclear installations inspectorate as part of its assessment of the case for the return to service of the Trawsfynydd reactors.

Biofuels

Mr. Flynn: To ask the President of the Board of Trade what plans he has to encourage an increase in the production of biofuels in the United Kingdom; and if he will make a statement.

Mr. Eggar: I refer the hon. Gentleman to the reply that I gave on 1 February 1993, *Official Report*, column *57*.

Coal Industry

Mr. Lester: To ask the President of the Board of Trade what plans he has to publish the report he commissioned on 23 December from John T. Boyd on the 10 collieries.

Mr. Heseltine: I announced on 23 December that I had appointed John T. Boyd to report on the 10 pits proposed for closure last October and currently subject to a consultation process between British Coal and the mining unions. I asked Boyds to consider in particular whether British Coal's criteria for closure (loss making and no prospect of viability in the foreseeable future) were met in relation to all or any of them. I also asked Boyds to report on whether the fabric of those pits was being preserved in accordance with assurances that British Coal had given.

Boyds sent its draft report to British Coal, the mining unions and my Department for comment on 22 February in accordance with the terms of reference, and were required to take account of comments received in finalising their report. As I indicated to British Coal and the unions on 3 March, my Department, as a matter of policy, did not comment on the draft report.

Boyds's final report has been sent to British Coal, the mining unions and myself today. I have placed copies in the Library, and I am arranging for the report to be made available to the public shortly.

AGRICULTURE, FISHERIES AND FOOD

Contracting Out

Mr. McAllion: To ask the Minister of Agriculture, Fisheries and Food if he will list all those services or functions that have been contracted out from his Department since November 1991 without market testing an in-house bid against external competition, with, in each instance the successful contractor and the reasons for the decision to exclude an in-house bid.

Mr. Curry: There have been no decisions to exclude in-house bids in any market tests of existing departmental services or functions.

Set-aside Land

Mr. David Nicholson: To ask the Minister of Agriculture, Fisheries and Food what representations he has had about the application of the EC set-aside policy to the United Kingdom in comparison with its application to other EC members.

Mr. Curry: I receive requests from time to time for information about levels of uptake in the United Kingdom and other EC member states under the various EC set-aside arrangements. I have also received a number of representations about the possible impact of a GATT settlement on the set-aside requirement for the arable area payments scheme.

Archaeological Monuments

Mr. Martlew: To ask the Minister of Agriculture, Fisheries and Food if it is his policy to refuse grant aid if the payment will result in damage to archaeological monuments; and if he will make a statement.

Mr. Curry: In England it is a condition of grant under the farm and conservation grant scheme, which provides capital grants to farmers on a range of investments of benefit to conservation and the environment, that English Heritage is consulted on any work to be submitted for grant aid which might affect a scheduled ancient monument or listed building. Similar arrangements apply elsewhere in the United Kingdom. It is most unlikely that grant would be paid on any work to which English Heritage or its equivalents had objected.

Paper Sludge Recycling

Mr. Nicholas Winterton: To ask the Minister of Agriculture, Fisheries and Food what assessment the Agricultural Development Advisory Service has made of the safety of the recycling of paper sludge on agricultural land.

Mr. Gummer: ADAS have carried out work in this area on a commercial basis. The matter is therefore one in which ADAS have delegated responsibility and I have asked the ADAS chief executive to reply direct.

Letter from Dr. J. M. Walsh to Mr. Nicholas Winterton, dated 15 March 1993:

I am responding on behalf of the Minister of Agriculture, Fisheries and Food, to your Parliamentary question regarding assessments made by ADAS of the safety of the recycling of paper sludge on agricultural land.

1. ADAS have been commissioned by a number of paper producers to investigate the application of paper sludge waste to land. All of these materials originate from different paper manufacturing processes. This means that the chemical and physical characteristics of the waste derived from each source is different.
2. All of the paper wastes investigated by ADAS have been analysed chemically and microbiologically for the presence of plant nutrients and toxic materials. Plant growth studies and field experiments have also been undertaken to assess their suitability for recycling to land as a beneficial material.
3. The safety of the recycling of paper sludge on agricultural land is dependant on the nature of the material and the way in which it is used. Generalised comments relating to the safety of any material cannot be given without qualification.
4. In each of the above cases, the material was found to be suitable for recycling to land for the purpose of fertilising or otherwise beneficially conditioning. Recommendations have been given to ensure that the wastes are applied to land according to all relevant Acts of Parliament and Codes of Practice.
5. ADAS have been engaged as consultants to undertake on-going monitoring of field recycling operations for one particular client. Each field to receive the sludge is investigated and the soil analysed prior to the deposit. The material is not re-cycled to unsuitable fields. Those fields which receive the waste are re-visited, to ensure that the material has been applied according to a specified Codes of Practice, formulated by ADAS.

Haddock

Mr. Austin Mitchell: To ask the Minister of Agriculture, Fisheries and Food (1) what efforts he is making to restrict the landing of North sea haddock to avoid early closure of the fishery;

(2) if he will ensure that the organisations responsible for the management of quotas act to reduce the present glut of haddock.

Mr. Curry *[pursuant to his reply, 19 February 1993, c. 370-71]:* We have now written to producers organisations (POs) about measures to improve the management of annual quotas with particular reference to the cod, haddock and whiting fisheries in areas IV and VI. In our discussions with POs we had proposed a system of quarterly catch limits for cod, haddock and whiting and the periodic closures of individual fisheries to PO vessels where a PO had exceeded a quarterly catch limit by more than 10 per cent. in any quarter during the year.

In response, POs made it clear that they would prefer to be allowed to manage their sectoral allocations according to their particular circumstances and the needs of their members. After very careful consideration we have agreed that POs should continue to manage their sectoral allocations for cod, haddock and whiting without imposing the tighter discipline of quarterly catch limits, but I must emphasise that in retaining flexibility to manage sectoral allocations POs must take full responsibility for the actions of their members and the impact on markets. It is in the best interests of POs and their members that fishing activity and landings should be organised so as to provide for orderly marketing and to avoid any repeat of the early closures of fisheries which occured in 1992.

Archaelogical Monuments

Mr. Martlew: To ask the Minister of Agriculture, Fisheries and Food from which grant schemes his Ministry provides payments for the management and protection of archaeological monuments; and if he will make a statement.

Mr. Curry: Farmers participating in the environmentally sensitive areas (ESAs) scheme must ensure that their farming practices do not damage any archaeological monuments or other historic features on their land. Under recent revisions of the scheme I have introduced additional payments for particular works to protect archaeological monuments and other historic features.

Biofuels

Mr. Flynn: To ask the Minister of Agriculture, Fisheries and Food what plans he has to increase the area of set-aside land that is used for producing raw materials for biofuels.

Mr. Curry: Any set-aside land can be used for producing suitable raw materials for biofuels, provided the grower has a contract with a processor and complies with the Community rules on the scheme.

We are continuing to press the Commission to introduce rules for non-rotational set-aside this year. This will allow perennial crops to be grown for biofuels on set-aside land.

Coppicing

Mr. Flynn: To ask the Minister of Agriculture, Fisheries and Food what plans he has to extend the total area of land now used for coppicing.

Sir Hector Monro: I have been asked to reply.

The Forestry Commission's woodland grant scheme provides grants for the establishment of new areas of coppice and was recently extended to include short-rotation coppice.

WALES

Care Programmes

Mr. Wigley: To ask the Secretary of State for Wales if he will list the health authorities and local authorities in Wales who do not provide care programmes for those people in their area and living in the community who are under the care of a consultant psychiatrist.

Mr. Gwilym Jones: None.

Committee of the Regions

Mr. Morgan: To ask the Secretary of State for Wales if he will place a copy in the Library of his note to Plaid Cymru specifying the minimum of Welsh representatives in the United Kingdom delegation of the Committee of the European Regions; what consultations he has had and what undertakings he has given in relation to separate party political affiliation in the Welsh representation; what mechanism he proposes for selection or election of such separate party political representation; and when he will make a statement.

Mr. David Hunt: No.

Mr. Morgan: To ask the Secretary of State for Wales what consultations he has had in relation to the setting up of a forum for interchange of views with those representing Wales on the Committee of the European Regions; what provisions he envisages for frequency of its meetings, for funding for its secretariat and other support services; and if he will make a statement.

Mr. David Hunt: I am considering a range of representations.

Radon Levels

Mr. Martyn Jones: To ask the Secretary of State for Wales when he expects to announce the results of the Radiological Protection Board survey of Wales.

Mr. Gwilym Jones: The results of the next phase of the survey of radon levels in Wales are expected in spring 1994.

Dental Services

Mr. Alex Carlile: To ask the Secretary of State for Wales how many private and how many national health dental practices there are in Welshpool; how many there were in 1989; and if he will make a statement.

Mr. Gwilym Jones: Information received from Powys FHSA indicates that there are two dental practices in Welshpool treating NHS patients at the present time and that there were two in 1989. No information is available centrally on the number of private dental practices.

Temporary Classrooms

Mr. Alex Carlile: To ask the Secretary of State for Wales how many Portakabin classrooms there are in Wales; how many there were in 1979, 1985 and 1990; and if he will make a statement.

Sir Wyn Roberts: Statutory responsibility for the provision of school buildings rests with local education authorities, and this information is not held centrally.

Nuclear Fuel (Transport by Sea)

Mr. Michael: To ask the Secretary of State for Wales what assessment he has made of the demands that would arise from local authorities and other public and environmental protection services of a ship being grounded on the Welsh coast while transporting spent nuclear fuel; if he will list the organisations he has consulted regarding such an event; and what plans he has to require and inter-agency exercise involving his Department and all other relevant organisations in Wales to identify and plan for such an event.

Mr. Gwilym Jones: Within the United Kingdom, the Department of Transport is responsible for the regulations governing, and for assessing the safety of, all radioactive material transports. Stringent safety requirements mean that the flasks containing spent nuclear fuel are designed and tested to such a standard that it is extremely unlikely they would be damaged if a ship carrying them ran aground. The carriers of such flasks also have comprehensive contingency plans, regularly tested in exercises, for all stages of a ship's journey; and these include the safe recovery of flasks in any marine accident.

In the unlikely event of a ship carrying radioactive cargo running aground off the Welsh coast, the Department of Transport would inform the Welsh Office and other relevant Departments. Other local interests would be informed and involved as appropriate; and established civil emergency arrangements brought into action as required.

Anglesey Mining

Mr. Morgan: To ask the Secretary of State for Wales if the offer of regional selective assistance to Anglesey Mining is still outstanding; and if he will make a statement.

Mr. David Hunt: I announced an offer of regional selective assistance to Anglesey Mining plc in October 1991. Further details about the project are commercially confidential.

Environmentally Sensitive Areas

Mr. Ron Davies: To ask the Secretary of State for Wales when the orders establishing the environmentally sensitive areas announced in June will be laid before the House.

Mr. David Hunt: The orders relating to the proposed Anglesey and Radnor environmentally sensitive areas will be laid before the House shortly. I plan to lay the orders relating to the proposed Preseli and Clwydian Range environmentally sensitive areas later this year.

Biofuels

Mr. Flynn: To ask the Secretary of State for Wales what plans he has to encourage the expansion of the total of jobs in Wales in the production of biofuels.

Mr. David Hunt: I refer the hon. Gentleman to the reply given to the hon. Member for Ceredigion and Pembroke, North (Mr. Dafis) on 1 February at column *57*, by my hon. Friend the Minister for Energy.

Energy Forestry

Mr. Flynn: To ask the Secretary of State for Wales what plans he has to encourage an increase in the area of land in Wales used for short rotation coppicing and other energy forestry uses.

Sir Wyn Roberts: The group which I have set up to promote the future development of forestry in Wales will consider short-rotation coppicing and other energy forestry uses in the course of their work. In the meantime, the Forestry Commission's woodland grant scheme already provides grants for the establishment of new areas of coppice.

Nature Reserve

Mr. Morgan: To ask the Secretary of State for Wales what funding and legal procedures he proposes for mitigation and compensation measures at Redwick and Goldcliff in the county of Gwent for the possible loss of inter-tidal feeding grounds at Cardiff Bay; what consultations he has had with the Cardiff Bay development corporation and the Countryside Council for Wales in relation to the capital and revenue funding for this proposed national nature reserve at these two sites on the Gwent Levels; what consultation procedures he proposes with the Royal Society for the Protection of Birds and other local wildlife interests; what comparable measures of compensation and mitigation he proposes for the loss of coastal fisheries, arising from the proposed barrage; and if he will make a statement.

Mr. David Hunt: My officials have held a series of consultations with the Countryside Council for Wales, Royal Society for the Protection of Birds and Cardiff Bay development corporation about the funding and acquisition of the proposed reserve. All three bodies, together with my Department, are represented on the steering group which oversaw the feasibility study. The steering group will continue in existence to consider details of design, planning permission and acquisition of the sites.

A range of local wildlife interests were consulted during the feasibility study, and this consultation will continue as the process of design continues. Fishing piers on the seaward side of the barrage will compensate for the loss of existing sea angling sites within Cardiff bay.

Welsh Development Agency

Mr. Morgan: To ask the Secretary of State for Wales what consultations he has had with the Welsh Development Agency in relation to the Touche Ross report on regularity and propriety of financial arrangements in the agency.

Mr. David Hunt: None.

Yale Sixth Form College

Dr. Marek: To ask the Secretary of State for Wales if he will make it his policy to assist in the relocation of Yale sixth form college to the Grove Park school/War Memorial hospital site in Wrexham.

Sir Wyn Roberts: Under the Further and Higher Education Act 1992 responsibility for securing the provision of further education, including provision in sixth form colleges, will pass from the local education authorities to the Further Education Funding Council for Wales (FEFCW) on 1 April.

The FEFCW has established a group to consider, and to provide it with advice about, further education requirements in Wrexham and what accommodation arrangements are needed. The group, which includes representatives from Yale sixth form college, the North East Wales Institute of Higher Education and the North East Wales training and enterprise council will consider all options including the relocation of the college to the Grove Park school/War Memorial hospital site.

EMPLOYMENT

Offshore Oil and Gas Industry

Dr. Godman: To ask the Secretary of State for Employment how many officially recorded warnings have been issued by Health and Safety Executive officials to those employers and/or managers deemed to have transgressed either national or European Community legislation and regulations which relate to the safety and safe-working practices of persons employed in the offshore oil and gas industries; and if she will make a statement.

Mr. Michael Forsyth: Since assuming responsibility for enforcement of offshore safety on 1 April 1991, the Health and Safety Executive (HSE) has served 17 improvement notices and seven prohibition notices on owners and operators of offshore installations operating in United Kingdom waters under existing offshore health and safety legislation. In addition it is usual practice for HSE to write following an inspection confirming any remedial action agreed to by employers during the visit; the number of such letters sent is not routinely recorded, and could be provided only at disproportionate cost.

Dr. Godman: To ask the Secretary of State for Employment what plans she has to alter or modify the offshore survival course and qualifications required of those seeking to obtain employment in the offshore oil and gas fields; and if she will make a statement.

Mr. Michael Forsyth: None. Employers have a duty under the Health and Safety at Work, etc. Act 1974 to provide adequate training to ensure the health and safety of their employees. I understand that the guidelines issued by the United Kingdom Offshore Operators' Association (UKOOA) recommending minimum standards for survival courses are currently being reviewed by it. The Offshore Petroleum Industry Training Organisation (OPITO) develops and monitors course standards within these guidelines.

Dr. Godman: To ask the Secretary of State for Employment how many persons successfully completed the offshore survival course required of all those seeking employment in the offshore oil and gas fields in each of the last seven years; and which educational and training institutions are officially approved in this regard.

Mr. Michael Forsyth: The Offshore Petroleum Industry Training Organisation (OPITO) maintains a database providing details of survival and other training courses attended by all personnel seeking employment in the United Kingdom offshore oil and gas industry. OPITO's records indicate that since 1 July 1989, 58,711 persons successfully completed offshore survival courses and 40,979 completed survival refresher courses. Information prior to July 1989 is not readily obtainable and could be obtained only at disproportionate cost.

OPITO is responsible for approving training establishments providing survival and other offshore training courses. The following establishments have been approved by OPITO to provide offshore survival courses:

Blackpool and the Fylde College Fleetwood Offshore Survival Centre
Humberside Offshore Training Association
PETANS Ltd.
RGIT Survival Centre Ltd.
Southampton Institute of Higher Education
South Tyneside College

Dr. Godman: To ask the Secretary of State for Employment what recent discussions have been held with her counterparts in other member states of the European Community and with the representatives of the Norwegian Government concerning the implementation of EC legislation relating to the safety and safe working practices of those employed in the offshore oil and gas industries; and if she will make a statement.

Mr. Michael Forsyth: My right hon. Friend, the Secretary of State attended the Social Affairs Council on 30 April 1992 when the directive concerning the minimum requirements for improving the safety and health protection of workers in the mineral-extracting industries through drilling (the Extractive Industries Directive) reached common position. My noble Friend, the Baroness Denton of Wakefield was present at the Council of Consumer Protection and Information when this directive was adopted on 3 November 1992. I have had no other discussions on these matters with colleagues in other member states in the European Community, or with members of the Norwegian Government.

Officials of the Health and Safety Executive however, regularly meet with their counterparts in other EC member states and in Norway to discuss relevant offshore health and safety issues, including the implementation of EC health and safety legislation offshore.

Dr. Godman: To ask the Secretary of State for Employment how many prosecutions have been sought in each of the past four years by the Health and Safety Executive in *(a)* the Scottish courts and *(b)* the English courts in respect of breaches of national and European Community legislation and regulations which relate to the safety of those employed in the offshore oil and gas fields; and if she will make a statement.

Mr. Michael Forsyth: Since assuming responsibility for enforcement of offshore safety on 1 April 1991, the Health and Safety Executive has recommended prosecution action for breaches of offshore safety legislation in respect of 14 cases in the Scottish courts and five cases in the English courts.

In addition, three convictions in the Scottish courts after 1 April 1991 resulted from recommendations made prior to that date. The then Secretary of State for Energy was responsible for offshore safety matters prior to 1 April 1991.

Dr. Godman: To ask the Secretary of State for Employment if she will list the European Community legislation which relates to the safety and working practices of *(a)* production platform and rig personnel, *(b)* officers and crews of emergency/standby vessels and *(c)* helicopter crews and passengers in the offshore oil and gas fields; and what means of monitoring this legislation are employed by her officials.

Mr. Michael Forsyth: The following regulations were made under the Health and Safety at Work etc. Act 1974 in response to EC health and safety directives. They apply to offshore installations and activities in connection with them as defined in the Application Outside Great Britain Order 1989:

Control of Lead at Work Regulations 1980
Ionising Radiation Regulations 1985
Control of Asbestos at Work Regulations 1987
Control of Asbestos at Work (Amendment) Regulations 1992
Asbestos (Prohibitions) Regulations 1992
Management of Health and Safety at Work Regulations 1992
Provision and Use of Work Equipment Regulations 1992
Manual Handling Operations Regulations 1992
Personal Protective Equipment at Work Regulations 1992
Health and Safety (Display Screen Equipment) Regulations 1992
Genetically Modified Organisms (Contained Use) Regulations 1992

It is the responsibility of dutyholders under the regulations to comply with them. Health and Safety Executive inspectors will monitor compliance as part of their planned programme of inspections.

Dr. Godman: To ask the Secretary of State for Employment what plans she has to modify or change the training and qualifications of the officers and crews of emergency/standby vessels operating in the offshore oil and gas industries; and if she will make a statement.

Mr. Michael Forsyth: The joint Health and Safety Executive (HSE) and Department of Transport code on the assessment of the suitability of standby vessels attending offshore installations outlines the training required by standby vessel crew to ensure compliance with the code. At the request of HSE, the Offshore Petroleum Industry Training Organisation has been developing standards for this training. This process is now almost complete and work is in hand to validate the courses offered by training establishments. There are no plans to modify or change the training requirements in the code, which reflect Lord Cullen's concerns that the crew of standby vessels must be fully trained to undertake their emergency duties.

Dr. Godman: To ask the Secretary of State for Employment whether all emergency/standby vessels operating in the off-shore oil and gas fields now conform to the revised code of suitability of emergency/standby vessels; and if she will make a statement.

Mr. Michael Forsyth: All standby vessels attending offshore installations are fully certificated as complying with the code. This has been the case since 1 January 1993 when the code came fully into effect.

Self-employment

Mr. David Porter: To ask the Secretary of State for Employment how many people were registered as self-employed in Suffolk and Norfolk for each of the last 10 years.

Mr. McLoughlin: Estimates of self-employed people by county are available only from the census of population for April 1991 which shows 39,915 self-employed people in Suffolk and 51,331 in Norfolk.

Quarterly estimates from spring 1992 and annual estimates from spring 1983 are available from the "Labour Force Survey" for the East Anglia region as a whole which covers Suffolk, Norfolk, and Cambridgeshire.

Self-employed people in East Anglia

	Number
Spring 1983	98,000
Spring 1984	116,000
Spring 1985	118,000
Spring 1986	109,000
Spring 1987	130,000
Spring 1988	147,000
Spring 1989	158,000
Spring 1990	151,000
Spring 1991	138,000
Spring 1992	143,000
Summer 1992	134,000

Source: Labour Force Survey (not seasonally adjusted).

Mr. David Porter: To ask the Secretary of State for Employment if she will make a statement about what steps she is taking further to increase the numbers of the self-employed.

Mr. McLoughlin: The purpose of the Department's business start-up (formerly enterprise allowance) scheme is specifically to help unemployed people to set up their own business. Over 600,000 people had entered the scheme by April 1992. Over 40,000 entrants are expected this year (1992-93).

The Department also contributes funds to support the work of the Prince's youth business trust and the Prince's Scottish youth business trust in making loans available to disadvantaged 18-25 year olds who have not been able to raise funds for their business ideas from other sources. Some 15,000 businesses have been supported by the two trusts since 1986.

Labour Statistics

Mr. Paice: To ask the Secretary of State for Employment what labour market-related statistics are available for individual training and enterprise council areas; and if she will provide such information as is available on a quarterly basis for the claimant unemployment figures for 1990 to 1992 for the Bedfordshire, Cambridgeshire, Essex, Hertfordshire, Norfolk and Waveney, Greater Peterborough and Suffolk training and enterprise council areas.

Mr. McLoughlin: Wherever possible, labour market statistics are available for training and enterprise council areas: for example, employment data from the census of employment, population data, vacancy data and data on the levels of claimant unemployment. All these data are available from the NOMIS database in the Library and

more information on the coverage of the statistics available can be obtained from the NOMIS reference manuals.

Earnings

Mr. Milburn: To ask the Secretary of State for Employment if she will provide a table showing the average gross weekly earnings of full-time workers in *(a)* each region and *(b)* each county in each year since 1979 as a percentage of the Great Britain averages.

Mr. McLoughlin: The information requested can be found in tables 110 and 113 of Part E of the "New Earnings Survey" for each of the years concerned. Copies of the survey are available in the Library.

Youth Training

Mr. Fatchett: To ask the Secretary of State for Employment how many youth training places were available through the Leeds training and enterprise council in *(a)* 1991-92, *(b)* 1992-93 and *(c)* 1993-94.

Mr. McLoughlin: The information is not available in the form requested.

At present there are 2,813 young people on youth training in Leeds. The figure at March 1992 and April 1991 was 2,885 and 3,400 respectively. These figures reflect the demographic downturn in school leavers.

The Leeds TEC is confident that the Government's guarantee of a training place to eligible young people will be met.

Mr. Frank Field: To ask the Secretary of State for Employment how many young people are waiting for a place on a youth training scheme; and what proportion of those waiting *(a)* have special needs and *(b)* are from ethnic minorities.

Mr. McLoughlin: There are currently fewer than 6,750 young people in England covered by the YT guarantee who have been waiting for a YT place for eight or more weeks. Information is not available on how many of these are young people with special needs or from ethnic minorities.

Underpayment

Mr. Hinchliffe: To ask the Secretary of State for Employment on how many occasions illegal underpayment was detected in *(a)* England, *(b)* Yorkshire and Humberside and *(c)* West Yorkshire, in the last five years for which figures are available; and how many prosecutions were undertaken in these areas.

Mr. Michael Forsyth: In 1992, the wages inspectorate found 5,165 establishments in England paying one or more of their workers less than statutory minimum remuneration. The comparable figure for Yorkshire and Humberside was 875. I regret that there are no separate statistics for West Yorkshire. The inspectorate carried out a total of 27,193 checks on establishments in England and 3,173 in Yorkshire and Humberside. In England, some 97 per cent. of the workers covered were paid at least the statutory minimum remuneration.

The policy of the inspectorate under all Governments has been to seek compliance with wages council orders by persuasion and advice. Prosecution is usually considered only where an offence is deliberate or repeated. In 1992 there were eight prosecutions for underpayment in England, five of which were in Yorkshire and Humberside.

Anglesey Mining

Mr. Morgan: To ask the Secretary of State for Employment on what date the regional selective assistance offer by the Welsh Office to Anglesey Mining was published in the "Employment Gazette"; and if she will make a statement.

Mr. McLoughlin: No information on payments to this company has been published in "Employment Gazette".

Leaflet Storage, West Yorkshire

Mr. Madden: To ask the Secretary of State for Employment if she will arrange for the tender for leaflet storage and distribution in West Yorkshire to be reconsidered; if she will instruct officials to enter discussions with the consortium of local authorities concerned to find ways of safeguarding employment within ISCO5; and if she will make a statement.

Mr. McLoughlin: Responsibility for the subject of the question has been delegated to the Employment Service Agency under its chief executive. I have asked him to arrange for a reply to be given.

Letter from M. E. G. Fogden to Mr. Max Madden, dated 15 March 1993.

As the Employment Service is an Executive Agency, the Secretary of State has asked me to write to you direct to respond to your Parliamentary Question about the tender for leaflet storage and distribution in West Yorkshire. This is something which falls within the responsibilities delegated to me as Chief Executive of the Agency.

Several companies including another Sheltered Workshop were invited to tender for the warehousing and distribution contract. As a Sheltered Workshop ISCO5 was given consideration under the Priority Suppliers Scheme for Government contracts. This included the "offer back" facility, allowing them an opportunity to submit a revised bid. In the end, however, the contract has been awarded elsewhere on the basis of quality, value for money and fair and open competition.

The Employment Service through the Sheltered Employment Procurement and Consultancy Service (SEPACS) will give every support to ISCO5 in mitigating the effects of the loss of this contract and will continue to do all it can to assist in the development of future business. Should any redundancies occur among the disabled workers, we will offer help in finding alternative opportunities through our local offices and special advisory services.

As decided by the Administration Committee of the House of Commons, Chief Executive replies to written Parliamentary Questions will now be published in the Official Report. I will also place a copy of this letter in the Library of the House.

Skill Centres

Mr. Dobson: To ask the Secretary of State for Employment, pursuant to her answers of 19 November 1992, *Official Report*, column *337*, and 4 March 1993, *Official Report*, columns *272-73*, what happened to the skill centres in Cardiff, Deptford, Edinburgh RO, Enfield (annex), Ipswich, Manchester RO and Swindon.

Mr. McLoughlin: The skill centres at Cardiff, Deptford, Swindon and Enfield were taken over by Astra Training

Services Limited (Astra) in May 1990. The Department's freehold interest in Enfield was transferred to Astra. Astra occupied the Cardiff, Deptford and Swindon sites on short term lease arrangements, whilst the Department put the sites on the open market. Astra relocated its training business at Swindon in July 1992.

The skill centre at Ipswich was initially taken over by the Training for Industry and Commerce Company (TICC) Ltd. and subsequently by Portals Engineering Limited under short term lease arrangements. The Department put the site on the open market when the training business was relocated in September 1992.

The Manchester RO and Edinburgh RO were Skills Training Agency (STA) regional offices (ROs), not training centres. Both sites were disposed of by the Department following the privatisation of the STA in May 1990.

Executive Agencies

Mr. Leighton: To ask the Secretary of State for Employment what plans she has for the creation of further executive agencies.

Mr. Michael Forsyth: None. However, in line with other Government Departments, the Employment Department continues to review its activities to identify possible agency candidates.

LORD CHANCELLOR'S DEPARTMENT

Legal Aid

42. **Mr. Raynsford:** To ask the Parliamentary Secretary, Lord Chancellor's Department what proposals he has to amend his plans for reforms to the legal aid regime.

Mr. John M. Taylor: I will shortly be laying statutory instruments before the House to implement the changes to legal aid eligibility and to make other changes in relation to fees and payments made to lawyers in criminal legal aid cases.

Magistrates Courts

Mr. Cohen: To ask the Parliamentary Secretary, Lord Chancellor's Department if he will publish a list of the magistrates courts in Greater London in order of the proportion of debtors gaoled in the last available year; and what was the number and percentage of debtors gaoled in each case.

Mr. John M. Taylor: The information requested is not recorded centrally, and could be obtained only at disproportionate cost.

I understand, however, that, in 1990, 2,791 debtors of all kinds were received into prison establishments in England and Wales. Imprisonment will occur only when there has been wilful refusal to pay or culpable neglect to do so.

Community Charge

Mr. Cohen: To ask the Parliamentary Secretary, Lord Chancellor's Department what monitoring he undertakes of magistrates's decisions to ensure consistency in the conduct of committal proceedings for non-payment of community charge; and if he will make a statement.

Mr. John M. Taylor: None; it is not for the Government to seek to intervene in the judicial discretion of the courts.

Witnesses

Mr. Tony Lloyd: To ask the Parliamentary Secretary, Lord Chancellor's Department how many applications there have been for witnesses in criminal cases to remain anonymous in each of the last five years for which figures are available.

Mr. John M. Taylor: No figures are kept for such applications.

Mr. Tony Lloyd: To ask the Parliamentary Secretary, Lord Chancellor's Department how many applications there have been under section 23(3)(b) of the Criminal Justice Act 1988.

Mr. John M. Taylor: No figures are kept for such applications.

Mr. Tony Lloyd: To ask the Parliamentary Secretary, Lord Chancellor's Department how many applications there have been for the use of screens during trials, excluding sexual offences and juvenile cases, during each of the last five years for which figures are available.

Mr. John M. Taylor: No figures for the use of screens during trials are kept; however, my Department has very recently started to collect information on the ways in which child witnesses under 17 years of age give evidence in the Crown court. This survey will include the use of screens for all types of offences, including non-sexual offences, and will supplement the information already collated on the use of the live TV link equipment.

Domestic Violence

Mrs. Helen Jackson: To ask the Parliamentary Secretary, Lord Chancellor's Department how many cases relating to domestic violence have been referred to the legal services ombudsman since the position was formed.

Mr. John M. Taylor: These statistics are not available in the form requested.

Benzodiazepines

Mr. Blunkett: To ask the Parliamentary Secretary, Lord Chancellor's Department if he will list *(a)* the total sum of moneys paid out by the Legal Aid Board in connection with the pursuit of compensation cases for addiction to benzodiazepines and *(b)* the way in which the money has been spent.

Mr. John M. Taylor: The final cost to the Legal Aid Fund in respect of litigation relating to benzodiazepine drugs cannot be quantified until work done under the legal aid certificates has been concluded and all solicitors' bills have been paid. The generic expenditure on all the benzodiazepine drugs cases in litigation is estimated so far to amount to approximately £3 million, though further, as yet unquantified, costs have also been incurred. The money has been spent to enable the individual claims to be progressed in accord with directions laid down by the court.

Mr. Blunkett: To ask the Parliamentary Secretary, Lord Chancellor's Department how many applications for

legal aid are outstanding in cases involving the pursuit of compensation against Roche Products; and if he will make a statement.

Mr. John M. Taylor: No applications for legal aid are outstanding in cases involving the pursuit of compensation for addiction to benzodiazepine drugs manufactured by Roche. A total of 6,270 legal aid certificates have been issued in recent years relating to benzodiazepine drugs manufactured by Roche. In the light of the statutory criteria under the Legal Aid Act 1988, legally aided Roche claimants have been sent letters informing them that their legal aid certificates may be discharged and inviting them to show cause why they should not be. There is a right of appeal against discharge.

DEFENCE

Aldermaston

Mr. Cohen: To ask the Secretary of State for Defence, pursuant to his answer of 29 January, *Official Report*, column *900*, what is the estimated cost of decommissioning the Herald reactor at AWE Aldermaston; and what is the current timetable for this decommissioning.

Mr Aitken: The current timetable for decommissioning the Herald reactor at AWE Aldermaston in accordance with the International Atomic Energy Authority's guidelines is *(a)* stage 1—storage with surveillance, which is expected to be completed in January 1995; *(b)* stage 2—restricted site release, which is expected to take place during 1997-98; and *(c)* stage 3—unrestricted site release. There will be a gap of at least 50 years before stage 3 can begin, during which time the remaining structure will be kept under periodic surveillance and maintenace. The estimated cost of this decommissioning is some £8 million.

Vanguard Submarines

Mr. Cohen: To ask the Secretary of State for Defence whether the Vanguard class submarines will be capable of receiving extremely low frequency radio signals.

Mr. Archie Hamilton: We do not currently plan that the Vanguard class will have such a capability.

Princess Mary Hospital, Halton

Mr. Lidington: To ask the Secretary of State for Defence if he will list for each of the last five years *(a)* the number of patients treated at Princess Mary hospital, Halton, *(b)* the number of patients treated each year in each specialty and *(c)* the number of patients each year who were (i) service personnel, (ii) retired RAF personnel and (iii) local residents; and if he will make a statement.

Mr. Archie Hamilton: Information is not held centrally in the form requested. Available figures are:

(a) Total service and NHS[1] patients[2] treated at the Princess Mary's RAF hospital, Halton, 1987-88 to 1991-92

	Service	*NHS*	*Total*
1987-88	12,584	24,842	37,426
1988-89	11,455	24,310	35,765
1989-90	10,933	24,027	34,960
1990-91	10,590	21,412	32,002
1991-92	10,898	22,289	33,187

(b) Number of patients[2] for examination and treatment by specialty at the Princess Mary's RAF hospital, Halton 1991 and 1992

	1991	*1992*
Casualty	194	51
Dermatology	236	586
Ear, nose and throat	2,931	4,722
Medical boards	166	296
Surgical	2,660	3,690
Gynaecology	2,148	3,066
Medicine	2,669	3,410
Neurology	117	237
Obstetrics	2,381	2,392
Oncology	2,487	2,436
Ophthalmic	4,019	4,122
Orthopaedic	4,033	4,884
Orthoptist	959	880
Plastics	966	1,065
Renal	1,993	2,925
Rheumatology	301	540
Urology	268	370
Oral surgery	2,255	3,568

[1] NHS patients include retired service personnel.
[2] Patient numbers are inclusive of day cases.

Vulcan Bomber

Mr. Redmond: To ask the Secretary of State for Defence, pursuant to his answer to the hon. Member for Upminster (Sir N. Bonsor) of 26 October 1992, *Official Report*, column *507*, if he will make a statement on the position with respect to preserving the last flying Vulcan bomber XH 558.

Mr. Aitken: I hope to make an announcement about the future of the Vulcan shortly.

Nuclear Weapons (Transport)

Ms Gordon: To ask the Secretary of State for Defence what steps he is taking to comply with EC directive 89/618/Euratom by initiating a public information campaign on matters of nuclear safety connected with the movement of military convoys carrying nuclear weapons around the country, in case of accident.

Mr. Archie Hamilton: None. The EC directive 89/618/EURATOM has been enacted in Great Britain by means of the Public Information for Radiation Emergency Regulations 1992, which came into force on 1 January 1993. These regulations require prior information to be given to the public only when it is reasonably foreseeable that a radiation emergency would affect the public in an identifiable area. Given the stringent safety standards we apply, we do not believe that military convoys carrying nuclear weapons can give rise to such a radiation emergency.

Submarine Sales

Mr. Cousins: To ask the Secretary of State for Defence what steps his Department and the Defence Export Sales Organisation are taking to promote the sale of United Kingdom submarines to Taiwan.

Mr. Aitken: None.

Archaeological Monuments

Mr. Martlew: To ask the Secretary of State for Defence what action his Department takes to ensure that all archaeological monuments on military land are *(a)*

protected from damage and destruction *(b)* effectively managed; how many scheduled monuments are contained on land owned by his Department; and if he will make a statement.

Mr. Archie Hamilton: My Department is very conscious of its responsibilities for the stewardship of archaeological monuments. The majority are located on military training areas and, where necessary, restrictions are imposed on the types of training which can be undertaken. On the largest training area, Salisbury Plain, we have recently completed a management agreement for the major archaeological site groups in conjunction with English Heritage; elsewhere monuments are cared for by the defence land agent in close consultation with the relevant national and county archaeological bodies. The exact number of archaeological monuments on the defence estate could be obtained only at disproportionate cost.

Leishmaniasis

Mr. Hinchcliffe: To ask the Secretary of State for Defence (1) what investigations he has undertaken to identify potential Leishmaniasis contamination among personnel serving during the Gulf crisis;

(2) what studies he has undertaken to ensure that military personnel returning from the Gulf are not contaminated with Leishmaniasis.

Mr. Archie Hamilton: All military personnel are subject to regular medical examination. Clinical surveillance of military personnel exposed to the risk of tropical disease, including Leishmaniasis, was maintained during the Gulf crisis and continues to be maintained.

Mr. Hinchcliffe: To ask the Secretary of State for Defence what information he has on the incidence of Leishmaniasis in military personnel serving during the Gulf war.

Mr. Archie Hamilton: No cases of Leishmaniasis have been found among British military personnel who served in the Gulf during the Gulf crisis.

RAF Support Management Group

Mr. Robert Banks: To ask the Secretary of State for Defence how many visiting officials were involved, and over what period, in the consideration being given to the use of the Army apprentices college for the RAF support management group, Harrogate.

Mr. Archie Hamilton: Use of the Pennypot site occupied by the Army apprentices school was considered in 1992 as part of the original options studied for the location of the RAF support management group. Early this year a further appraisal was put in train to take account of the possible availability of the whole site. Seven officers and officials have visited Pennypot in this connection.

RAF Wyton

Mr. Robert Banks: To ask the Secretary of State for Defence what is the latest estimated cost of relocating staff to the proposed logistics organisation at RAF Wyton.

Mr. Archie Hamilton: About £14 million.

Mr. Robert Banks: To ask the Secretary of State for Defence what indications he has received from civilian employees at the RAF support management group in Harrogate as to their willingness to transfer to RAF Wyton.

Mr. Archie Hamilton: A first preference exercise was conducted late last year. The form set out a range of possible future locations. Some 40 per cent. of civilian mobile grades and 30 per cent. of non-mobile grades expressed a preference which included moving to Brampton or Wyton.

Mr. Robert Banks: To ask the Secretary of State for Defence if he will set out the numbers and types of personnel currently employed at RAF Wyton.

Mr. Archie Hamilton: There are around 188 service and 200 civilian personnel at RAF Wyton. They include air crew, engineers, administrators and supporting staff.

Mr. Robert Banks: To ask the Secretary of State for Defence how many civilian and military personnel are scheduled to move from RAF Wyton in the foreseeable future; and what are the projected costs.

Mr. Archie Hamilton: I hope to make a further announcement about the future of RAF Wyton shortly.

Mr. Robert Banks: To ask the Secretary of State for Defence what is his present budget for redundancy payments to civilian staff at the RAF support management group in Harrogate arising from his proposals to relocate to RAF Wyton.

Mr. Archie Hamilton: We assumed a redundancy liability of around £7 million in assessing the relocation at RAF Wyton of the RAF support management group and related units. This is a worst case scenario: we would hope in practice to do better.

Mr. Robert Banks: To ask the Secretary of State for Defence what are the projected costs for training new members of staff in civilian grades resulting from the proposed amalgamation of units under Logistics Command at RAF Wyton.

Mr. Archie Hamilton: The direct additional training costs are put at about £600,000. In addition, some £2·5 million has been estimated to cover various transitional costs, including dual manning during initial training of new staff.

Mr. Robert Banks: To ask the Secretary of State for Defence when he expects to make available the figures and evaluations of the use of the Army Apprentices College, Harrogate, for the RAF support management group in Harrogate with or without other units.

Mr. Archie Hamilton: I expect the current appraisal of the site for possible use by RAF Logistic Command to be completed shortly. My intention would be to make the relevant material available then, subject to the usual constraints of commercial sensitivity and confidentiality.

RFA Argus

Mr. Menzies Campbell: To ask the Secretary of State for Defence what is the capacity of the troop accommodation on RFA Argus; and how many troops are currently being carried on the vessel.

Mr. Archie Hamilton: In addition to her normal ship's complement, RFA Argus's design provides for accommodation for a further 120 personnel. For limited periods,

however, a much greater number can be accommodated, as has recently been required in the Adriatic. Circumstances have now allowed us to return the majority of those personnel to the United Kingdom. About 50 troops remain aboard, however, to help maintain the embarked equipment.

Mr. Menzies Campbell: To ask the Secretary of State for Defence when the RFA Argus first came into service.

Mr. Archie Hamilton: In 1988.

Mr. Menzies Campbell: To ask the Secretary of State for Defence what is the normal complement of officers and men on RFA Argus.

Mr. Archie Hamilton: The normal complement of RFA Argus is four officers, 13 senior ratings and 33 junior ratings (RN) and 25 officers, 12 senior ratings and 43 junior ratings (RFA).

Mr. Menzies Campbell: To ask the Secretary of State for Defence how many baths, showers, lavatories and urinals there are on RFA Argus; and how many portable lavatories are in use on the vessel.

Mr. Archie Hamilton: RFA Argus has 43 showers and 45 lavatories. Like most commercially-designed vessels, she does not have baths or urinals. Recently, additional portable showers and toilets were required because a substantial force of troops was embarked in the Adriatic. However, since the majority of the additonal personel have now returned to the United Kingdom, these facilities are no longer required.

Chlorofluorocarbons

Mr. Liam Fox: To ask the Secretary of State for Defence what proposals he has to support his Department's critical applications of substances controlled under the Montreal protocol; and if he will make a statement.

Mr. Archie Hamilton: The Montreal protocol and EC Regulations 3592/92 will shortly require the cessation of production and supply of ozone depleting substances. The Ministry of Defence as a major user of the substances has recognised the significant role it has to play in contributing to the United Kingdom's overall programme of compliance.

My Department has a small number of critical applications where continued use of the controlled substances is considered essential when assessed against internationally agreed criteria.

We have decided, in accordance with good environmental practice, to support these essential uses by a conservation policy involving the banking and recycling of the substances. This will ensure that personnel and assets are protected during the transitional period between the end of production and the arrival on the market of replacements or alternatives.

It is our intention to establish a bank of Montreal protocol substances at RAF Cardington, Bedfordshire, subject to local planning consent. RAF Cardington is a natural site for the bank and it is the tri-service centre for compressed gases.

CHURCH COMMISSIONERS

Investment Policy

34. **Mr. Bowden:** To ask the right hon. Member for Selby, as representing the Church Commissioners, what weight the Church Commissioners give to the competitive record of companies in which they invest.

Mr. Alison: The commissioners invest in a company only after careful assessment of a number of factors relating to the company's financial and corporate health, including its competitive record.

Stipends

35. **Mr. Flynn:** To ask the right hon. Member for Selby, as representing the Church Commissioners, what plans the Church Commissioners have to improve the level of stipends of clergymen.

Mr. Alison: The commissioners' policy, as central stipends authority, is for stipends levels to rise at least in line with the cost of living. Incumbents' average stipends have improved by 29 per cent. against the retail prices index over the last 10 years. Because of the change in local taxation arrangements and their method of payment, largely unaltered stipend levels will, from April, represent an effective increase of about 4 per cent.

Land (Auctions)

36. **Dr. Spink:** To ask the right hon. Member for Selby, as representing the Church Commissioners in what circumstances it is the commissioners' practice to withdraw land known to be of high conservation value from public auction and negotiate direct with a prospective purchaser.

Mr. Alison: The commissioners' obligations to their beneficiaries require them to test the market properly when disposing of any land and to consider the best method of disposal in the circumstances. In the case of land subject to an SSSI designation which is of high conservation value, the commissioners operate an informal early warning system with English Nature. This is to allow local nature conservation bodies a reasonable time to raise funds so that they may be in a position to submit an offer when the land is put on the market.

Ordination of Women

37. **Mr. Fabricant:** To ask the right hon. Member for Selby, as representing the Church Commissioners what progress has been made by the Church Commissioners in making provision for the financial consequences of the ordination of women.

Mr. Alison: The financial provision for those resigning the ministry on this account is a statutory charge on the commissioners' general fund and, to the extent that such costs are incurred, will mean less is available for other things.

38. **Mrs. Gorman:** To ask the right hon. Member for Selby, as representing the Church Commissioners what estimate he has made of the financial effects for the commissioners of the ordination of women to the priesthood.

Mr. Alison: I refer the hon. Lady to the oral answer that I gave to the hon. Member for Hendon, South (Mr. Marshall) earlier today.

ENVIRONMENT

Urban Regeneration

Mr. Frank Field: To ask the Secretary of State for the Environment (1) if he will list each grant or fund not referrable to a local authority or to a travel-to-work area that exists to assist private sector interests in respect of urban regeneration schemes;

(2) if he will list each grant or fund not referrable to a local authority or to a travel-to-work area that exists to assist private sector interests in respect of urban regeneration schemes;

(3) if he will list each fund available to an urban programme authority for urban regeneration from 1993 onwards excluding city challenge and any funds due to be dealt with by the urban regeneration agency;

(4) if he will list each fund available to a non-urban programme authority for urban regeneration from 1993 onwards excluding city challenge and any funds due to be dealt with by the urban regeneration agency.

Mr. Robin Squire: The Government provide valuable support to the private sector through a wide range of programmes, including those of the Department of Trade and Industry, Employment Department and the Department of the Environment. Under my Department's urban group of programmes, the private sector receives specific help towards urban regeneration through the urban development corporations, city grant and private sector derelict land grant. This is in addition to assistance available through other urban group programmes such as city challenge, urban programme, task forces and city action teams.

Mr. Frank Field: To ask the Secretary of State for the Environment if he will list each fund available to *(a)* a non-urban programme authority and *(b)* an urban programme authority for urban regeneration at present; where the rules, criteria, application details and other background papers for each fund may be found; and if he will list each fund available from 1993, in each case, together with any funds to be dealt with by the urban regeneration agency.

Mr. Robin Squire: My Department's urban group of programmes are targeted mainly on the 57 urban priority areas except derelict land grant and the special grants programme which also operate outside those areas. Programmes currently operating and continuing in 1993 are:

Programme
City challenge[1]
Urban programme[1]
City grants[1]
Derelict land grant[1] [2]
UDCs[3]
Task forces
City action teams
Special grants programme

[1] Programmes operated through local authorities.
[2] Both programmes to be transferred to the Urban Regeneration Agency.
[3] Trafford Park UDC covers a small area outside the UPA.

In addition, my Department's housing programmes, including housing renewal and estate action, also contribute to urban regeneration.

Further details of these and other programmes, including the relevant criteria, are in my Department's 1993 annual report. Relevant programme guidance is available on request from my Department.

Mr. Vaz: To ask the Secretary of State for the Environment when he expects to appoint the chief executive of the urban regeneration agency; and if he will make a statement on progress made in making the appointment.

Mr. Robin Squire: In accordance with the provisions of the Housing and Urban Development Bill, and subject to its enactment, the chief executive will be appointed by the agency when established. In consultation with Lord Walker, my Department advertised the post in February with a closing date for applications of 12 March. Lord Walker will play a leading role in the selection process.

Mr. Vaz: To ask the Secretary of State for the Environment how many representations he has received *(a)* in favour of and *(b)* against the appointment of democratically elected representatives from local government to the board of the urban regeneration agency.

Mr. Robin Squire: The Department received more than 300 responses to the consultation paper on the urban regeneration agency which was issued in July 1992. Of these, 32 stated that at least one of the members of the agency's board should represent local government. There were no responses specifically opposed to the appointment of local authority representatives.

Tenants' Choice Legislation

Mrs. Gorman: To ask the Secretary of State for the Environment if he will list the key steps which need to be undertaken by tenants who seek to take advantage of the tenants' choice legislation, and the anticipated maximum and minimum periods of time required to undertake each step.

Mr. Baldry: Tenants who wish to take advantage of the tenants' choice legislation should contact the Housing Corporation to discuss possible alternative landlords.

Once an alternative landlord has been chosen, the Housing Corporation will assess the level of tenant support. If there is sufficient support in principle for the proposed transfer, and the applicant landlord has met the corporation's requirements for approval, a formal tenants' choice application can be made to the local authority.

The legislation sets out a timetable for each of the statutory procedures which the parties are expected to observe.

Mrs. Gorman: To ask the Secretary of State for the Environment how many tenants' organisations have *(a)* obtained grants from his Department or from the Housing Corporation to assist in the investigation of tenants' choice, *(b)* sought such grants, but had their applications turned down, *(c)* sought such grants, but not had their applications determined and *(d)* achieved a management transfer under the tenants' choice legislation; and what is the average lapse of time between *(a)* and *(d)*

Mr. Baldry: My Department does not make grants directly to organisations to assist with tenants' choice. This

is the responsibility of the Housing Corporation and I have therefore asked the corporation to reply to the hon. Member direct.

Mrs. Gorman: To ask the Secretary of State for the Environment what powers he has to pay grants to organisations providing advice for local authority tenants; and if he will list the amount paid in grant under each power in the last year for which information is available.

Mr. Baldry: The Secretary of State has powers under section 429A of the Housing Act 1985 (as amended by section 16 of the Housing and Planning Act 1986) to offer financial assistance to persons managing public sector or former public sector housing and to persons seeking to facilitate or encourage improvements in, or providing services in connection with, the management of such housing.

Within this broad discretionary power the Department makes grants available to organisations which provide advice to local authority tenants on the range of options available to them for increased participation in the management of their housing.

Grants paid under this power during 1992-93 have totalled £5,318,730.

The Secretary of State also has prerogative power to make non-statutory grants to organisations providing advice to local authority tenants through the Department's special grants programme. No such schemes have been funded in this way in 1992-93.

Mrs. Gorman: To ask the Secretary of State for the Environment if he will make a statement on the working of the tenants' choice legislation listing the types of new tenure or management available to local authority tenants, and the number of estates which have been transferred to each type of new tenure or management; and what plans he has to develop this policy.

Mr. Baldry: Tenants' choice gives local authority tenants who wish to continue renting their homes the opportunity to change their landlord. All applicant landlords must be approved by the Housing Corporation and can be a housing association, a tenant-controlled body or a commercial organisation.

There have been two transfers to date. In one the new landlord is a tenant-controlled housing association, which employs an existing housing association as a managing agent. In the other, the new landlord is an existing housing association.

The operation of the policy is kept under regular review.

Mrs. Gorman: To ask the Secretary of State for the Environment if he will list those organisations that most frequently apply on behalf of tenants' organisations for grants to assist in the investigation of tenants' choice, those organisations which are paid to undertake such investigation or assist therewith; and how much has been paid to each such organisation in total for these and allied purposes, for the most recent period for which figures are available.

Mr. Baldry: This is a matter for the Housing Corporation rather than for my Department. I have therefore asked the corporation to reply to the hon. Member direct.

Matlock-Hexham Bridleway

Ms Walley: To ask the Secretary of State for the Environment what objections have been received to the Matlock to Hexham bridleway; if he will place copies in the Library; and when he expects the Matlock to Hexham bridleway to open.

Mr. Maclean: My Department has received over 300 representations about the Countryside Commission's proposal for the Pennine bridleway, the majority in favour of the route. Those who object do so mainly out of concern for conservation, wildlife and farming interests, and the impact on isolated rural areas. It is not proposed to put copies of this correspondence in the Library. The Secretary of State is now awaiting a further submission from the commission, having asked in May 1992 for further information on these and other points, before deciding whether to approve the proposal.

Government Service (Cars)

Dr. Wright: To ask the Secretary of State for the Environment how many Government employees are provided with *(a)* a car, *(b)* a driver; and if he will list them.

Mr. Baldry: This information is not available centrally and would have to be provided by individual Departments. In respect of the Government car service, cars and drivers are made available, as requested, to first permanent secretaries and certain chief executives, normally at permanent secretary level.

Dr. Wright: To ask the Secretary of State for the Environment what was the total cost of the Government car service for the last year for which figures are available; and what was the cost in 1979.

Mr. Baldry: The total cost of the Government car service in 1991-92 was £7·1 million. The Government car service financial records in 1979 are no longer available.

Dr. Wright: To ask the Secretary of State for the Environment how many members of the Government are provided with a car and driver service; and if he will list them.

Mr. Baldry: All members of the Government are entitled to the use of an official car and driver. The majority of Government Ministers use the facilities of the Government car service.

Dr. Wright: To ask the Secretary of State for the Environment how many *(a)* cars and *(b)* drivers are currently employed in the Government car service.

Mr. Baldry: The Government car service currently has a fleet of 184 vehicles and 152 drivers.

Dr. Wright: To ask the Secretary of State for the Environment during what periods of time, and for how many hours a week, a car and driver service is provided for Ministers.

Mr. Baldry: The Government car service provides cars and drivers in accordance with Ministers' requirements.

Leighton Hospital Incinerator

Mrs. Dunwoody: To ask the Secretary of State for the Environment (1) what measurement he has made of the prevailing direction of wind over the proposed site for the Leighton hospital incinerator in Crewe; and over which areas emissions would pass being carried by such winds;

(2) if he will list the waste incinerators of comparable size and emission content to the proposed incinerator at Leighton hospital in Crewe;

(3) what measures are planned for the safe storage and maintenance of incoming waste in the event of temporary closure of the proposed incinerator at Leighton hospital in Crewe;

(4) what will be the average pH of the emissions entering the atmosphere from the proposed incinerator at Leighton hospital in Crewe.

Mr. Maclean: I have had no measurements made of wind directions at the proposed site of the Leighton hospital incinerator. The environmental impact of releases and the operation of the proposed plant would be controlled by an authorisation under the Environmental Protection Act 1990 (EPA 90).

When Her Majesty's inspectorate of pollution has received an application under the EPA 90 for the operation of the proposed incinerator at Leighton hospital it will consider all relevant issues, including those raised by the hon. Member, in determining the application and issuing any authorisation.

As Her Majesty's inspectorate of pollution at this stage has no firm information as to the design and releases from the proposed plant, it is not possible to provide a list of waste incinerators of comparable size and emission content.

Smokestack Emissions

Mrs. Dunwoody: To ask the Secretary of State for the Environment what criteria are used to establish minimum safe levels for *(a)* dioxin and *(b)* benzene emissions from smokestacks.

Mr. Maclean: Those industrial processes with the greatest potential for pollution are controlled by either Her majesty's inspectorate of pollution or by local authorities under part I of the Enyironmental Protection Act 1990. All such processes require an authorisation to operate and, in deciding whether to issue an authorisation or what conditions to include, the enforcing authority must have regard to guidance notes issued by either the Secretary of State or the chief inspector of Her Majesty's inspectorate of pollution. Where appropriate, and to accord with the requirements of the Act, these notes contain release limits for dioxins and benzene together with other controls to ensure that the best available techniques not entailing excessive cost are used to prevent, minimise and render harmless all releases.

Copies of all guidance notes have been placed in the House Library.

Housing Associations

Mr. Harry Greenway: To ask the Secretary of State for the Environment, pursuant to his answer of 5 February, *Official Report*, column *385*, how many properties have been acquired in the Ealing, North constituency; what information he has about locations and costs; and if he will make a statement on the criteria used for deciding which properties to buy.

Mr. Baldry: The information requested is not available by Parliamentary constituency. By Friday 5 March, the Housing Corporation had approved the purchase of 218 properties under the housing market package in the London borough of Ealing at a total cost of £11·48 million in housing association grant (HAG). Of these, 143 purchases had been completed at a cost of £7·6 million in HAG.

Details of the location and cost of individual properties are a matter for the Housing Corporation.

In giving guidance to housing associations about the eligibility of properties for funding under the package, the Housing Corporation stipulated that:

(1) purchase must be completed by 31 March 1993;
(2) properties must be vacant on completion and suitable for letting immediately to those in housing need;
(3) properties should represent good value for money for the area in which they are situated, taking account of the Housing Corporation's current cost criteria;
(4) if newly built, properties should have been actively marketed before 12 November 1992;
(5) if repossessed, the possession order must have been granted before 12 November 1992;
(6) properties should be selected, so far as possible, to take account of specific housing needs identified by the local authority for the area.

Thermal Oxide Reprocessing Plant

Mr. Beggs: To ask the Secretary of State for the Environment how many representations he has received from Northern Ireland on the new Sellafield thermal oxide reprocessing plant.

Mr. Maclean: My Department has received approximately 80,000 responses regarding the thermal oxide reprocessing plant. However, I am unable to give detailed figures on responses from specific areas of the United Kingdom.

Mr. Michael: To ask the Secretary of State for the Environment, pursuant to his answer of 20 January to the hon. Member for Birkenhead (Mr. Field), *Official Report*, columns *265-66*, what consideration is given to issues related to the transport of nuclear material in the decision whether to licence the thermal oxide reprocessing plant at Sellafield.

Mr. Maclean: All relevant considerations will be taken into account. Conditions applying to the transport of nuclear material will not however form part of the authorisations under the Radioactive Substances Act 1960 to dispose of radioactive waste from Sellafield. The transport of nuclear material is controlled under a separate regulatory regime which is the responsibility of my right hon. Friend the Secretary of State for Transport.

Enterprise Zones

Mr. Frank Field: To ask the Secretary of State for the Environment if he will estimate the total cost of the enterprise zone scheme in terms of rate relief and capital allowances in each year since 1981.

Mr. Robin Squire: Approximate costs are as follows:

Year	Capital allowances[1] £ million	Rates relief[2] £ million
1981-82	35	9
1982-83	35	18
1983-84	25	23
1984-85	45	31
1985-86	80	40
1986-87	115	55
1987-88	90	69
1988-89	190	78
1989-90	150	101
1990-91	160	85
1991-92	—	75

[1] The method of calculating capital allowance costs is currently being reviewed by Inland Revenue and final estimates will not be available until the summer. The estimated costs incurred in 1991-92 are not yet known.

[2] The cost of rate relief in 1990-91 and 1991-92 has been estimated, following the introduction of the uniform business rate.

Nuclear Waste

Mr. Llew Smith: To ask the Secretary of State for the Environment what assessment he has made of the report by his radioactive waste management advisory committee on UK Nirex Ltd's proposals for a rock characterisation facility in connection with the disposal of nuclear waste, published on 9 February.

Mr. Maclean: The radioactive waste management advisory committee's comments on UK Nirex's consultative document on a rock characterisation facility are a useful contribution to the development of this proposal.

Information Guide

Mr. Llew Smith: To ask the Secretary of State for the Environment what contribution his Department made to the Environment information guide published in 1992 by the British Library.

Mr. Maclean: The authors of the guide consulted officials from the Department's library, in particular on the sections relating to Government Departments.

Mr. Alison: To ask the Secretary of State for the Environment what methods and factors are adopted to place value for rating purposes on coal extracted for sale from the Selby coal field in relation to the operation of the uniform business rate.

Mr. Robin Squire: Rateable value is defined in paragraph 2(1) of schedule 6 to the Local Government Finance Act 1988. Paragraph 2(7)(c) makes the quantity of minerals or other substances in or extracted from the hereditament a relevant matter where the rateable value is determined with a view to making an alteration to the list. Regulations provide that half of the value of any mineral extracted is taken into the rateable value assessment.

In common with other mineral hereditaments, the Selby mine complex assessment is reviewed annually having regard to the annual rate of production and the rateable value is amended accordingly. The assessment also takes into account the land, buildings, rateable plant and machinery and the rights to win and work the mineral.

Mr. Alison: To ask the Secretary of State for the Environment what transitional relief was allowed against British Coal's assessment for rating for its activities in the Selby district in relation to the operation of the uniform business rate; and how such relief was calculated.

Mr. Robin Squire: The table shows the full liability without transitional relief, the amount payable with transitional relief and the amount saved, for the Selby coalfield.

Year	Full Liability without Transition £	Amount paid £	Amount saved £
1990-91	3,288,245·62	1,069,514·48	2,218,731·14
1991-92	3,532,710·99	1,289,248·03	2,243,462·96
1992-93	5,606,509·48	3,265,792·20	2,340,717·28
Total	12, 427,466·09	5,624,554·71	6,802,911·38

The information needed to explain how this relief was calculated and the information relating to Kellingley coalfield is not available at the present time.

Waste Recovery

Mr. Llew Smith: To ask the Secretary of State for the Environment what volumes of *(a)* ferrous and *(b)* non-ferrous metals are involved annually in waste recovery in the United Kingdom.

Mr. Maclean: The following figures are for 1991, being the most recent year for which we have data.

	Tonnes
Ferrous metal recovered	7,700,700
Non-ferrous:	
Aluminium	180,000
Copper	282,000
Lead	200,000

Rent Deposit Schemes

Ms Jowell: To ask the Secretary of State for the Environment how many councils in England are presently operating rent deposit schemes; and what plans the Government have to support such schemes.

Mr. Baldry: The Department does not hold information about rent deposit schemes operated by local authorities in England and Wales. As part of the rough sleepers initiative in central London we are funding the Notting Hill housing trust to operate a 15-month pilot project for a rent deposit fund. This scheme is due to end in June 1993, and we are currently making arrangements to evaluate it. That will enable us to consider whether there is scope for extending this or similar schemes elsewhere.

Environmental Grants

Mr. Chris Smith: To ask the Secretary of State for the Environment if he will list the grants being made by his Department to voluntary organisations under the environmental action fund for 1993-94, with the amount in each case indicating the amount awarded to each of these organisations under *(a)* the special grants programme, *(b)* United Kingdom 2000, or *(c)* the environmental grant fund, in 1991-92 and 1992-93; and if he will indicate which organisations have hitherto received funding but will not do so for the forthcoming financial year.

Mr. Maclean: The information requested is in the table.

Name of Group	Support given in 1991-92 (£000) EGF	SGP	UK2000	Offers made 1992-93 (£000) EGF	SGP	UK2000	Offers made 1993-94 (£000) EAF
Action Resource Centre, Nottingham	—	—	—	4·1	—	—	13·0
Advisory Committee on Protection of the Sea	—	16·66	—	—	20·0	—	20·0
Age Concern	11·45	—	—	17·0	—	—	21·07
Airfields Environment Federation	—	24·53	—	—	25·63	—	17·09
Atmosphere Research and Information Centre	—	25·00	—	—	26·67	—	29·41
BAT Conservation Trust	7·88	—	—	10·6	15·0	—	26·45
Black Environment Network	7·5	—	—	11·3	—	—	12·0
Botanic Centre	—	—	—	25·0	—	—	50·0
Bridle Gate Project	11·0	—	—	11·0	—	—	11·0
Bristol Energy Centre	—	—	—	15·0	—	—	20·0
Bristol Mediation	8·51	—	—	16·7	—	—	15·62
Bristol Recycling Consortium	20·0	—	—	21·1	—	—	20·0
British Dragonfly Society	0·41	—	—	1·23	—	—	0·9
British Trust for Conservation Volunteers	30·0	156·88	334·5	—	163·94	350·0	516·5
Byways and Bridleways Trust	—	15·0	—	—	15·0	—	15·0
Cash from Trash	—	—	—	29·78	—	—	31·94
Civic Trust	—	—	217·5	—	—	225·0	140·0
Common Ground	—	30·0	—	—	25·0	—	20·0
Community Land and Workspace Service	20·0	—	—	20·0	—	—	21·0
Community Recycling Network	—	—	—	—	—	—	30·0
Community Service Volunteers	—	—	282·5	—	—	295·0	140·0
Cosquec	5·0	—	—	6·0	—	—	15·5
Cotswold Canals Trust	—	—	—	19·14	—	—	19·0
Council for Environmental Education	60·0	91·45	—	58·84	95·57	—	162·75
Council for Protection of Rural England	9·37	—	—	—	—	—	—
Create	—	—	—	—	—	—	53·0
Cycling Project for the North West	—	—	—	28·5	—	—	15·9
East West Environment Ltd	—	—	—	25·0	—	—	—
Energy Conservation and Solar Centre	—	—	—	—	—	—	16·0
Environment Council	6·9	42·4	—	7·5	60·34	—	45·25
Environmental Awareness Trust	—	—	—	—	10·0	—	—
Eureka: The Museum for Children	—	20·0	—	—	20·9	—	21·95
Farming and Wildlife Advisory Group	20·0	50·0	—	—	80·0	—	170·33
Friends of the Earth	7·5	24·15	183·5	10·75	30·0	183·0	41·2
Game Conservancy Trust	—	10·7	—	—	11·18	—	65·31
Girl Guides Association	10·35	—	—	—	—	—	—
Global Action Plan United Kingdom	—	—	—	—	19·15	—	35·0
Green Alliance	—	29·68	—	—	31·02	—	40·0
Green Network	—	11·08	—	—	15·68	—	16·0
Groundwork	7·6	—	292·5	8·7	—	306·0	—
Henry Doubleday Research Association	9·39	24·87	—	20·80	24·86	—	46·77
Herpetofauna Conservation International	—	9·95	—	—	8·18	—	7·28
IIED—UNEP	—	15·0	—	—	15·68	—	—
Institute of Business Ethics	10·44	—	—	12·38	—	—	10·0
International Broadcasting Trust	—	25·0	—	—	—	—	—
International Centre for Conservation Education	—	17·6	—	—	18·39	—	—
Irish Sea Forum	—	10·6	—	—	11·0	—	11·0
Kennet and Avon Canal Trust	14·5	—	—	18·02	—	—	16·2
Law Centres Federation	17·5	—	—	41·15	—	—	40·0
Learning through Landscapes	—	—	—	—	—	—	30·0
London Ecology Centre Trust	—	14·03	—	—	12·02	—	13·0
Marine Conservation Society	10·0	—	—	10·16	—	—	4·5
Marine Forum	—	18·5	—	—	18·71	—	19·0
Mersey Basin Trust	19·47	83·77	—	21·0	76·3	—	85·33
Merseyside Environmental Trust	—	—	—	20·0	—	—	21·0
Montgomery Waterway Restoration Trust	—	—	—	37·5	—	—	—
National Association for Environmental Education	—	17·5	—	—	18·39	—	15·0
National Association of Volunteer Bureaux	—	—	—	—	—	—	32·0
National Council for Voluntary Organisations	42·17	—	—	44·0	—	—	52·0
National Playing Fields Association	—	—	—	—	10·0	—	7·92
National Society for Clean Air and Environmental Protection	—	39·14	—	—	40·9	—	40·9
National Society of Allotment and Leisure Gardeners	—	15·0	—	—	15·0	—	15·0
National Stone Centre	—	—	—	—	10·83	—	10·76
NEAP Environmental Consultancy	—	—	—	10·0	—	—	—
Neighbourhood Energy Action	8·02	—	—	41·0	—	—	34·0
Noise Council	—	6·3	—	—	5·5	—	—
North East Environment Network	—	—	—	16·5	—	—	17·33

Name of Group	Support given in 1991-92 (£000) EGF	SGP	UK2000	Offers made 1992-93 (£000) EGF	SGP	UK2000	Offers made 1993-94 (£000) EAF
Northern Support Garden Network	—	—	—	—	—	—	12·0
Nottinghamshire Rural Community Council	—	—	—	6·2	—	—	17·0
Open Spaces Society	—	39·28	—	—	40·15	—	15·0
Pedestrians Association	9·32	—	—	10·0	—	—	10·0
Projects in Partnership	—	—	—	—	—	—	20·0
Royal National Institute for the Deaf	18·86	—	—	10·97	—	—	—
Royal Society for Protection of Birds	9·08	—	—	7·0	5·25	—	—
Royal Society for the Arts	—	150·0	—	—	55·0	—	25·0
Royal Town Planning Institute	—	—	—	10·88	—	—	10·5
RSNC, The Wildlife Trusts Partnership	18·88	76·05	313·5	29·59	78·48	328·0	376·5
Rural	—	6·0	—	—	7·0	—	7·0
Scout Association	—	—	—	—	—	—	13·2
Seawatch Foundation	—	—	—	22·5	—	—	21·25
Southampton Environment Centre	—	—	—	—	—	—	10·09
Southwark Mediation Centre	—	—	—	10·0	—	—	15·05
Television Trust for the Environment	24·94	—	—	—	—	—	—
Thames Explorer Trust	—	—	—	—	—	—	10·0
Tower Hamlets Environment Trust	30·0	—	—	45·0	—	—	50·0
Tree Council	5·0	37·13	—	10·0	42·0	—	69·85
Trust for Urban Ecology	—	7·42	—	—	7·75	—	—
UKCEED	—	26·5	—	—	27·69	—	25·0
UNCED for Youth	—	10·48	—	—	—	—	—
Upland Cumbria Initiative	—	—	—	20·0	—	—	20·0
Waste Watch	25·67	61·67	—	34·0	110·0	—	196·99
Wastestream Systems Ltd	40·29	—	—	25·0	—	—	18·78
West Midlands Environment Network	25·03	—	—	25·0	—	—	25·0
Wey and Arun Canal Trust Ltd	—	—	—	3·0	—	—	30·0
Whale and Dolphin Conservation Society	—	—	—	—	—	—	12·5
Wildfowl and Wetlands Trust	—	14·54	—	—	—	—	—
Wildlife and Countryside Link	—	15·39	—	—	16·08	—	16·74
Womens Environment Network	—	10·6	—	—	11·08	—	—
Woodcraft Folk	—	17·0	—	—	—	—	—
Woodlands Trust	—	—	—	—	10·0	—	31·5
World Wide Fund for Nature	—	20·0	—	—	—	—	25·0
Wyecycle	—	—	—	20·0	—	—	15·0
YMCA Otterburn Hall Trust	—	—	—	7·4	—	—	22·0
Youth Clubs United Kingdom	17·13	—	—	35·0	—	—	50·0

Dog Wardens

Mr. Llwyd: To ask the Secretary of State for the Environment if he will make it his policy to introduce a United Kingdom-wide dog warden scheme.

Mr. Maclean: No. The Government have already secured the necessary legislation for the introduction of a dog warden service. Under section 149 (1) of the Environmental Protection Act 1990, which was implemented 1 April last year, local authorities in England and Wales have a duty to appoint officers to deal with stray dogs in their area.

Night Noise

Mr. Simon Hughes: To ask the Secretary of State for the Environment whether the targets for night-time noise contained in the EC fifth action programme relate to individuals living in existing noise-sensitive property; and what assessment he has made of the capability of current noise policy measures to attain those targets by 2000.

Mr. Maclean The EC fifth environment action programme states that the targets for night-time noise should include the phasing out of exposure of the population to night-time noise levels in excess of 65dB(A). My Department's noise research programme includes projects to improve the measuring and monitoring of noise from various sources and to establish new methods of reducing noise at noise-sensitive premises.

Urban Programme

Mr. Ron Davies: To ask the Secretary of State for the Environment what was the outturn public expenditure on the urban programme in each standard region of Great Britain in *(a)* cash prices and *(b)* 1992-93 prices.

Mr Robin Squire: The 1991-92 outturn figures for the English regions are as follows.

Region	1991-92 Prices £ million	1992-93 Prices £ million
Northern	40·3	42·0
North West	73·8	77·0
West Midlands	40·7	42·4
East Midlands	11·1	11·6
Yorkshire & Humberside	33·9	35·3
London	46·6	48·6
South West	3·0	3·1

Corresponding figures for Scotland and Wales are the responsibility of my right hon. Friends the Secretaries of State for Scotland and for Wales respectively.

Housing Revenue Account

Mr. Hinchcliffe: To ask the Secretary of State for the Environment (1) if he will list local authorities with a negative housing subsidy entitlement;

(2) which local authorities have a negative housing entitlement for housing revenue account subsidy purposes in the latest financial year; and if he will list the cash value of this negative entitlement.

Mr. Baldry: I have placed in the Library of the House a copy of the table showing the information requested by the hon. Member.

Mr. Hinchcliffe: To ask the Secretary of State for the Environment in how many housing authorities he expects rents to rise as a direct result of changes in housing revenue account subsidy; and if he will make a statement.

Mr. Baldry: The effect of the ring-fencing of the housing revenue account (HRA) is that, as a general rule, to maintain the same level of services-housing authorities have to increase actual rents in response to annual increases in the Government's HRA subsidy guideline rents. For 1993-94, guideline rents are set to increase by a minimum of £1.50 and a maximum of £3.00 per week. Decisions about the actual level of rents and services remain ones for housing authorities.

Chlorofluorocarbons

Mr. Elletson: To ask the Secretary of State for the Environment what plans he has to consider essential uses of CFCs under the terms of the Montreal protocol and European Community regulation 3952/92.

Mr. Maclean: The Government are today issuing a consultation paper which asks for nominations for potential candidates for "essential use" status for continued production of CFCs, carbon tetrachloride and 1,1,1 trichloroethane under the Montreal protocol on substances that deplete the ozone layer and European Community regulation 3952/92.

To be considered for "essential use" status, all applications must meet stringent criteria which have been agreed by parties to the protocol. The use must be necessary for the health and safety of society or critical for its functioning. There must be no technically and economically feasible alternatives available which are acceptable on health and environmental grounds. There must also be insufficient recycled material available for the proposed use, whether with regard to the quantity or quality of the material. "Essential uses" must be agreed by all parties.

Nominations have to be with the Montreal protocol secretariat by 30 September 1993. We do not yet know whether the EC timetable will be different, but it must take the protocol date into account. Closing date for the Government's consultation exercise is 30 April. All applications will be considered, but the Government are committed to keeping "essential uses" to a minimum. A list will be published of those candidates, if any, which the Government intend to nominate to the protocol and European Community processes.

Copies of the consultation paper have been placed in the Libraries of both Houses.

Countryside (Access)

Mr. Martlew: To ask the Secretary of State for the Environment if he has discussed with recreational, landowning, farming or statutory organisations proposals for the creation of new opportunities for access to the countryside involving payment by the public; and if he will make a statement.

Mr. Maclean *[holding answer 2 March 1993]:* I welcome the additional opportunities for recreation and access which farmers and landowners can provide, and which may generate a small additional income. I recently discussed opportunities for the provision of horse-riding facilities in particular with the British Horse Society and commended co-operation on the provision of new "toll-rides". I also hope to discuss similar issues with the Country Landowners Association.

Dangerous Wild Animals

Mr. Morley: To ask the Secretary of State for the Environment if he will list the number, the purpose and the location of each application for a licence under the Dangerous Wild Animals Act 1976 during 1992.

Mr. Maclean *[holding answer 9 March 1993]:* Responsibility for the issue of licences under the Dangerous Wild Animals Act 1976 rests with local authorities. Information on the number, purpose and location of such applications is not held centrally.

Local Government Finance

Mr. Nigel Jones: To ask the Secretary of State for the Environment what percentage of English local authority income was represented by central Government support, including the transfer of non-domestic rates in 1990 and the switch from local taxation to VAT in 1991, for each financial year since 1979-80; and if he will make a statement.

Mr. Robin Squire *[holding answer 12 March 1993]:* The available information is as follows:

Local authority income expressed as a percentage of total income

Per cent

	Central Government Grants[1]	*Non-domestic rates*[2]	*Domestic rates/ Community charges/ Council tax*[3]
1981-82	55	25	20
1982-83	53	26	21
1983-84	55	26	19
1984-85	54	26	20
1985-86	52	27	20
1986-87	50	28	22
1987-88	49	28	23
1988-89	47	28	25
1989-90	45	29	26
1990-91	42	29	28
1991-92	53	31	16

	Central Government Grants[1]	Non-domestic rates[2]	Domestic rates/ Community charges/ Council tax[3]
1992-93	54	29	17
1993-94[4]	56	28	16

Notes:
[1] For the years 1981-82 to 1989-90 Government grants comprise aggregate Exchequer grant and rate rebate grants. For 1990-91 to 1993-94 Government grants included are revenue support grant, specific and special grants in aggregate external finance, community charge grant (1991-92), community charge benefit grant and transitional relief/community charge reduction scheme grant (1990-91 to 1992-93), teacher's pay award additional grant (1992-93), council tax benefit grant and council tax transitional relief scheme grant (1993-94).
[2] For the years 1981-82 to 1989-90, this represents non-domestic rate yields net of rate relief. For the years 1990-91 to 1993-94 this represents the distributable amount from the non-domestic rates pool.
[3] Net of domestic rate rebates for the years 1981-82 to 1989-90. Net of community charge benefit grant and transitional relief/community charge reduction scheme grant (1990-91 to 1992-93). Net of council tax benefit grant and council tax transitional relief scheme grant (1993-94).
[4] Settlement.
[5] Financial information not available for years prior to 1981-82.

TRANSPORT

Marine Employers (Safety)

Mr. Devlin: To ask the Secretary of State for Transport what is the maximum fine for marine employers who breach health and safety legislation.

Mr. Norris: The maximum fine for marine employers who breach health and safety legislation is currently £2,000.

"Ships of Shame"

Mr. Devlin: To ask the Secretary of State for Transport what consideration his Department has given to examining the Australian Government report entitled "Ships of Shame"; and if he will make a statement.

Mr. Norris: The informative and comprehensive report "Ships of Shame", produced by the Australian Parliament's House of Representatives Standing Committee on Transport, Communication and Infrastructure, has been considered by my Department. The report serves to reinforce our determination to drive sub-standard shipping from the seas. Our commitment is demonstrated by the continuing high priority we accord to inspections of ships visiting our ports; and our backing for appropriate action at the International Maritime Organisation (IMO). There, our work includes support for the fitting of hull stress monitoring systems on certain ship types, which has, in turn, led to an initial recommendation to IMO's Maritime Safety Committee that such systems be fitted on solid bulk carriers of 20,000 tonnes deadweight and over. We are also playing a full role in the IMO sub-committee on the flag state implementation of IMO instruments.

Sellafield

Mr. Beggs: To ask the Secretary of State for Transport what are the estimated *(a)* frequency and *(b)* volume of radioactive material shipments past the Northern Ireland coast likely to be if the Sellafield thermal oxide reprocessing plant opens.

Mr. Norris: During the first 10 years of operation of the Sellafield thermal oxide reprocessing plant about five to 10 shipments a year would pass through the eastern side of the Irish sea, each of approximately 20 tonnes of spent fuel.

London Underground

Mr. Peter Bottomley: To ask the Secretary of State for Transport if he proposes to sell *(a)* the Docklands light railway and *(b)* London Underground as a vertically controlled system.

Mr. Norris: I have no plans at present to sell London Underground Limited, either on a vertically controlled or any other basis; its position would not be affected by the proposals in the Railways Bill. The Docklands light railway is a matter for my right hon. Friend the Secretary of State for the Environment.

Thameslink

Mr. Peter Bottomley: To ask the Secretary of State for Transport when he expects the Thameslink trains to stop at London Bridge station in the rush hours; and what is the length of duplicate rail track needed at Borough market for this.

Mr. Norris: Detailed time-tabling is a matter for British Rail. However, I understand that there is currently insufficient track capacity to allow Thameslink trains to be routed via London Bridge at peak times. BR has proposals for rectifying this. They would entail about 600m of new viaduct and trackwork between London Bridge and Metropolitan junction, excluding works at London Bridge station itself.

Rail Lines (Tree Felling)

Mr. Chris Smith: To ask the Secretary of State for Transport what plans British Rail has for the cutting down of trees in a concerted manner along certain lines in Network SouthEast; and if he will make a statement.

Mr. Freeman: I understand that British Rail has no further plans for concerted clearance of vegetation in the foreseeable future.

Rail Closure Procedures

Mr. Bayley: To ask the Secretary of State for Transport what categories of public sector rail operators, other than London Underground, is he considering exempting from the closure procedures proposed in the Railways Bill.

Mr. Freeman: We propose to exempt from the new closure procedure proposed in the railways Bill all railway operators, other than British Rail, whose enabling legislation make their services subject to the existing

closure procedure set out in the Transport Act 1962. Current operators within this category include, in addition to London Underground, the Tyne and Wear and Manchester metros.

I have tabled an amendment to the Bill which sets out an alternative closure procedure, closely modelled on the existing 1962 Act procedure, and which may be applied to designated exempt services. I propose to apply these alternative procedures to the above exempted services. As a result, these services will be subject to procedures which are very close to the existing ones.

We will also exempt, without applying the alternative procedures, services, such as those provided by preserved railways, which are not subject to the existing 1962 Act closure procedure.

Rose Grove Station

Mr. Gordon Prentice: To ask the Secretary of State for Transport what plans he has to require British Rail to safeguard the stop at Rose Grove on the Roses rail link service to maintain connecting services.

Mr. Freeman: The timetabling and routing of services, including the maintenance of connections, is entirely a matter for the local management of British Rail.

Thames Road Bridges

Ms Walley: To ask the Secretary of State for Transport what proposals he has for building new road bridges across the Thames.

Mr. Norris: The national trunk road programme contains two schemes. These are the A102 third crossing at Blackwall—where tunnel and bridge proposals are being considered—and the A406 East London river crossing.

Rail Privatisation

Mr. Keith Hill: To ask the Secretary of State for Transport if he has now withdrawn option (ii) of paragraph 37 of his consultation document "Railway Pensions After Privatisation: The Government's Proposals."

Mr. Freeman: Decisions have not yet been taken. We are consulting interested parties and evaluating the written responses to our consultation paper.

Railway Investment

Mr. Wilson: To ask the Secretary of State for Transport what assessment he has made of the implications of railway privatisation in seeking grant aid from the European regional development fund for railway investment projects; if the eligibility for grant depends on the extent of privatisation; and if he will make a statement.

Mr. Freeman: ERDF grants are for infrastructure investment. Since Railtrack, which will be responsible for such investment, will remain in the public sector for the foreseeable future, there need be no fundamental change to the present arrangements.

Dial-a-ride Services

Mr. Forman: To ask the Secretary of State for Transport what arrangements have been made to fund the London dial-a-ride services.

Mr. Norris: I am pleased to announce that the Government grant to London Transport in 1993-94 for the dial-a-ride services will be £12 million, compared with £10·5 million in 1992-93. This will allow for further improvements in the services, and for the total number of dial-a-ride trips to increase from 770,000 in the present year to some 910,000 next year, a rise of 18 per cent. London Transport's settlement provides for grant for dial-a-ride to rise again to £13·5 million in 1994-95 and £15·2 million in 1995-96. Funding for the scheme over the next three years is therefore planned to be almost 29 per cent. higher in real terms than over the last three years.

This record level of funding will enable dial-a-ride to build on the improvements which will flow from regionalisation. On Wednesday this week, I shall attend the launch of West London dial-a-ride, the first fully regionalised service, at it's new Perivale base. The service will offer seven-day-a-week booking facilities, faster response to telephone inquiries, deal with more trip requests and make more effective use of the vehicles.

Network SouthEast (Ticket Sales)

Mr. Burns: To ask the Secretary of State for Transport (1) if he will estimate the current losses of revenue on the Chelmsford/Liverpool Street line since the introduction of the penalty fare system;

(2) what assessments are being made of the effectiveness of the new policy of inspecting tickets on the Chelmsford/Liverpool Street line in terms of revenue losses to Network SouthEast;

(3) how many people have been *(a)* apprehended, *(b)* prosecuted and *(c)* cautioned on the Liverpool Street/Chelmsford line since the introduction of the penalty fare system;

(4) if he will introduce into the BR passengers charter measures compelling Network SouthEast to provide ticket collectors at stations;

(5) if he will estimate how much revenue was lost on the Chelmsford/Liverpool Street line in the year prior to the introduction of penalty fares.

Mr. Freeman: The estimated revenue loss through fare evasion on the Chelmsford to Liverpool Street line for the year prior to the introduction of the penalty fares scheme in October 1992 was £1·9 million. BR estimates that for the first full year after introduction this figure will fall to £0·36 million.

Regular checks are carried out to ensure that the scheme is being implemented as effectively as possible. A new monitoring system is currently being tested.

Penalty fares is a civil matter; prosecution is used only as a last resort. A total of 16,089 penalty fare notices have been issued on the Great Eastern division of Network SouthEast which includes the Chelmsford to Liverpool Street line. A total of 777 of these were referred for civil action to secure payment. Around half of the referrals led to a summons being issued.

The deployment of staff is for British Rail to determine. However, the success of the penalty fares scheme in reducing ticketless travel would tend to suggest that the deterrent effect of penalty fares is more efficient in reducing fare evasion than traditional ticket inspection at stations.

Offshore Emergency Vessels

Dr. Godman: To ask the Secretary of State for Transport how many emergency/standby vessels operating in the offshore oil and gas fields were assessed by his officials as failing to comply with the revised code of suitability; of these, how many were withdrawn from service by their owners; and if he will make a statement.

Mr. Norris: The number of vessels assessed by officials as failing to comply with the revised code of suitability is not retained by the Department.

Many of the vessels currently operating required some modification in order to comply with the revised code requirements.

Details of the number of vessels withdrawn from service by their owners are not available to the Department.

Dr. Godman: To ask the Secretary of State for Transport if he will list the emergency/standby vessels currently operating in the offshore oil and gas fields by *(a)* name, *(b)* port of register and *(c)* the year of construction of the vessel.

Mr. Norris: The vessels showing the port of registry and the year of construction is listed:

List of vessels with a current certificate as of: 5 March 1993

Shipname	*Port of Registry*	*Year of Build*
Aberdonian	Aberdeen	1977
Alexandra Tide	Douglas, IOM	1974
Andrew Viking	London	1990
Atlantic Defender	Hamilton, Bermuda	1980
Atlantic Guardian	Hamilton, Bermuda	1979
Black Isle	London	1973
Black Watch	London	1977
Blue Flame 1	Aberdeen	1976
Britannia Challenger	Lowestoft	1964
Britannia Chieftain	Lowestoft	1973
Britannia Conquest	Lowestoft	1974
Britannia Crusader	Lowestoft	1976
Britannia Endeavour	Lowestoft	1975
Britannia Harvester	Lowestoft	1972
Britannia Monarch	Lowestoft	1973
Britannia Venturer	London	1965
Cam Guardian	Fleetwood	1970
Cam Protector	Grimsby	1983
Cam Ranger	Grimsby	1983
Cam Retriever	Fleetwood	1972
Cam Searcher	Fleetwood	1971
Cam Seeker	Aberdeen	1967
Cam Sentinel	Grimsby	1982
Cam Supporter	Aberdeen	1983
Cam Vedette	Douglas, IOM	1970
Cam Venturer	Grimsby	1973
Cam Victor	London	1969
Cam Viking	London	1972
Cam Viper	Grimsby	1966
Cam Viscount	London	1971
Dawn Blazer	London	1965
Dawn Patrol	Lowestoft	1970
Dawn Shore	Rochester	1967
Dawn Sky	Lowestoft	1967
Dawn Warbler	London	1966
Dea Fighter	Aberdeen	1973
Dea Supporter	Douglas, IOM	1970
Evans Tide	Aberdeen	1974
Far Baronet	Aberdeen	1986
Far Earl	Aberdeen	1986
Far Searcher	Aberdeen	1986
Far Seeker	Aberdeen	1986
Grampian Chieftain	Aberdeen	1976
Grampian City	Aberdeen	1976
Grampian Crusader	Aberdeen	1976
Grampian Dee	Aberdeen	1975
Grampian Falcon	Aberdeen	1982
Grampian Fame	Aberdeen	1975
Grampian Freedom	Aberdeen	1957
Grampian Haven	Aberdeen	1981
Grampian Highlander	Aberdeen	1976
Grampian Hunter	Aberdeen	1992
Grampian Monarch	Aberdeen	1968
Grampian Orcades	Aberdeen	1991
Grampian Otter	Aberdeen	1983
Grampian Pioneer	Aberdeen	1981
Grampian Pride	Aberdeen	1981
Grampian Protector	Aberdeen	1983
Grampian Shield	Aberdeen	1974

Shipname	Port of Registry	Year of Build
Grampian Sprite	Aberdeen	1983
Grampian Star	Aberdeen	1971
Grampian Sword	Aberdeen	1976
Grampian Venture	Aberdeen	1982
Grampian Warrior	Aberdeen	1977
Grampian Wood	Aberdeen	1976
Kronbas	Aalsund, Norway	1975
Maersk Rover	Peel, IOM	1982
Magdelan Sea	Quebec, Canada	1977
Nova	London	1969
Putford Acasta	Lowestoft	1972
Putford Achates	Lowestoft	1976
Putford Achilles	Lowestoft	1973
Putford Ajax	Lowestoft	1976
Putford Apollo	Lowestoft	1975
Putford Athena	Lowestoft	1975
Putford Guardian	Rochester	1967
Putford Petrel	Lowestoft	1961
Putford Skua	Rochester	1967
Putford Snipe	Lowestoft	1969
Putford Teal	Aberdeen	1969
Putford Tern	Aberdeen	1967
Safe Carrier	London	1968
Safe Protector	Aberdeen	1974
Safe Transporter	Glasgow	1971
Safe Truck	Aberdeen	1976
Scott Protector	Aberdeen	1974
Seaboard Capella	Douglas, IOM	1968
Seaboard Coral	Nassau, Bahamas	1977
Seaboard Implacable	Inverness	1964
Seaboard Integrity	Inverness	1968
Seaboard Intrepid	Inverness	1968
Seaboard Invincible	Inverness	1970
Seaboard Sapphire	Aberdeen	1980
Seaboard Sceptre	Aberdeen	1981
Seaboard Scout	Douglas, IOM	1975
Seaboard Sentry	Aberdeen	1979
Seaboard Skua	Douglas, IOM	1972
Seaboard Snipe	Douglas, IOM	1972
Seaboard Sovereign	Aberdeen	1979
Seaboard Support	Aberdeen	1979
Seaboard Supreme	Aberdeen	1981
Seaboard Swallow	Douglas, IOM	1972
Seaboard Swan	Douglas, IOM	1971
Seaboard Swift	Douglas, IOM	1972
Shetland Service	London	1973
St Anne	Lowestoft	1962
St Kitts	Lowestoft	1964
St Patrick	Lowestoft	1975
St Phillip	Lowestoft	1975
Sun Tender	Aberdeen	1992
Toisa Conqueror	Georgetown, Caymen Islands	1976
Toisa Cougar	London	1984
Toisa Lynx	London	1983
Toisa Petrel	Nassau, Bahamas	1983
Toisa Plover	Nassau, Bahamas	1979
Toisa Puffin	Nassau, Bahamas	1980
Toisa Sentinel	London	1982
Toisa Teal	Nassau, Bahamas	1981
Toisa Widgeon	Nassau, Bahamas	1981
Veesea Diamond	New Orleans, USA	1979
Veesea Emerald	New Orleans, USA	1980
Veesea Garnet	Hong Kong	1975
Veesea Hurricane	Hong Kong	1975
Veesea Sapphire	Georgetown, Caymen Islands	1977
Veesea Storm	Hong Kong	1975
Veesea Tempest	Hong Kong	1974
Veesea Topaz	Georgetown, Caymen Islands	1978
Veesea Tornado	Hong Kong	1974
Veesea Typhoon	Georgetown, Caymen Islands	1976
Veesea Zircon	Georgetown, Caymen Islands	1976
Viking Fighter	Havgesund, Norway	1986
Total	131	

Dr. Godman: To ask the Secretary of State for Transport whether emergency/standby vessels operating in the offshore oil and gas fields may transport *(a)* personnel and *(b)* cargo from (i) shore to platform or rig and (ii) from platform to platform or rig; and if he will make a statement.

Mr. Norris: Vessels operating as emergency/standby vessels may transport personnel and cargo from ship to platform or rig and from platform to platform or rig.

However no such vessel can be considered to be a standby vessel when carrying out such functions. The standby vessel role take precedence over any other function.

Dr. Godman: To ask the Secretary of State for Transport what is the average size crew of emergency/standby vessels operating in the offshore oil and gas fields; and what is the ratio of deck crew to engine room personnel.

Mr. Norris: The minimum size crew of emergency/standby vessels, operating in the offshore oil and gas fields, is 12. There is a ratio of 10:2 between deck crew and engine room personnel. The majority of such vessels sail with the minimum crew number.

Nuclear Fuel

Mr. Michael: To ask the Secretary of State for Transport what assessment he has made of the problems that would arise in the event of a ship being grounded while transporting spent nuclear fuel for re-processing.

Mr. Norris: A grounded ship would present problems of rescue and salvage but the presence of spent nuclear fuel flasks would present no special problems. If it became necessary to salvage flasks, this would be done by the transporters in conjunction with the salvors, and the operation would be co-ordinated by HM Coastguard.

Rail Track and Signalling

Mr. Matthew Banks: To ask the Secretary of State for Transport what plans he has to allow British Rail to spend current and existing resources on track and signalling improvements.

Mr. Freeman: It is for BR to allocate its resources between programmes. For the Government's part, we have made more than £2 billion available to BR for 1992-93. Last year's autumn statement also added an extra £239 million to BR's finances over the next two financial years. Currently, the main bulk of track and resignalling work is taking place on Network SouthEast. Overall, some £225 million is being spent on a wide range of these projects on NSE this year including the Thames line (as part of a £175 million total modernisation scheme), the Great Eastern line (over £70 million), the London, Tilbury and Southend line (£40 million contract let for main construction work) and part of the Kent coast line (as part of £100 million project related to channel tunnel).

Railway Rolling Stock

Mr. Matthew Banks: To ask the Secretary of State for Transport what progress is being made by British Rail to sell rolling stock to private sector companies for refurbishment; what plans British Rail has to lease the newly refurbished rolling stock back to realise capital for other investment; and if he will make a statement.

Mr. Freeman: The Government recently issued a consultation document, "Railway Privatisation: Passenger Rolling Stock", which set out a number of options, including the formation of leasing companies. This is now being discussed with industry, financiers and other interested parties. I hope to make a statement on the results of these discussions after Easter.

Mr. Matthew Banks: To ask the Secretary of State for Transport what action he is taking to ensure any leasing arrangement made by British Rail for rolling stock does not count against its external financing limit.

Mr. Freeman: I can confirm that for rolling stock ordered under the £150 million leasing arrangement announced by the Chancellor at the time of the autumn statement, only the lease rental payments will count against British Rail's external finance limit. The full capital cost will not be scored up front as would be the case if British Rail purchased the stock.

Sir Keith Speed: To ask the Secretary of State for Transport what recent discussions have taken place between his Department and British Rail over the spending on new rolling stock of the £150 million available for lease finance announced in the autumn statement by the Chancellor of the Exchequer; and if he will make a statement.

Mr. Freeman: I have asked BR to make proposals to me, by Easter, for the rolling stock that it wishes to order using these leasing facilities.

Rail Privatisation

Mr. Matthew Banks: To ask the Secretary of State for Transport what representations he has received on the consultation document, "Gaining Access to the Railway Network—The Government's Proposals;" and if he will make a statement.

Mr. Freeman: "Gaining Access to the Railway Network", published last month, was an outline of the Government's policy on access and charging arrangements for the reorganised railway industry. The Government have received a number of comments on their proposals. As the document made clear, further detailed work needs to be done in the coming months.

Freight Facilities Grant Scheme

Mr. Matthew Banks: To ask the Secretary of State for Transport what responses he has received from private freight operators since his announcement to extend the freight facilities grant scheme; and if he will make a statement.

Mr. Freeman: The reaction has been entirely favourable. The changes can be implemented only after enactment of the Railways Bill.

Railway Lines (Access Control)

Mr. Hinchliffe: To ask the Secretary of State for Transport what was the budget from fencing and other safety measures, controlling access to railway lines, in the last three financial years.

Mr. Freeman: These are financial matters for British Rail. The Department does not hold this type of information.

London Travelcard Scheme

Mr. Spearing: To ask the Secretary of State for Transport, pursuant to his oral answer of 8 March, *Official Report*, column 652, what suggestions for additions to the facilities offered by the present London travelcard scheme have been made; and if he will make a statement concerning their costs, benefits and practicability.

Mr. Norris: The Government are currently discussing potential developments in joint period ticketing with London public transport operators. A number of proposals reflecting the needs of their passengers have been put forward in these discussions. Detailed assessment of such proposals is in the first instance a commercial matter for the operators concerned.

Overhead Railway Cables

Mr. Hinchliffe: To ask the Secretary of State for Transport if he will make a statement on the incidence of accidents resulting from electrical arcing from overhead railway cables; and what action he will take to improve safety measures in this respect in built-up areas.

Mr. Freeman: The latest information available in the recently-published annual report on railway safety during 1991-92, shows that two people were killed, 13 received serious injuries and one minor injury from objects that they were holding, coming into contact with, or being in close proximity to, overhead electric traction lines.

Of this total, one of those killed and one with serious injury were members of staff. The remainder were either careless, trespassing on the railway or were interfering with the overhead equipment.

British Rail has a statutory duty to operate safely; this includes an obligation to maintain fences. Where railways are newly-electrified, the parapets of bridges are raised and lineside fencing improved. Visits are made by BR staff and the British Transport police to schools in the neighbourhood to warn of the dangers of trespassing.

There is no danger to the public provided that persons and their belongings remain in a public area and they do not trespass beyond the railway boundary fence.

NATIONAL FINANCE

Personal Equity Plans

Sir David Steel: To ask the Chancellor of the Exchequer if he will make a statement on the error in the drafting of the recent changes to personal equity plans; and what representations he has received concerning the retrospective application of regulations to existing portfolios and the time scale of these changes.

Mr. Lamont: I assume the right hon. Member has in mind the change announced on 17 December requiring "non-qualifying" unit and investment trusts in personal equity plans to hold at least half their investments in shares. This change corrects an error in regulations made in 1990. It is not retrospective but will take effect from 6 April 1993. We have received a very small number of representations about this change.

Mr. John Birt

Mr. Corbett: To ask the Chancellor of the Exchequer (1) pursuant to the answer from the Chancellor of the Duchy of Lancaster on 8 March, *Official Report*, column *396*, whether he consented to the appointment of Mr. John Birt as deputy director-general of the BBC on a consultancy contract arrangement;

(2) pursuant to the answer from the Chancellor of the Duchy of Lancaster on 8 March, *Official Report*, column *396*, whether he consented to the appointment of Mr. John Birt as director-general of the BBC on a consultancy contract arrangement.

Mr. Portillo: No. In general, the terms and conditions of employment of a chief executive of a public body are subject to Treasury consent, but not in the case of the BBC.

New Businesses

Mr. Gordon Prentice: To ask the Chancellor of the Exchequer how many new businesses registered for VAT in (i) Pendle and (ii) the north-west in each year since 1987.

Sir John Cope: Customs do not have information conerning the number of businesses registered in the Pendle constituency. The local VAT office at Accrington covers, in addition, the towns of Blackburn, Bolton, Burnley and Clitheroe. Figures for the north-west cover Cheshire, Lancashire, Greater Manchester and Merseyside. The numbers of new businesses registered for VAt since 1987 are as follows:

Year	*New registrations at Acrington LVO*	*New registrations in the north west*
1987	2,065	19,209
1988	2,595	22,805
1989	2,807	25,417
1990	2,680	24,426
1991	2,298	21,380
1992	2,114	19,827

Animal Skins

Mrs. Fyfe: To ask the Chancellor of the Exchequer what is his estimate of the amount of fraud perpetrated by failure to declare earnings from the sale of skins of animals caught by hunting; what plans he has to ensure that all such unpaid tax will be collected from the individuals concerned; and what investigations have been carried out in this area by the Inland Revenue.

Mr. Dorrell: Failure to declare earnings may constitute neglect rather than fraud. But the Inland Revenue is committed to ensuring, wherever possible, that tax due in law is properly paid. This includes tax on income from the sale of animal skins, and inquiries are presently being made in some individual cases.

Mrs. Fyfe: To ask the Chancellor of the Exchequer what evidence he has received from the League against Cruel Sports on tax frauds in connection with the sale of animal skins.

Mr. Dorrell: The Inland Revenue has recently received information from the League against Cruel Sports about the possible failure by members of hunts to declare income

from the sale of animal skins. Inquiries are being made as appropriate but it is not yet clear whether, in individual cases, any fraudulent or negligent conduct is involved.

Market Testing

Mr. Kirkwood: To ask the Chancellor of the Exchequer what estimate he has made of how market testing in the Inland Revenue will affect employment levels in the service.

Mr. Dorrell: The Inland Revenue's current market testing programme covers approximately 3,350 posts. The effect of the programme on the numbers of staff in the Department will depend very much on the result of individual market tests.

Mr. Kirkwood: To ask the Chancellor of the Exchequer when he expects to publish the Inland Revenue's main aims and objectives in relation to further market testing.

Mr. Dorrell: The main aims and objectives of further market testing in the Inland Revenue will be to ensure best value for money and a high standard of service for taxpayers.

Local Offices

Mr. Kirkwood: To ask the Chancellor of the Exchequer what plans are being made to reorganise the Inland Revenue's network of local offices; and if he will make a statement.

Mr. Dorrell: The Inland Revenue announced on 23 February plans for the first stage of a long term programme to restructure its network of local tax and collection offices. In the period to March 1994, the intention is to begin work on 20 reorganisation schemes involving over 100 existing offices, and to complete 15 schemes. The programme will extend over several years.

Inland Revenue

Mr. Kirkwood: To ask the Chancellor of the Exchequer what evidence he has on the level of public satisfaction with the present arrangements made by the Inland Revenue; and what plans he has to monitor how well the Revenue is meeting taxpayers' needs.

Mr. Dorrell: A survey carried out in June 1992 by Research International on behalf of the Inland Revenue found that 65 per cent. of employed and self-employed taxpayers were satisfied with the service they received from the Inland Revenue.

The Inland Revenue plans to survey other taxpaying groups to establish their present satisfaction levels and service preferences. Their intention is to repeat the surveys at appropriate intervals as an aid to monitoring performance in meeting taxpayers' service needs.

Mr. Kirkwood: To ask the Chancellor of the Exchequer what was the amount of unpaid taxes written off by the Inland Revenue for the last five years for which figures are available.

Mr. Dorrell: The total amounts of unpaid taxes written off by the Inland Revenue for the last five years were:

	(£ thousand)
1987	333,294
1988	629,219
1989	530,901
1990	568,827
1991	883,923

Pension Funds

Mr. Dowd: To ask the Chancellor of the Exchequer what plans the Government have to take over parts of the pension funds of nationalised industries or services intended for privatisation.

Mr. Dorrell: The Government have proposed two alternative methods for providing pensions for British Rail pensioners and deferred pensioners after privatisation in a consultation paper published on 20 January. We have sought the views of pensioners and trustees; and await the completion of the consultation process before coming to a decision on which proposal to adopt.

The arrangements made for the pension funds of other nationalised industries or services intended for privatisation will depend upon the particular circumstances of each privatisation.

Inward Investment

Mr. Milburn: To ask the Chancellor of the Exchequer what was the level of inward investment in the first half of 1992 expressed as a percentage of the level in the first half of 1991 in each of the OECD nations.

Mr. Nelson: The latest comprehensive information on the amount of inward direct investment in each of the major OECD nations is contained in the OECD publication "Economic Outlook" volume 51 (June 1992), a copy of which is available in the Library. It relates to 1991 and earlier years. The data show that the United Kingdom is the second largest recipient of inward direct investment after the United States of America. In 1991, inward direct investment in the United Kingdom accounted for 31 per cent. of the total inward investment in the seven major OECD countries.

GDP

Mr. Milburn: To ask the Chancellor of the Exchequer what percentage of gross domestic product was taken by *(a)* private consumption and *(b)* fixed investment in the United Kingdom in each year from 1979; and what were the average figures for the OECD.

Mr. Nelson: The requested information in respect of the United Kingdom and the OECD can be derived, on a consistent basis to 1991, from data contained in the OECD publication "National Accounts Main Aggregates Volume I 1960-1991" on pages 77 and 17.

Copies of this publication are available in the House of Commons Library.

Self-employment Schemes

Mr. David Porter: To ask the Chancellor of the Exchequer if he will consider extending the 714 or similar self-employment scheme to enable more unemployed people to become temporarily and/or seasonally self-employed with less bureaucracy; and if he will make a statement.

Mr. Dorrell: The special 714 scheme for the construction industry does not itself confer self-employed status. Its purpose is to prevent tax evasion. There are no plans to extend the scheme.

Equal Opportunities

Mr. Flynn: To ask the Chancellor of the Exchequer if he will make it a condition of a successful bid for contracts for market-tested jobs in his Department that they comply with existing conditions which guarantee equal opportunities for women.

Mr. Nelson *[holding answer 12 March 1993]:* Equal opportunities legislation applies to all employers. It is therefore not necessary to write any specific conditions related to equal opportunities for women into any contracts with private sector service suppliers, whether the contract is let as a result of a market testing exercise or otherwise.

SCOTLAND

Local Government Finance

Mr. Henderson: To ask the Secretary of State for Scotland (1) what were the total amounts of central Government grants to local authorities in Scotland for each of the last five years;

(2) what were the amounts of revenue support grant to local authorities in Scotland for each year from 1990-91 to 1992-93;

(3) what were the figures for non-domestic rate payments to local authorities in Scotland for each of the last five years.

Mr. Stewart: All the information requested is contained in appendix 1, page 215, of the Scottish Office departmental report "Serving Scotland's Needs" which was published in February and a copy of which is in the Library of the House.

Mr. Henderson: To ask the Secretary of State for Scotland what were the total amounts of central Government capital provision to local authorities in Scotland for each of the last five years.

Mr. Stewart: The information requested is as follows:

	Housing capital allocation £ million	*Non-housing capital allocation* £ million	*Total capital allocation* £ million
1988-89	334·674	421·870	756·544
1989-90	310·208	472·189	782·397
1990-91	322·832	462·463	795·021
1991-92	304·848	500·846	805·694
1992-93	285·986	611·420	897·406

Mr. Henderson: To ask the Secretary of State for Scotland what were the total amounts of rate support grant to local authorities in Scotland for each of its last three years of operation.

Mr. Stewart: The information requested is as follows:

Total Rate Support Grant Paid

Year	*£ million*
1986-87	1,654
1987-88	1,796
1988-89	1,998

Housing Associations

Mr. Battle: To ask the Secretary of State for Scotland what was the total number of new lettings made by housing associations in Scotland for each year since 1979; and what proportion of new lettings were made to tenants receiving housing benefit.

Lord James Douglas-Hamilton: This information is not collected centrally.

Surplus Food

Dr. Godman: To ask the Secretary of State for Scotland what has been *(a)* the amount and *(b)* the kind of European Community surplus food-stuffs distributed in (i) Inverclyde, (ii) Strathclyde and (iii) Scotland as a whole in each of the past five years.

Sir Hector Monro: The distribution of butter and beef in Strathclyde, and in Scotland as a whole, under the European Community surplus food scheme over the last two years is shown in the table. Amounts distributed by area are not available for earlier years.

	1991-92		*1992-93 (tonnes)*	
	Butter	*Beef*	*Butter*	*Beef*
Scotland	481·82	292·29	485·14	297·56
Strathclyde	306·90	211·99	336·90	204·76

It is not possible to identify separately the amount of produce distributed in Inverclyde.

National Galleries

Dr. Godman: To ask the Secretary of State for Scotland when he last met the trustees of the National Galleries of Scotland to discuss *(a)* the commissioning and *(b)* the likely location of a new national gallery; and if he will make a statement.

Sir Hector Monro: Following a meeting with the chairman of the board of trustees in April 1991 my right hon. Friend provided funds to enable the National Galleries to commission a comprehensive option appraisal in relation to their new gallery proposal, but gave no commitment to provide funding for the project. That remains the position.

My right hon. Friend has had no further meetings with the chairman or the trustees on this particular matter.

Dr. Godman: To ask the Secretary of State for Scotland how much grant in aid has been given to the National Galleries of Scotland in each of the past 10 years.

Sir Hector Monro: The information is as follows:

Financial Year	*Grant-in-aid (£000)*
1983-84	2,664
1984-85	2,833
1985-86	3,042

Financial Year	Grant-in-aid (£000)
1986-87	3,198
1987-88	3,417
1988-89	3,884
1989-90	6,029
1990-91	7,152
1991-92	7,379
1992-93	9,204

Notes:
1. Building programme grant-in-aid has been directly allocated to the National Galleries of Scotland from 1 April 1989.
2. The figure shown for 1992-93 is the estimated outturn.

Nursery Schools

Dr. Godman: To ask the Secretary of State for Scotland what percentage of children aged under five years in *(a)* Inverclyde, *(b)* Strathclyde and *(c)* Seotland as a whole attend local authority-funded nursery schools.

Lord James Douglas-Hamilton: The information requested, for pupils attending education authority nursery schools at September 1991, is shown in the table:

Pupils Attending EA Nursery Schools as a Percentage of 3 and 4 year olds in Population (June 1991)

	Percent
Inverclyde	22·6
Strathclyde	31·5
Scotland	34·3

Crime Statistics

Dr. Godman: To ask the Secretary of State for Scotland how many persons were convicted of rape in *(a)* the Sheriff Court and *(b)* the High Court in each of the past five years; and how many were sentenced to a period of imprisonment of (i) less than 12 months, (ii) one to three years, (iii) three to five years, (iv) five to eight years and (v) over eight years.

Lord James Douglas-Hamilton: The information requested is given in the table.

	1987	1988	1989	1990	1991
Persons with a charge proved in the High Court for rape					
Total charge proved	31	46	52	42	29
of which:					
received a custodial sentence					
Less than 1 year	—	—	—	—	—
1 year to less than 3 years	2	7	5	5	3
3 years to less than 5 years	5	12	9	4	9
5 years to less than 8 years	9	7	14	19	5
8 years and over	13	16	18	11	9
Persons with a charge proved in the Sheriff Court for rape					
Total charge proved	3	2	1	3	—
of which:					
received a custodial sentence					
Less than 1 year	—	—	—	—	—
1 year to less than 3 years	3	2	—	2	—
3 years to less than 5 years	—	—	—	—	—
5 years to less than 8 years	—	—	—	—	—
8 years and over	—	—	—	—	—

Dr. Godman: To ask the Secretary of State for Scotland which police force area has *(a)* the highest rate and *(b)* the lowest rate of unlawful killings in each of the past 10 years expressed in terms of such killings per 100,000 population.

Lord James Douglas-Hamilton: The information requested is given in the table:

Victims of murder and culpable homicide in each police force area

Year	Police force	Victims per 100,000 of the population
Maximum		
1982	Strathclyde	2·17
1983	Strathclyde	2·31
1984	Northern	2·58
1985	Strathclyde	2·50
1986	Strathclyde	2·30
1987	Strathclyde	2·83
1988[1]	Strathclyde	2·29
1989	Strathclyde	2·64
1990	Dumfries and Galloway	2·70
1991	Strathclyde	2·40
Minimum		
1982	Grampian	0·41
1983	Central	0·37
1984	Dumfries and Galloway	0·00
1985	Dumfries and Galloway	0·00

Year	Police force	Victims per 100,000 of the population
1986	Central	0·37
1987	Tayside	0·51
1988	Northern	0·36
1989	Grampian	0·40
1990	Fife	0·29
1991	Central	0·37

[1] Excludes the victims of the Lockerbie disaster.

Hospital Waiting Lists

Dr. Godman: To ask the Secretary of State for Scotland if he will give the number of patients on the in-patient waiting lists by health board areas on 30 April 1989, 1990, 1991 and 1992; and if he will make a statement.

Mr. Stewart: Waiting times and waiting lists information is collected on a quarterly basis as at 31 March, 30 June, 30 September and 31 December. A year-on-year comparison at 31 March by health board area may be found at table 1 of the March 1992 edition of the "NHS Patient Treatment and Waiting Time Bulletin," copies of which have been placed in the Library of the House.

Nurses

Dr. Godman: To ask the Secretary of State for Scotland what information he has concerning the number of nurses currently leaving nurse training courses who wish to serve in the national health service but have not as yet secured such employment; and if he will make a statement.

Mr. Stewart: I refer the hon. Member to the reply I gave to the hon. Member for Edinburgh, Leith (Mr. Chisholm) on 25 February 1993 at column *723*.

Social Workers

Dr. Godman: To ask the Secretary of State for Scotland how many *(a)* women and *(b)* men were employed full time as qualified social workers in each of the past 10 years.

Mr. Stewart: Centrally held information does not distinguish between women and men employed as social workers. Nor is information held centrally about staff employed in the independent sector. The table sets out the number of qualfied social workers employed by local authorites in Scotland in each of the past 10 years.

Numbers of social workers holding certificate of qualification in social work, certificate in social service or other social work qualification, October 1982 to October 1991

	Senior Social Workers	Main Grade Social Workers	Total
October 1982	515	1,887	2,402
October 1983	570	1,931	2,501
October 1984	534	1,959	2,493
October 1985	582	2,068	2,650
October 1986	622	2,191	2,813
October 1987	623	2,296	2,919
October 1988	633	2,457	3,090
October 1989	671	2,571	3,242
October 1990	666	2,572	3,238
October 1991	693	2,805	3,498

Figures relate to full and part time staff as they cannot be separated; In 1991, 96 per cent. of all senior social workers and 83 per cent. of all main grade social workers worked full-time.

Dr. Godman: To ask the Secretary of State for Scotland what plans he has to change the training and qualifications required by those seeking employment as social workers; and if he will make a statement.

Mr. Stewart: There are no plans to change the training and qualifications required by those seeking to enter the social work profession. A new diploma in social work has been introduced in the last two years replacing earlier qualifications. In Scotland there are now 16 college-based and distance learning routes to achieving the new diploma in social work.

Botanic Gardens

Dr. Godman: To ask the Secretary of State for Scotland what grant in aid or other Government funding was given to *(a)* the Royal Botanic Garden, Edinburgh, and *(b)* the Botanic Garden, Glasgow, in each of the past 10 years.

Sir Hector Monro: The grant in aid provided to the Royal Botanic Garden, Edinburgh from 1986-87 onwards, and before that as direct running costs as part of the then Department of Agriculture and Fisheries for Scotland, was as follows:

	£
1983-84	210,000
1984-85	232,000
1985-86	1,880,000
1986-87	3,680,000
1987-88	4,060,000
1988-89	4,232,000
1989-90	4,596,000
1991-92	4,764,138
1992-93	5,596,000

The botanic garden, Glasgow is not the Secretary of State's responsibility but that of Glasgow district council. Government funding to the district council comes from revenue support grant and it is for the council to decide how much of this it apportions to the botanic garden.

Scottish Association for the Care and Resettlement of Offenders

Mr. Darling: To ask the Secretary of State for Scotland what assessment he has made of the work of the SACRO reparation and mediation project in Edinburgh.

Mr. Stewart: I consider this pilot project to have made a significant contribution to the development of knowledge and practice on reparation and mediation.

Mr. Darling: To ask the Secretary of State for Scotland if he will now reconsider his decision on the amount of funding made by the social work services group to the SACRO reparation and mediation project in Edinburgh for the year 1993-94.

Mr. Stewart: The grant offered to the SACRO reparation and mediation project in Edinburgh was increased from £16,720 for 1992-93 to £21,000 in 1993-94, an increase of 26 per cent. I do not propose to reconsider the grant offer for 1993-94.

Prisoners

Mr. Darling: To ask the Secretary of State for Scotland what is the cost of maintaining an individual at HM prisons in Scotland.

Lord James Douglas-Hamilton: The cost of maintaining an individual at HM prisons in Scotland in 1992-93, calculated as total expenditure on prisons, including capital, divided by average prisoner numbers, is approximately £25,400 per annum. Excluding capital expenditure, the cost is approximately £22,900 per individual per annum.

Forestry Commission (Land Sales)

Mr. Morley: To ask the Secretary of State for Scotland if he will place in the Library a list of all the land which has been sold by the Forestry Commission in 1992 in England, Scotland and Wales in each county, giving the name of the area sold, the area, the grid reference, the amount received on the sale, and to whom it was sold in each case.

Sir Hector Monro: A list giving details, including name, size and location, of the areas of forest land sold by the Forestry Commission in 1992 is held in the Library of the House. The list provides the name of the purchaser and the price paid where the purchaser has agreed that this information can be made public. The list is restricted to forest land because information on the sale of other categories of land, such as agricultural land, houses, gardens and minor boundary adjustments, is not held centrally and could be obtained only at disproportionate cost. Grid references for each area of land sold could also be provided only at disproportionate cost.

Fraud

Mr. Darling: To ask the Secretary of State for Scotland what is the size of the fraud squad in each police force in Scotland.

Lord James Douglas-Hamilton: The information requested is set out in the following table:

Force	*Number of Officers as at 31 December 1992*
Central	2
Dumfries and Galloway	—
Fife	7
Grampian	6
Lothian and Borders	11
Northern	—
Strathclyde	13
Tayside	4
All Scotland	48

Ancient Monuments

Mr. Martlew: To ask the Secretary of State for Scotland how many ancient monuments in Scotland are currently scheduled; how many he estimates ought to be scheduled; when he estimates the scheduling will be complete; how many scheduled monuments have been damaged or destroyed in each of the last five years; what were the causes of that damage or destruction; and if he will make a statement.

Sir Hector Monro: Responsibility for the subject of the question has been delegated to Historic Scotland under its chief executive, Mr. Graeme Munro. I have asked him to arrange for a reply to be given.

Letter from Graeme N. Munro to Mr. Eric Martlew, dated 15 March 1993:

As Chief Executive of Historic Scotland I am writing in response to your Parliamentary Question of 10 March to the Secretary of State for Scotland regarding ancient monuments in Scotland.

The total number of scheduled ancient monuments is 5,600, and approximately 300 scheduled monuments are now being newly scheduled each year, a considerable increase on the previously prevailing levels. We have introduced an additional target of revising 40 schedule entries a year to keep the schedule as accurate as possible.

It has been estimated that there are between 15,000 and 20,000 monuments in Scotland which may be of sufficient interest to warrant assessment for scheduling. However, it is not possible to say with any certainty how many monuments remain to be scheduled. The assessment of a monument's suitability for scheduling is a professional judgment made in the light of the circumstances of each individual case.

In addition, the process of scheduling is continuously evolving, and it may well be that as archaeological knowledge develops, different criteria come to be developed, and new categories of monument will certainly be recognised. For these reasons we do not consider it possible to have a completion date.

Our information on the state of scheduled monuments derives from visits by our Monument Wardens, locally based officers who regularly inspect scheduled sites to check on their condition. We do not have year-by-year statistics available, but a summary of the data suggests that a total of 675 scheduled monuments have sustained some degree of damage in the last 10 years. We do not have graded data, but Historic Scotland's Inspectors assess the number of sites damaged so that they have lost more than 50 per cent. of their archaeological value at no more than 100. I must emphasise that this is a highly subjective assessment.

The principal causes of damage to ancient monuments are:

(a) disturbance by agricultural stock, rabbits and other vermin;
(b) marine and riverine erosion;
(c) roots of self-sown scrub and trees (including ivy on ruinous buildings);
(d) accidental vehicle tracking and dumping.

In recent years, the introduction of Monument Wardens has led to a closer relationship with owners and occupiers of scheduled monuments. This and the provision of more and better advice and information to owners individually and to targetted groups such as farmers, foresters and road builders has resulted in a decrease in the amount of damage caused in ignorance. We remain unable fully to predict and counteract the effects of sudden catastrophic events such as the recent severe storms and high tides, but whenever such events occur Historic Scotland acts promptly to assess the damage and respond to it.

We are giving increased priority in scheduling to providing protection for the most important and vulnerable sites. We are also preparing, in co-operation with Regional Councils, non-statutory registers of significant monuments. These will

enable us to schedule much more quickly specific sites which come under threat. Non-statutory lists have been completed for Grampian and Fife.

Empty Houses

Mr. Wallace: To ask the Secretary of State for Scotland whether he has sought explanations from islands and district councils regarding local authority accommodation which remains unlet or otherwise unoccupied; and if he will make a statement.

Mr. Lang *[holding answer 8 March 1993]:* The Scottish Office Environment Department has recently commissioned research to identify the location and extent of empty houses in the public sector in Scotland and the reasons for them being empty. This work will also review the strategies used by public sector landlords for dealing with empty houses and so allow us to identify good practice. The research results will be available in the spring.

Mr. Wallace: To ask the Secretary of State for Scotland what information he has regarding the amount that each Scottish local authority lost in revenue for the financial years *(a)* 1990-91 and *(b)* 1991-92 in having empty unlet houses.

Mr. Lang *[holding answer 8 March 1993]:* The amounts debited to local authority housing revenue accounts as income receivable from houses during periods in 1990-91 and 1991-92 when they were not let are shown in the table.

Authority	*1990-91* £	*1991-92* £
Berwickshire	6,928	8,775
Ettrick and Lauderdale	67,878	45,000
Roxburgh	109,744	109,311
Tweeddale	18,428	11,188
Clackmannan	137,603	116,936
Falkirk	400,012	523,059
Stirling	239,560	295,880
Annandale and Eskdale	72,388	55,246
Nithsdale	79,807	66,007
Stewarty	11,928	12,857
Wigtown	26,277	23,068
Dunfermline	265,605	282,173
Kirkcaldy	626,445	625,256
North East Fife	73,034	65,662
Aberdeen	656,669	724,253
Banff and Buchan	83,051	68,233
Gordon	80,376	51,105
Kincardine and Deeside	2,929	7,152
Moray	105,100	103,340
Badenoch and Strathspey	3,274	5,502
Caithness	84,131	70,000
Inverness	118,117	143,326
Lochaber	30,018	35,458
Nairn	6,000	4,500
Ross and Cromarty	58,612	60,065
Skye and Lochalsh	11,204	16,462
Sutherland	16,215	13,856
East Lothian	158,459	173,199
Edinburgh	4,647,206	4,089,350
Midlothian	71,466	71,023
West Lothian	186,621	96,305
Argyll and Bute	127,272	118,585
Bearsden and Milngavie	11,639	14,818
Clydebank	615,020	509,538
Clydesdale	107,908	87,110
Cumbernauld and Kilsyth	73,575	58,279
Cumnock and Doon Valley	239,097	203,362
Cunninghame	239,670	254,029
Dumbarton	395,765	485,880
East Kilbride	10,813	8,788
Eastwood	12,738	22,237
Glasgow	10,811,862	10,582,568
Hamilton	383,683	465,315
Inverclyde	528,958	493,472
Kilmarnock and Loudoun	290,964	328,675
Kyle and Carrick	170,320	123,326
Monklands	566,528	572,648
Motherwell	626,556	527,022
Renfrew	2,021,235	1,402,313
Strathkelvin	134,337	187,088
Angus	96,301	95,916
Dundee	3,204,124	2,233,623
Perth and Kinross	202,387	230,794
Orkney Islands	33,328	26,026
Shetland Islands	97,112	92,132
Western Isles	57,370	102,797

Source: HSG1A and HSG1 returns made by local housing authorities to the Scottish Office Environment Department.

Stray Dogs

Mr. Wallace: To ask the Secretary of State for Scotland what information he has regarding the appointment in each local authority of officers to deal with stray dogs, as required by the Environmental Protection Act 1990.

Mr. Lang *[holding answer 8 March 1993]:* Section 149 of the Environmental Protection Act 1990, which came into force on 1 April 1992, requires all district and islands councils in Scotland to appoint an officer to deal with stray dogs. Details of appointments made by individual authorities are not held centrally.

Training

Mr. Worthington: To ask the Secretary of State for Scotland what information he has about the quality of youth training and employment training schemes.

Mr. Stewart *[holding answer 10 March 1993]:* Scottish Enterprise and Highlands and Islands Enterprise have a duty to keep under continuous review the suitability and adequacy of training provided by local enterprise companies or their agents. Both bodies provide the Scottish Office with regular management information about the effectiveness of the youth training and employment training programmes, including the numbers of trainees achieving vocational qualifications and job outcomes.

Mr. Worthington: To ask the Secretary of State for Scotland what formal rights of appeal exist for anyone involved in Government training schemes if he or she feels that they have not received the service promised by the Government.

Mr. Stewart *[holding answer 10 March 1993]:* Scottish Enterprise and Highlands and Islands Enterprise, which are responsible for the delivery of Government-funded training programmes in Scotland, are required to ensure that each of the local enterprise companies with which they contract for the local delivery of these programmes operates a satisfactory procedure for dealing with all complaints made to them. The precise details of these procedures are likely to vary from one local enterprise company to another. Individuals may also make

representations to Scottish Enterprise or Highlands and Islands Enterprise if they believe that a local enterprise company has failed to comply with its contractual obligations.

Mr. Worthington: To ask the Secretary of State for Scotland what numbers and percentage of youth training and employment training places are provided by *(a)* private employers, *(b)* public bodies, *(c)* voluntary bodies and *(d)* others.

Mr. Stewart *[holding answer 10 March 1993]:* In Scotland responsibility for monitoring the delivery of youth training and employment training rests with Scottish Enterprise and Highlands and Islands Enterprise. I have asked the chairmen of these two bodies to write to the hon. Member with the information he has requested.

Secondary School Teachers

Mrs. Ewing: To ask the Secretary of State for Scotland if he will publish the output from Scottish colleges of education of graduate secondary school teachers in each specialist subject and the number employed in each such subject by each regional council for the last three years for which such information is available; and what are the projected figures for the current academic year.

Lord James Douglas-Hamilton *[holding answer 10 March 1993]:* The available information is set out in the tables. The numbers of graduates from the Scottish colleges of education in 1991-92 and1992-93 have been estimated by applying historical success ratios to the number of final year students in training. Detailed information on the number of secondary teachers by subject employed by each regional council is collected only in alternate years; figures for 1990-91 and provisional figures for 1992-93 are given in the table. In 1989-90 and 1991-92 only the total number of teachers per region is collected. Totals may not always exactly equal the sum of their component parts due to rounding.

Table 1
Graduates from the Scottish Colleges of Education: 1989-90 to 1992-93 Secondary Teachers by Main Subject Qualification

Subject	Year			
	1989-90	1990-91	1991-92	1992-93
All subjects	620	845	1,112	1,337
Art	41	70	81	82
Business studies	50	58	94	101
Computing	14	19	43	56
Economics/economic history	1	1	0	0
English	74	89	131	161
Gaelic	4	3	7	5
Geography	19	31	32	48
History	21	49	51	52
Home economics	24	19	16	22
Latin/Greek	4	1	4	4
Mathematics	71	96	114	157
French	38	75	89	102
German	6	7	18	15
Spanish	2	6	7	20
Russian	0	0	1	2
Other modern languages	0	2	6	4
Modern studies	11	30	44	48
Music	14	24	43	72
Physical education	55	77	67	89
Religious education	17	23	30	43
Biology	38	53	54	59
Chemistry	41	41	49	57
Physics	40	37	46	70
Speech and drama	20	11	24	16
Technological education	15	29	59	53

Table 2
FTE of secondary teachers by education authority

Education Authority	Number of Teachers (FTE)	
	1989-90	1991-92
Scotland	24,143	23,820
Borders	496	485
Central	1,271	1,272
Dumfries and Galloway	776	763
Fife	1,630	1,614
Grampian	2,333	2,337
Highland	1,142	1,198
Lothian	3,015	2,890
Strathclyde	11,023	10,903
Tayside	1,916	1,817
Orkney	129	130
Shetland	176	180
Western Isles	237	232

Table 3
1990-91 Secondary Teachers (FTE) by main teaching subject

Subject	Region											
	Borders	Central	Dumfries & Galloway	Fife	Grampian	Highland	Lothian	Strathclyde	Tayside	Orkney	Shetland	Western Isles	Total
Total	494	1,276	778	1,615	2,311	1,150	2,945	11,014	1,862	132	178	233	23,988
Agriculture & Horticulture	2	1	1	4	1	0	1	8	3	0	0	0	21
Art/Art and Design	24	75	52	98	140	74	181	661	120	9	9	13	1,456
Business Studies	18	67	32	62	101	40	147	523	85	9	9	8	1,098
Classics	0	0	1	2	2	2	5	22	3	1	0	0	36
Computing	13	25	13	30	48	20	69	120	51	3	5	4	401
Drama	0	1	4	2	9	1	8	12	1	0	0	0	30
Economic History	0	2	0	0	0	0	2	2	0	0	0	0	6
Economics	3	3	1	3	8	1	8	16	2	0	0	1	46
English	52	147	92	193	291	140	350	1,439	227	20	25	28	3,006
Gaelic	0	2	0	0	0	12	0	8	1	1	0	24	47
Geography	23	60	46	85	113	68	171	533	101	7	8	11	1,227
Geology	0	0	0	0	0	1	0	1	0	0	0	0	2
Greek	0	0	0	0	0	0	0	1	0	0	0	0	1
History	27	70	40	83	112	66	153	522	102	7	10	8	1,200
Home Economics	31	66	44	92	134	73	158	588	103	7	12	14	1,323
Latin	7	18	2	14	8	6	15	94	18	1	2	2	187
Mathematics	49	143	95	188	233	125	321	1,387	192	12	22	27	2,799
French	26	75	41	91	141	85	141	733	109	6	11	11	1,451

Subject	Borders	Central	Dumfries & Galloway	Fife	Grampian	Highland	Region Lothian	Strathclyde	Tayside	Orkney	Shetland	Western Isles	Total
German	10	12	12	44	33	17	50	66	23	2	2	0	292
Spanish	0	0	2	2	1	0	7	35	3	0	0	0	50
Russian	0	4	0	0	1	1	5	2	1	0	0	0	14
Other Modern Language	0	0	0	0	0	0	0	7	1	0	0	0	8
Modern Studies	11	24	14	51	80	12	60	273	30	0	3	3	540
Music	17	43	23	51	68	35	108	340	62	5	5	5	764
Nautical Studies	1	0	0	0	2	1	0	3	1	1	3	0	12
Physical Education	38	92	50	112	145	78	204	744	128	10	8	9	1,619
Religious Education	11	27	17	13	47	14	53	173	28	1	2	2	391
Accreditation by the Roman Catholic Church Authorities	0	0	0	0	2	0	1	7	0	0	0	1	10
Science (General)	2	5	3	18	24	8	20	48	9	2	3	7	150
Biology	27	71	42	84	125	59	147	552	90	6	7	12	1,220
Chemistry	27	82	43	91	121	66	170	681	109	7	8	10	1,416
Physics	28	58	38	76	95	55	135	542	78	7	5	12	1,128
Physical Science	0	0	0	0	0	0	0	2	0	0	0	0	2
Speech and Drama	0	5	5	1	24	0	18	55	3	0	0	0	110
Technical Technological Education	34	79	50	96	167	82	190	697	128	11	16	14	1,574
Primary Qualification	12	18	15	26	50	17	43	94	51	0	2	3	335
Unknown	2	1	1	0	0	0	1	2	0	0	0	0	7

Table 4
1992-93 Secondary Teachers (FTE) by main teaching subject (Provisional)

Subject	Borders	Central	Dumfries & Galloway	Fife	Grampian	Highland	Region Lothian	Strathclyde	Tayside	Orkney	Shetland	Western Isles	Total
Total	506	1,283	753	1,625	2,444	1,228	2,883	10,863	1,831	135	190	228	23,968
Agriculture & Horticulture	1	2	1	1	0	0	1	5	2	0	0	0	13
Art/Art and Design	24	72	50	90	135	76	168	616	108	6	10	13	1,368
Business Studies	21	67	34	63	104	44	140	507	79	5	10	8	1,081
Classics	0	1	1	3	0	2	4	18	3	0	0	0	33
Computing	13	31	13	38	56	30	75	213	57	3	5	3	537
Drama	0	1	3	8	18	1	11	25	2	0	0	0	68
Economic History	0	1	0	0	0	0	2	1	0	0	0	0	4
Economics	3	2	0	3	9	2	7	11	2	0	0	1	40
English	53	150	94	192	305	146	342	1,445	226	22	24	26	3,023
Gaelic	0	2	0	0	0	13	0	10	2	0	0	26	53
Geography	25	60	42	85	121	66	157	493	98	5	10	14	1,175
Geology	0	0	0	0	0	1	0	1	0	0	0	0	2
Greek	0	0	0	0	0	0	0	1	0	0	0	0	1
History	27	87	42	78	105	66	148	492	96	5	10	8	1,144
Home Economics	28	68	40	89	143	81	151	561	105	6	11	12	1,285
Latin	6	15	2	12	7	6	11	70	18	1	2	2	149
Mathematics	53	144	91	184	249	137	323	1,351	189	13	21	25	2,780
French	31	73	40	93	158	65	159	774	115	8	11	11	1,540
German	10	21	13	52	48	22	55	117	26	3	3	0	368
Spanish	0	1	2	3	3	0	9	44	3	0	0	0	65
Russian	0	3	0	0	0	0	4	3	1	0	0	0	11
Other Modern Language	0	2	0	0	0	0	0	10	0	0	0	0	11
Modern Studies	9	24	12	54	68	14	63	269	33	2	3	3	553
Music	17	44	23	51	72	40	101	346	62	5	5	7	774
Nautical Studies	1	0	0	0	2	1	0	1	1	2	2	0	10
Physical Education	37	90	48	107	151	82	205	736	129	10	10	10	1,615
Religious Education	10	29	16	18	57	21	56	213	27	2	3	2	454
Accreditation by the Roman Catholic Church Authorities	0	0	0	0	1	0	3	7	0	0	0	1	12
Science (General)	2	3	2	14	21	7	21	43	7	1	5	7	133
Biology	28	70	42	90	124	68	134	499	94	7	8	11	1,175
Chemistry	28	80	41	88	131	65	163	657	101	7	11	11	1,381
Physics	30	63	36	79	98	55	135	537	78	7	6	11	1,135
Physical Science	0	0	0	0	0	0	0	0	0	0	1	0	1
Speech and Drama	0	5	6	3	24	0	17	52	2	1	0	0	108
Technical Technological Education	34	79	45	95	170	90	174	655	116	11	16	15	1,499
Primary Qualification	15	15	11	30	64	24	45	90	50	1	5	2	351
Unknown	0	1	3	3	1	2	2	4	2	0	0	0	18

European Court of Justice

Dr. Godman: To ask the Secretary of State for Scotland on how many occasions, in each of the past five years *(a)* a district court, *(b)* a sheriff court and *(c)* a Court of Session has requested the European Court of Justice to provide a ruling as provided in article 177 of the treaty of Rome.

Lord James Douglas-Hamilton *[holding answer 11 March 1993]:* There have been no such requests from the Court of Session in any of the years referred to. Information about requests from district and sheriff courts is not available centrally.

Child Care

Mr. Chisholm: To ask the Secretary of State for Scotland how much money has been given to local enterprise companies for after school child care for 1993-94; and whether the money is ring fenced.

Mr. Stewart: *[holding answer 12 March 1993]:* Resources for a new programme for the provision of out of school child care have been included in the overall budgets for Scottish Enterprise and Highlands and Islands Enterprise for 1993-94. The relevant resources have not been ring fenced, in accordance with the normal budgetary arrangements for these bodies; and the detailed allocation of resources to the local enterprise companies is an operational matter for Scottish Enterprise and Highlands and Islands Enterprise.

Official Entertainment

Mr. Tony Banks: To ask the Secretary of State for Scotland how much was spent on official entertainment in his Department in 1991-92 and 1992-93 to date.

Mr. Lang: The information requested is as follows:

	£
1991-92	62,800
1992-93[1]	86,700

[1] To date.

The figure for 1992-93 includes expenditure on official hospitality in connection with events in Scotland arising from the United Kingdom presidency of the European Community.

Plutonium

Mr. McFall: To ask the Secretary of State for Scotland what measures he is taking to comply with European directives on the air transportation of plutonium; and what quantity of shipments from Germany to Dounreay through Wick airport have been notified to his Department.

Mr. Norris: I have been asked to reply.

No European directive deals specifically with the transport of plutonium by air. No such shipment from Germany to Dounreay via Wick airport has been notified to my Department.

Fraud

Mr. Darling: To ask the Secretary of State for Scotland what consideration he has given to establishing a Scottish serious fraud office covering all police force areas in Scotland.

Lord James Douglas-Hamilton: In contrast to the historical position elsewhere in the United Kingdom, in Scotland the procurator fiscal, as public prosecutor, has always had an investigative role in relation to the whole range of serious crime, including fraud, and has had the right to direct police inquiries. Since 1984 the Crown Office fraud unit has, at the request of procurators fiscal, exercised these functions in some of the more serious fraud cases, in particular those arising in smaller pocurator fiscal districts. The matter of investigation of serious and complex fraud in Scotland was reconsidered following the Roskill report and provision was made by the Criminal Justice (Scotland) Act 1987 to give officers nominated by my noble and learned Friend the Lord Advocate similar investigative powers in cases of serious or complex fraud to those exercised elsewhere in the United Kingdom by the Serious Fraud Office. These powers are used in supplement of the procurator fiscal's powers of investigation. Particularly in view of the well-established role of the procurator fiscal and Crown Office, including the system by which all cases proposed for trial on indictment are reported to the Crown Office and considered by Crown counsel, it has not been considered necessary to establish a separate fraud prosecution agency for Scotland.

SOCIAL SECURITY

Unemployment

14. **Mr. Olner:** To ask the Secretary of State for Social Security how much of the recently announced increase in the expenditure of his Department is to meet the costs of increased unemployment.

Mr. Lilley: Table 5 of my Department's third annual report shows that in cash terms, planned benefit expenditure in 1993-94 exceeds the estimated outturn for 1992-93 by £5·84 billion. Just under 19 per cent. of this increase is for the unemployed.

24. **Mr. Congdon:** To ask the Secretary of State for Social Security what recent measures his Department has taken to support people who have become unemployed in the past 12 months.

Mr. Burt: The Government have met their commitment to maintain the value of benefits. Unemployment benefit and income support benefit rates for 1993-94 are being increased by 3·6 per cent. in line with the retail prices index.

There are increased incentives to work. There is a greater gap between incomes in work and out of work and as a consequence the unemployment trap is alleviated. In addition, in April 1992, the working conditions threshold for entitlement to family credit was reduced from 24 hours to 16 hours per week to improve opportunities for the unemployed with families to take work.

Pensioners

15. **Mrs. Lait:** To ask the Secretary of State for Social Security by how much more than inflation benefits for lower income pensioners have been increased since 1989.

Miss Widdecombe: I refer my hon. Friend to my oral answer earlier today to the hon. Member for St Ives (Mr. Harris).

20. **Mr. Tony Banks:** To ask the Secretary of State for Social Security if he will publish a league table of European Community countries listing their comparative levels of social security provision for pensioners.

Miss Widdecombe: League tables of such provision are usually misleading, as most other member states, unlike the United Kingdom, have wholly earnings-related pension schemes. Direct comparison of pension rates is not therefore possible. In order to make a meaningful comparison it would be necessary to take into account the total benefit package available to pensioners.

The Department recently completed a comparative exercise of six member states, using data supplied by an independent firm of actuaries. The exercise indicated that when factors such as safety net provision and health care are taken into account, British pensioners who previously had been on low earnings are better off than those in Germany, France, Italy and Spain, and only just behind those in the Netherlands. It also showed that occupational pensions bring the total pension package for many British pensioners previously on average earnings up to the level available in the larger EC countries.

22. **Mr. Pickles:** To ask the Secretary of State for Social Security what proportion of pensioners were in the top half of the income distribution in 1979 and at the last available date.

Miss Widdecombe: The table shows the proportion of pensioners in the top half of the overall population income distribution.

	1979	*1988-89*
Pensioner couples (BHC)	24	28
Single pensioners (BHC)	21	23
All pensioners (BHC)	23	26
Pensioner couples (AHC)	25	33
Single pensioners (AHC)	25	27
All pensioners (AHC)	25	30

Notes:
1. Figures have been calculated using the methodology used to produce HBAI results. They therefore relate to individual pensioners (rather than pensioner units), and assume all members of a household share the same standard of living.
2. 1988-89 denotes a combined sample from the 1988 and 1989 family expenditure surveys.
3. BHC and AHC denote before and after housing costs respectively.
4. Percentages may not add to 100 owing to rounding.

26. **Mr. Thurnham:** To ask the Secretary of State for Social Security what is his estimate of the trend in pensioners' real income since 1979.

Miss Widdecombe: Between 1979 and 1989 the total net average income of pensioner units[1] increased, in real terms, by 30 per cent. before housing costs are taken into account and by 37 per cent. after housing costs. Both single pensioners and pensioner couples enjoyed increases in their real net incomes of 29 per cent. before housing costs and 33 per cent. and 36 per cent. respectively after housing costs are taken into account.

Source: Family Expenditure Survey 1989..

1. Pensioner units are defined as single people over state pension age and couples in which the husband is over state pension age.

27. **Mr. Mark Robinson:** To ask the Secretary of State for Social Security what is his estimate of the trend in the real income of pensioners since 1979.

Miss Widdecombe: I refer my hon. Friend to my oral answer to the hon. Member for Bolton, North-East (Mr. Thurnham) earlier today.

Invalidity Pension

16. **Mr. Sheerman:** To ask the Secretary of State for Social Security what has been the average percentage increase in real terms of the invalidity pension and invalidity allowances since November 1978.

Mr. Scott: Invalidity pension and invalidity allowances have increased by almost 3 per cent. in real terms between November 1978 and April 1992. From April 1993 we have announced an increase in line with last September's RPI of 3·6 per cent. The latest RPI figure for January was 1·7 per cent.

The average weekly payment of invalidity benefit was £67·40 on 30 March 1991, the latest date for which information is available.

Note: Information from a 1 per cent. sample of claimants.

Occupational Pensions

17. **Mr. Mike O'Brien:** To ask the Secretary of State for Social Security what further proposals he has to protect occupational pension scheme members from their companies accessing the funds for their own purposes.

Miss Widdecombe: A detailed and wide-ranging review of the legal framework within which occupational pension schemes operate is currently being carried out by an independent committee, the Pensions Law Review Committee. It would be inappropriate for the Government to pre-empt its findings. Decisions on whether any legislative changes are appropriate will be taken in the light of the committee's recommendations.

Disability Living Allowance

18. **Mr. Skinner:** To ask the Secretary of State for Social Security how many disability living allowance cases are still to be dealt with by his Department.

Mr. Scott: There were 37,000 disability living allowance claims awaiting action at the end of January.

Invalid Care Allowance

19. **Mr. Whittingdale:** To ask the Secretary of State for Social Security how many women are in receipt of invalid care allowance in 1978-79 and at the latest available date.

Mr. Scott: As at January 1981, the earliest date for which information is available, 3,600 women were receiving invalid care allowance. We estimate that there are currently 195,000 recipients of whom approximately 160,000 are women.

Fraud

21. **Mr. Brandreth:** To ask the Secretary of State for Social Security what new measures his Department is taking to tackle fraud and the abuse of benefits.

Mr. Burt: An additional £10 million of resources are being made available to the Benefits Agency to help step up the fight against fraud. More specially trained investigators will be deployed and there will be increasing emphasis on the use of new technology. We are also planning to give new financial incentives to local authorities to clamp down on false housing benefit claims.

Child Support Agency

23. **Mr. Butler:** To ask the Secretary of State for Social Security what progress he has made in setting up the Child Support Agency.

Mr. Burt: I am pleased to report that excellent progress has been made. The Child Support Agency will begin operations on 5 April as planned. Operating within the framework of the Child Support Act, the agency will provide a clear focus for the assessment, collection, and enforcement of maintenance payment, and ensure that many more parents meet their responsibility to maintain their children.

25. **Mr. Brazier:** To ask the Secretary of State for Social Security what long-term savings he expects as a result of the operation of the Child Support Agency.

Mr. Burt: We expect that, in the long term, absent parents will contribute around £600 million to the maintenance of their children, a cost currently borne by tax payers.

Family Credit

28. **Mr. Harry Greenway:** To ask the Secretary of State for Social Security over what range of net income families are eligible for family credit.

Dr. Liam Fox: To ask the Secretary of State for Social Security over what range of net income families are eligible for family credit.

Mr. Burt: Eligibility for family credit depends not only on a family's income, but also on the number of children in the family and their ages. A family with one child under 11 can get family credit if their net weekly income is less than £139 a week. There is no minimum qualifying level. Families with more, or older, children remain entitled to family credit at much higher levels of income. For example, a family with four children aged 3, 8, 11 and 16 could be eligible with a net income of £209 a week.

Mr. Sweeney: To ask the Secretary of State for Social Security what is the number of families receiving family credit; and how many families were receiving a family income supplement in 1979.

Mr. Lilley: At the end of October 1992 there were 450,000 families receiving family credit, compared with 78,000 families receiving family income supplement in April 1979.

Maxwell Pension Funds

29. **Mr. Madel:** To ask the Secretary of State for Social Security what is the latest information known to his Department concerning efforts being made to recover the missing Maxwell pension funds; and if he will make a statement.

Miss Widdecombe: The Department's Maxwell pensions unit and Sir John Cuckney continue to assist the liquidators and the pension scheme trustees in their attempts to restore assets to the schemes. Meanwhile, the trustees of the Maxwell Pensioners Trust announced last week that the trust would be making grants to pension schemes when the Government's emergency funding is exhausted to keep pensions in payment for a further period while asset recovery continues.

Unemployment Benefit

Ms Mowlam: To ask the Secretary of State for Social Security whether he will consider amending the operation by the employment service of the NI 230 rule.

Mr. Burt: We have no plans to amend the legislation which governs the abatement of unemployment benefit by occupational pension and/or personal pension and which is explained in leaflet NI 230.

Severe Hardship Payments

Mr. Frank Field: To ask the Secretary of State for Social Security how many applications for income support under the discretionary severe hardship provisions were made, and what percentage were successful, in November 1992, December 1992, January 1993 and February 1993.

Mr. Burt: The available information is in the table:

Date	*Severe Hardship Applications*	*Successful claims Per cent.*
November 1992	8,668	78
December 1992	7,183	80
January 1993	12,647	85

Notes:
1. *Source:* Severe hardship claims unit statistics.
2. Figures for February 1993 are not yet available.

Mr. Frank Field: To ask the Secretary of State for Social Security what was the total amount paid out to persons aged 16 and 17 years under the discretionary severe hardship provisions in each of the years since 1988.

Mr. Burt: The requested information is not available and could be obtained only at disproportionate cost. The amount of benefit paid to successful severe hardship applicants is not collected centrally.

Mr. Frank Field: To ask the Secretary of State for Social Security what is the annual budget of the severe hardship unit responsible for administering discretionary income support payments to young people at risk from hardship.

Mr. Burt: Income support, of which severe hardship payments form a part, is not constrained by a budget.

Child Benefit

Mr. Frank Field: To ask the Secretary of State for Social Security how many awards of extended child benefit were made in each of November 1992, December 1992, January 1993 and February 1993.

Mr. Burt: The numbers are as follows:

	Number
November 1992	3,236
December 1992	2,242
January 1993	2,901
February 1993	2,017

European Council Directive

Mr. Don Foster: To ask the Secretary of State for Social Security if he will place in the Library a copy of the United Kingdom Government's response of 11 September 1992 to a letter from the European Commissioner responsible for social affairs and employment in connection with the United Kingdom's obligations under European Council directive (EEC) 80/987; and if he will make a statement.

Miss Widdecombe: The document requested is a formal reply to the European Commission. Such correspondence is treated as confidential on both sides and I am therefore not able to make the reply available. We understand that Commission officials are still considering it, but we are confident that the Government have done all that is required to implement this directive.

Rent Rebates, Wakefield

Mr. Hinchliffe: To ask the Secretary of State for Social Security (1) what was the total rent rebate received in Wakefield since 1979;

(2) what was the level of Government expenditure for rent rebates in Wakefield in each year since 1979.

Mr. Burt: Such information as is available is in the table:

Year	*Rent rebate paid (£)*	*Rent rebate subsidy*[1] *(£)*
1983-84	12,472,345	12,003,803
1984-85	15,374,155	14,812,851
1985-86	14,939,028	14,415,343
1986-87	16,171,276	15,588,471
1987-88	16,383,457	15,820,735
1988-89	16,896,791	16,389,887
1989-90	15,526,638	15,060,838
1990-91	18,511,816	18,498,893
1991-92	20,450,512	20,422,045

Note:
[1] From 1990-91, the bulk of rent rebate subsidy was paid by the Department of the Environment as part of its housing revenue account arrangements.

Written Answers to Questions

Tuesday 16 March 1993

FOREIGN AND COMMONWEALTH AFFAIRS

Chile

Mr. Burden: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations his Department has made to the Chilean Government concerning information relating to the arrest and imprisonment in 1974 of William Beausire; and what future action he proposes to take to secure the release of such information.

Mr. Garel-Jones: We made repeated representations to the Chilean authorities about Mr. Beausire's disappearance until 1990. In March 1991, the Commission for Truth and Reconciliation appointed by President Aylwin's democratically elected Government concluded that Mr. Beausire was arrested in Buenos Aires on 2 November 1974 and handed over to the then Chilean intelligence organisation, DINA, in whose custody he was held until his disappearance in June 1975.

The view of the Chilean authorities is that any further evidence concerning human rights abuses committed in the past should be taken up through legal channels. Our embassy in Santiago is ready to assist in any way possible, should a member of the Beausire family wish to pursue the case further.

European Community Committee of the Regions

Sir Teddy Taylor: To ask the Secretary of State for Foreign and Commonwealth Affairs on what basis Her Majesty's Government have offered to endeavour to secure six seats for Scotland in the proposed Committee of the Regions; and what numbers he plans to allocate to Wales, Northern Ireland and England, respectively.

Mr. Garel-Jones: No final decisions have been taken on the allocation of seats between the different parts of the United Kingdom. However, the Government will wish to ensure that Scotland, Wales, Northern Ireland and England are all appropriately represented on the Committee.

Sir Teddy Taylor: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement outlining the report-back procedures offered to Wales in connection with the proposed Committee of the Regions; and what cost will be involved in these procedures.

Mr. Garel-Jones: Consultations on arrangements continue. The costs will depend on final decisions.

Mr. Morgan: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will specify the proposed representation of the United Kingdom delegation for the Committee of the Regions for *(a)* each of the English standard regions, *(b)* Scotland, *(c)* Wales and *(d)* Northern Ireland.

Mr. Garel-Jones: No final decisions have been taken on the allocation of seats between the different parts of the United Kingdom.

Montenegro

Mr. Elletson: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement of his policy in regard to British-Montenegran relations; and what conditions he will require to be satisfied before sanctions against Montenegro are lifted.

Mr. Goodlad: Sanctions against Serbia and Montenegro apply equally to the two republics. The conditions for lifting sanctions are set out in United Nations Security Council resolution 757 (1992), a copy of which is in the Library of the House. We are encouraging the leaderships of both republics to change their policies. The President of Montenegro, Mr. Bulatovic, is paying a working visit to London on 18 and 19 March and will meet my right hon. Friend the Secretary of State for Foreign and Commonwealth Affairs.

Public Bodies

Dr. Wright: To ask the Secretary of State for Foreign and Commonwealth Affairs how many appointments to the public bodies listed in "Public Bodies" for his Department were made from names supplied by the public appointments unit; and if he will list them.

Mr. Goodlad: In the case of the diplomatic wing of the Foreign and Commonwealth Office, there were three:

Wilton Park Academic Council—
Mr. Anthony Bruce
Wilton Park Departmental Board—
Miss Ruth Watts Davies and
Miss Valerie le Moignan

In the case of the aid wing, none.

Departmental Spending

Dr. Wright: To ask the Secretary of State for Foreign and Commonwealth Affairs what percentage share of total departmental spending was accounted for by non-departmental public bodies in each year since 1979.

Mr. Goodlad: The percentage share of total Foreign and Commonwealth Office expenditure on non-departmental public bodies since 1979 is as follows:

Year	*Per cent.*
1979-80	7·73
1980-81	6·71
1981-82	6·65
1982-83	6·87
1983-84	6·85
1984-85	7·04
1985-86	7·26
1986-87	7·42
1987-88	7·38
1988-89	6·93
1989-90	7·59
1990-91	7·76
1991-92	6·31

Thailand (Prisoner)

Mr. Burden: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the approaches which have been made by his Department to the Thai

authorities in the last three months regarding the application of Patricia Cahill for a royal pardon from the King of Thailand.

Mr. Lennox-Boyd: Our embassy in Bangkok has been in regular touch with the Thai authorities about this case, most recently on 24 February. The Minister of State for Foreign and Commonwealth Affairs, my right hon. Friend the Member for Eddisbury (Mr. Goodlad), also raised it when he visited Bangkok last October.

Immigration

Mr. Vaz: To ask the Secretary of State for Foreign and Commonwealth Affairs what are the current queues awaiting interview in Bombay, New Delhi, Calcutta, Dhaka, Islamabad, Karachi, Nairobi and Dar-es-Salaam.

Mr. Lennox-Boyd: As at 31 December 1992, the queues awaiting interview were:

Settlement	*Q1*	*Q2*	*Q3*	*Q4*	*Total*
Bombay	0	124	351	239	714
New Delhi	0	298	246	117	661
Dhaka	522	1,830	252	293	2,897
Islamabad	45	844	244	901	2,014

There are no queues in Karachi, Calcutta, Nairobi or Dar es Salaam.

As at 31 December 1992, the estimated waiting times —in months—were:

	Q1	*Q2*	*Q3*	*Q4*
Bombay	0	4	7	10
New Delhi	0	3	3	10
Dhaka	3	6	7	9
Islamabad	3	3	6	9

Settlement queues are organised as follows:

Q1: Persons with a claim to the right of abode, dependent relatives over 70 years, special compassionate cases.

Q2: All spouses, and all children under 18 years.

Q3: Fiancé(é)s and others applying for the first time for settlement.

Q4: Re-applicants.

Visitors

During periods of seasonal high demand applicants for visit visas in Islamabad requiring a full interview can expect to wait up to five days. Elsewhere, they are dealt with on the day of application.

Foreign Affairs Council

Mr. Ian Taylor: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the outcome of the Foreign Affairs Council held on 8 March.

Mr. Hurd: I attended the Foreign Affairs Council on 8 March. My hon. Friend the Minister for Trade represented the United Kingdom on trade issues.

The Council reached a common position on the Commission's proposal of a one-year cohesion fund instrument. The European Parliament will now be consulted and it is expected that the regulation will enter into force in time to meet the 1 April deadline set at the Edinburgh Council.

Foreign Ministers signed an EC association agreement with Bulgaria. Similar agreements were signed with Poland and Hungary in December 1991, and with Romania in February 1993.

The Council agreed an additional protocol to the European economic area agreement following Switzerland's rejection of the EEA. This now opens the way to the ratification of the agreement which will create the world's largest single market, covering the Community and six European Free Trade Association countries.

Foreign Ministers discussed the Community's relations with Russia. They reaffirmed the Community's continued support for economic and political reform in Russia.

The Council continued its discussion of a Commission proposal to change the decision-making procedures for Community anti-dumping and other commercial defence measures. The Commission reported to the Council on developments concerning the general agreement on tarrifs and trade Uruguay round and EC/USA trade issues.

The Netherlands and the Commission, together with France and Italy, agreed to hold further discussions on possible trade measures in respect of rice from the Netherlands Antilles.

In a discussion of latest developments in the former Yugoslavia, Lord Owen outlined his strategy for securing the agreement of all parties to the Vance-Owen proposals. Ministers gave unanimous support to this approach and agreed that existing sanctions should be tightened.

St. Helena

Dr. Marek: To ask the Secretary of State for Foreign and Commonwealth Affairs what procedures are used to select the general manager of the St. Helena development agency.

Mr. Garel-Jones: After a tender competition, the Overseas Development Administration retained Pieda, a firm of economic and planning consultants, to help develop St. Helena's Small Industries Authority into a development agency and recommend a general manager.

The consultants' nominee for this proposed position was approved by the Overseas Development Administration and the St. Helena Government. The agency has still be be set up.

Dr. Marek: To ask the Secretary of State for Foreign and Commonwealth Affairs when he expects the report by Mr. Brian Smith on matters relating to the heritage of St. Helena to be available; and if he will place a copy in the Library.

Mr. Garel-Jones: I expect Mr. Smith's report to be completed by the end of April 1993. The St. Helena Heritage Society and the St. Helena Government jointly commissioned the report. I hope to place a copy in the House of Commons Library.

Dr. Marek: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will give the number of votes and the percentage they represent of the eligible population on the new electoral roll on St. Helena and the figures for the previous roll.

Mr. Garel-Jones: The new electoral roll is not yet complete.

In the 1989 election the electoral roll comprised 2,532 voters, of whom 1,588 voted. This represented 63 per cent. of those registered to vote.

No figure for the eligible population in 1989 is available but the last census, in 1987, gave a figure of 3,508.

LORD CHANCELLOR'S DEPARTMENT

Legal Aid

Mr. David Nicholson: To ask the Parliamentary Secretary, Lord Chancellor's Department what representations he has had over the proposals for restricting the availability of legal aid in respect of redress for injuries inflicted in accidents; and if he will make a statement.

Mr. John M. Taylor: The Lord Chancellor and I have received a number of such representations. The Lord Chancellor gave evidence about these matters to the Home Affairs Select Committee on 24 February 1993.

NATIONAL FINANCE

Car Tax

Mr. Peter Bottomley: To ask the Chancellor of the Exchequer, pursuant to his answer of 4 March, *Official Report*, column *245*, what level of sales was assumed to estimate the revenue forgone at £750 million, when car tax was abolished; what proportion of the retail prices reduction has been replaced by price increases; and if he will estimate the effects on *(a)* the retail prices index and *(b)* the tax and prices index if the £750 million is fully replaced by other taxation and also by manufacturers' price increases.

Sir John Cope: The estimated revenue loss in 1993-94 of £750 million—car tax and consequential VAT—was based on car sales of around 1·5 million. There are considerable difficulties associated with monitoring the retail price of new cars and no estimates are available on how prices have changed since the abolition of car tax was announced in November 1992. Were the revenue to be recouped wholly from an increase in the excise duty on road fuels, this would have an estimated impact effect of 0·1 per cent. on both the retail prices index and the tax and price index.

Mortgage Relief Scheme

Mr. Hall: To ask the Chancellor of the Exchequer what the take-up rate of the mortgage relief scheme in Warrington, South has been in each year since its commencement.

Mr. Dorrell: I regret that this information is not available.

Personal Income Tax

Mr. Milburn: To ask the Chancellor of the Exchequer, pursuant to his answer of 24 February, *Official Report*, columns *593-94*, if he will estimate the total tax forgone in each region in each year since 1988-89.

Mr. Dorrell: Available information is given in the table. Some regional estimates are based on small samples and all figures are given to the nearest £50 million.

Estimated change in tax revenue at rates in excess of 40 per cent.

£ million

Region of residence of taxpayer	*1988-89*	*1989-90*	*1990-91*
North	50	50	50
Yorkshire and Humberside	100	150	200
North West	150	250	250
East Midlands	100	150	150
West Midlands	150	150	250
East Anglia	100	100	150
South East	1,600	1,800	2,150
South West	200	300	250
Wales	50	100	50
Scotland	100	100	150
Northern Ireland	[1]—	50	50
United Kingdom[2]	2,600	3,200	3,700

[1] Under £25 million.

[2] Includes members of the forces and Merchant Navy and a small number of civil servants overseas who are not allocated to regions.

Regulations

Mr. Sproat: To ask the Chancellor of the Exchequer, pursuant to his answer of 9 February, *Official Report*, column *539*, if he has now finished compiling and has checked for accuracy and consistency of definition the comprehensive provisional list of regulations for which his Department is responsible; and when he intends to place this list in the Library.

Mr. Dorrell: Work is proceeding as quickly as possible on checking my Department's list of regulations affecting business. A consolidated list of regulations for all Departments will be compiled by the central deregulation unit of the DTI and placed in the Library as soon as possible.

Council Tax

Mr. Tyler: To ask the Chancellor of the Exchequer what monitoring is carried out of the extent to which, in the area of every local authority, council tax listing officers have fully complied with their instructions to make inquiries from local authorities as to the existence of planning restrictions limiting dwellings to occupation by persons engaged in agriculture.

Mr. Nelson *[holding answer 8 March 1993]:* Monitoring of the major activities of council tax work was undertaken by visits to each listing office by central and regional office staff. There was no specific monitoring of the extent to which listing officers complied with the instructions referred to in the question.

Mr. Tyler: To ask the Chancellor of the Exchequer, pursuant to his answer of 25 January, *Official Report*, column *522*, if he will publish the advice given to listing officers on the approach they should take to the valuation of farmhouses for council tax purposes.

Mr. Nelson *[holding answer 8 March 1993]:* Listing officers are required to band dwellings on the basis prescribed by council tax legislation.

NATIONAL HERITAGE

Tourism

Mr. Llwyd: To ask the Secretary of State for National Heritage what information he has showing the percentage breakdown in the modes of transport used by British domestic tourists since 1985.

Mr. Key: The information is contained in the table:

Domestic tourism trips of one night or more by British residents[1]
Main mode of transport used to reach destination as a percentage of all modes

Per cent.

	[2]1985	[2]1986	[2]1987	[2]1988	[3]1989	[3]1990	[3]1991
Own/friend's/firm's car	69	69	69	72	72	72	73
Hired car	2	1	1	1	1	2	2
Regular bus or coach	7	7	8	6	6	6	5
Coach tour	3	3	3	2	3	3	3
Train	11	12	12	12	10	10	10
Plane	1	1	1	1	2	2	2
Boat	[4]	[4]	[4]	[4]	1	1	1
Other	6	6	5	5	4	4	4

Notes:
[1] Residents of Great Britain 1985-88; residents of the United Kingdom 1989-91.
[2] *Source:* British Tourism Survey Monthly (BTSM).
[3] *Source:* United Kingdom Tourism Survey (UKTS) not comparable with BTSM.
[4] less than 0·5 per cent.

Mr. Llwyd: To ask the Secretary of State for National Heritage if he will publish the figures for *(a)* the total number and *(b)* the percentage of overseas visitors to the United Kingdom visiting (i) England, (ii) Scotland, (iii) Wales and (iv) Northern Ireland in each year since 1985.

Mr. Key: The information is contained in the table:

Overseas visits to the United Kingdom[1]:
Number of visits to England, Scotland, Wales and Northern Ireland and percentage of visitors spending at least one night in the country shown[3].

	England		*Scotland*		*Wales*		*Northern Ireland*		*Total United Kingdom*
Year	*visits (thousands)*	*Percentage of visits*	*visits (thousands)*	*Percentage of visits*	*visits (thousands)*	*Percentage of visits*	*visits (thousands)*	*Percentage of visits*	*visits (thousands)*
1985	12,427	92·2	1,196	8·9	544	4·0	54	0·4	13,482
1986	11,655	90·7	1,165	9·1	484	3·8	54	0·4	12,861
1987	13,191	91·5	1,304	9·1	543	3·8	56	0·4	14,413
1988	13,074	89·9	1,249	8·6	539	3·7	53	0·4	14,548
1989	14,320	89·3	1,327	8·3	596	3·7	67	0·4	16,037
1990	15,052	90·1	1,481	8·9	627	3·8	67	0·4	16,705
1991	13,538	88·2	1,459	9·5	575	3·8	85	0·6	15,352
1992[2]	11,512	88·0	1,405	10·7	502	3·8	70	0·5	13,080

[1] Excluding visits by residents of the Irish Republic.
[2] January to September only.
[3] Some visitors visit more than one part of the United Kingdom in a single trip and are included in the totals for each country they visit. The sum of the percentages for each year can, therefore, exceed 100 per cent.
Source: International Passenger Survey.

Regulations

Mr. Sproat: To ask the Secretary of State for National Heritage, pursuant to his answer of 4 February, *Official Report*, column *251*, if he has now finished compiling and has checked for accuracy and consistency of definition the comprehensive provisional list of regulations for which his Department is responsible; and when he intends to place the list in the Library.

Mr. Brooke: Work is proceeding as quickly as possible on checking my Department's list of regulations affecting business. A consolidated list of regulations for all Departments will be compiled by the central deregulation unit of the Department of Trade and Industry and placed in the Library as soon as possible.

Public Bodies

Dr. Wright: To ask the Secretary of State for National Heritage how many appointments to the public bodies listed in "Public Bodies" for his Department were made from names supplied by the public appointments unit; and if he will list them.

Mr. Key: The Department of National Heritage is still in the process of setting up a central database of public appointees and therefore the information to answer this question is not yet available. Until this information is held centrally, this question could be answered only at disproportionate cost.

Local Authority Services

Dr. Godman: To ask the Secretary of State for National Heritage, pursuant to his answer to the hon. Member for South Hams (Mr. Steen) of 10 November 1992, *Official*

Report, columns *687-89*, if he will list the members of the steering committee which is monitoring the investigations of the local provision of libraries, etc., by way of *(a)* their professional and occupational qualifications, *(b)* their occupations, *(c)* country in which they reside and *(d)* their remuneration; and if he will make a statement.

Mr. Brooke: Nominations to the steering committee have been invited from the key library organisations, local authority associations and from the library supply trade. I will announce the names when they are known.

DEFENCE

Army Bands

Mr. Couchman: To ask the Secretary of State for Defence if he is yet in a position to make a statement about the future of Army bands.

Mr. Archie Hamilton: The organisation of Army bands has been reviewed in order to ensure that the right numbers of bandsmen, providing music to the high standard expected, are employed in proportion to the Army's total size and that the important contribution that bands make to the regimental system is retained. The results of this review are as follows.

The number, size and affiliation of the state bands of the Household Division and of the Royal Artillery will be unchanged.

The size of other future bands will increase. In future all bands will have either 35 or 49 musicians, replacing present arrangements where many bands have fewer than 20 musicians. Such small bands are not musically viable and have proved difficult to recruit.

The need to ensure that bands are large enough to be musically viable makes it impossible to retain the present number of bands, taking into account the number of bandsmen who will be available as the Army reduces in size. However, in bringing forward new arrangements, it has been considered highly desirable to ensure that a substantial link is retained between an infantry or cavalry regiment and an allocated band. It is possible to do this while providing fewer bands overall, by allocating a number of bands to the Royal Armoured Corps, and to each of the divisions of infantry. The precise way in which these bands will meet regimental needs will be determined in accordance with the wishes of the regiments within the infantry divisions and of the Royal Armoured Corps. Under present arrangements, many regimental bands play for their regiment on only a limited number of occasions, and under the new arrangements there will be sufficient musical capacity overall to meet all regimental needs and to do so in a manner that will be consistent with regimental ceremony and traditions.

All other arms and corps which now have bands will in future have a band of 35 bandsmen, as for the first time will the Army Air Corps.

The overall organisation will be as follows:

	Bands	*Size*	*Numbers*
Household Cavalry	2	35	70
Foot Guards	5	49	245
Royal Armoured Corps	4	35	140
Infantry Divisions:			
Scottish	2	35	70
Queens	2	35	70
Kings	2	35	70
Prince of Wales	2	35	70
Light	1	49	49
Parachute Regiment	1	35	35
Royal Irish Regiment	1	35	35
Royal Artillery	1	49	49
Royal Engineers	1	35	35
Royal Signals	1	35	35
Army Air Corps	1	35	35
REME	1	35	35
Royal Logistic Corps	1	35	35
Adjutant General's Corps	1	35	35

In addition, we shall be establishing a central music authority for the Army, headed by an inspector of Army music, responsible for recruitment, training and appointment of Army musicians. This will help to ensure the improvement and future maintenance of musical standards throughout the Army.

The operational role of bandsmen will remain unchanged.

These arrangements will ensure that the traditional role of music in support of the regimental system will continue, and that the Army as a whole will enjoy the highest standard of musical support.

Regulations

Mr. Sproat: To ask the Secretary of State for Defence, pursuant to his answer of 12 February, *Official Report*, column *690*, if he has now finished compiling and has checked for accuracy and consistency of definition the comprehensive provisional list of regulations for which his Department is responsible; and when he intends to place the list in the Library.

Mr. Aitken: My Department has completed its review and check for accuracy of the provisional list of administrative requirements which impact on business. My Department is not responsible for any primary or secondary legislation under which regulations are made which impact on industry. However, there are certain forms which the Department requires or invites companies with whom we conduct business to complete. A list of these is being placed in the Library.

RAF Vulcan

Mr. Nigel Jones: To ask the Secretary of State for Defence (1) what was the cost of continuing training flights for the RAF Vulcan display flight from the end of September 1992 to date; and if he will make a statement;

(2) what was the cost, for the last year for which figures are available, of the operation of the RAF Vulcan display flight; and if he will make a statement.

Mr. Aitken: I refer the hon. Member to the answers I recently gave to the hon. Member for Nuneaton (Mr. Olner) on 9 March 1993, column *549*, and 12 March 1993, column *725* respectively.

OVERSEAS DEVELOPMENT ADMINISTRATION

Family Planning

Mr. Lidington: To ask the Secretary of State for Foreign and Commonwealth Affairs what assistance his Department has sought from British manufacturers and suppliers of contraceptives in connection with the Overseas Development Administration's promotion of family planning in the developing world; and if he will make a statement.

Mr. Lennox-Boyd: The provision of contraceptives forms a relatively modest part of our population assistance, but it is increasing. The aim is to provide contraceptives of a type relevant to the needs of developing countries and selected in consultation with local institutions. A British manufacturer, Cilag Ltd., is currently supplying delfen foam—an aerosol contraceptive—to Pakistan under an ODA project worth over £500,000. Other British manufacturers have been invited to tender for condom contracts.

HOUSE OF COMMONS

Sittings Costs

Mr. Cryer: To ask the right hon. Member for Berwick-upon-Tweed, as representing the House of Commons Commission, what are the costs of preparing for a sitting of the House over the weekend of 13-14 March.

Mr. Beith: No additional costs have been incurred by House Departments.

Birmingham Northern Relief Road (Exhibition)

Mr. Elletson: To ask the Chairman of the Administration Committee if he has considered an application for an exhibition relating to the Birmingham northern relief road to be displayed in the Upper Waiting Hall.

Mr. Michael J. Martin: I understand that, under procedures agreed by the Administration Committee, arrangements have been made for the exhibition to be held in the Upper Waiting Hall from 19 to 26 April 1993.

EDUCATION

Unemployed Graduates

Mr. Malcolm Bruce: To ask the Secretary of State for Education what percentage of students who graduated in 1992 are still unemployed.

Mr. Boswell: Details of graduate destinations will be given in a statistical bulletin to be published shortly. Some 12 per cent. of full-time first degree students who graduated from higher education institutions in Great Britain in 1991 whose destinations were known were reported believed unemployed at December 1991. Destinations of 1992 graduates are not yet available.

Labour Statistics

Mr. Milburn: To ask the Secretary of State for Education, pursuant to his answer of 9 March, *Official Report*, column *522*, if he will break down the figures for employment, including other, of school leavers into *(a)* unemployment, *(b)* employment and *(c)* training schemes.

Mr. Boswell: The table gives an estimated breakdown of the figures of school leavers for "employment, including other" into their involvement in employment, training schemes and other. The Department does not collect data on school leavers who become unemployed.

Intended destinations of school leavers from 1980 to 1991
(excluding those that intended to stay in full-time education)
England

Thousands

	1979-80	*1980-81*	*1981-82*	*1982-83*	*1983-84*	*1984-85*	*1985-86*	*1986-87*	*1987-88*	*1988-89*	*1989-90*	*1990-91*
Northern												
Employment	39·89	35·83	35·67	37·05	34·16	33·19	32·14	30·59	26·36	7·81	9·48	8·77
Training schemes	—	—	—	—	—	—	—	—	—	11·36	9·52	8·97
Other	4·24	4·96	4·65	4·84	6·34	6·01	5·74	6·51	7·41	10·66	8·44	7·27
TOTAL	44·13	40·79	40·33	41·89	40·50	39·20	37·89	37·10	33·77	29·83	27·44	25·01
Yorkshire and Humberside												
Employment	60·18	55·12	53·93	55·05	53·45	51·59	50·50	50·63	41·68	16·83	19·10	14·89
Training schemes	—	—	—	—	—	—	—	—	—	14·02	9·12	7·65
Other	5·68	5·62	6·69	7·76	9·04	9·77	10·43	10·36	11·72	16·91	12·10	11·31
TOTAL	65·85	60·74	60·62	62·80	62·49	61·37	60·93	60·99	53·39	47·76	40·33	33·84
North West												
Employment	76·06	69·01	65·85	66·15	62·34	61·26	59·61	58·36	49·52	21·22	24·35	19·85
Training schemes	—	—	—	—	—	—	—	—	—	15·36	11·46	9·08
Other	9·95	10·99	13·83	14·04	15·55	14·20	15·03	14·65	14·48	20·39	15·33	13·93
TOTAL	86·00	80·00	79·67	80·19	77·88	75·46	74·64	73·01	64·00	56·97	51·15	52·85
East Midlands												
Employment	41·79	38·96	38·06	40·32	38·51	38·43	36·71	36·24	36·24	13·49	15·65	10·99
Training schemes	—	—	—	—	—	—	—	—	—	9·55	6·05	4·70
Other	6·20	5·73	6·26	6·91	8·29	8·98	7·67	8·13	8·13	12·61	10·03	8·75

	1979-80	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91
TOTAL	47·99	44·69	44·32	47·23	46·80	47·40	44·38	44·37	44·37	35·66	31·73	24·44
West Midlands												
Employment	60·40	52·80	53·04	54·15	53·23	52·08	51·50	48·98	42·28	19·51	20·98	14·33
Training schemes	—	—	—	—	—	—	—	—	—	14·58	10·62	9·80
Other	6·84	9·18	9·43	11·06	11·65	10·75	10·45	12·56	12·33	17·35	13·30	14·38
TOTAL	67·23	61·98	62·47	65·21	64·88	62·83	61·95	61·54	54·60	51·44	44·90	38·51
East Anglia												
Employment	19·37	18·35	18·27	18·71	17·97	17·79	17·95	16·74	15·85	9·67	8·93	5·74
Training schemes	—	—	—	—	—	—	—	—	—	3·16	1·91	1·42
Other	2·07	2·07	2·66	2·54	2·95	3·34	3·18	4·08	3·67	5·86	5·80	5·59
TOTAL	21·44	20·42	20·93	21·24	20·92	21·13	21·13	20·83	19·53	18·68	16·64	12·76
Greater London												
Employment	67·45	57·91	57·74	56·50	52·24	48·45	44·66	42·14	35·57	24·08	22·13	16·22
Training schemes	—	—	—	—	—	—	—	—	—	1·98	1·70	1·39
Other	11·82	14·03	14·37	16·16	16·31	16·54	15·62	15·62	14·95	18·02	17·33	16·43
TOTAL	79·27	71·94	72·11	72·66	68·55	64·98	60·28	57·76	50·53	44·07	41·16	34·04
Other South East												
Employment	108·[illegible]	96·62	96·19	100·66	95·74	90·07	88·53	88·29	77·21	50·11	47·98	33·69
Training schemes	—	—	—	—	—	—	—	—	—	8·52	4·74	3·42
Other	13·44	13·88	16·74	16·38	17·61	19·32	17·83	18·52	17·38	28·13	24·22	22·37
TOTAL	121·53	110·50	112·94	117·04	113·35	109·39	106·35	106·81	94·59	86·76	76·94	59·49
South West												
Employment	44·39	39·16	40·51	40·62	39·21	39·27	39·27	37·60	34·24	17·92	16·66	10·93
Training schemes	—	—	—	—	—	—	—	—	—	9·08	5·42	3·80
Other	4·54	5·76	5·70	7·50	7·53	6·49	6·49	6·91	6·82	11·35	10·24	10·73
TOTAL	48·93	44·92	46·21	48·12	46·74	45·76	45·76	44·51	41·06	38·35	32·32	25·45
Total England												
Employment	517·61	463·75	459·27	469·21	446·85	432·13	418·11	409·58	354·64	180·62	185·27	135·41
Training schemes	—	—	—	—	—	—	—	—	—	87·61	60·54	50·23
Other	64·78	72·23	80·33	87·19	95·27	95·40	92·61	97·34	96·44	141·28	116·79	110·75
TOTAL	582·38	535·98	539·59	556·40	542·12	527·53	510·72	506·92	451·09	409·52	362·61	296·39

Notes:

(1) Data on training schemes was not collected separately until 1988-89. Prior to this figures were included in "Employment" category.

(2) Prior to 1989-90, employment included those intending to take up full-time education at a later date. From 1989-90 onwards these are included in "Other" category.

Mr. Milburn: To ask the Secretary of State for Education if he will publish a table showing the destination of 16-year-old school leavers by region for each year since 1980 specifying the numbers and percentages going into *(a)* employment, *(b)* unemployment, *(c)* training schemes, *(d)* full-time education, *(e)* part-time education and *(f)* other.

Mr. Boswell: The tables give the available estimates of the intended destinations and percentages of 16-year-old school leavers by region in England since 1980. The Department does not collect data on school leavers who become unemployed or those intending to study part-time.

Intended destinations of school leavers aged 15 as at 31 August 1980 to 1991
England

Thousands

	1979-80	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91
Northern												
Full-time education	2·96	4·34	4·93	3·98	3·97	4·53	4·65	5·23	4·90	5·36	5·71	6·17
Employment	34·48	30·42	29·50	30·36	28·39	27·29	26·52	25·78	21·88	4·46	6·03	5·80
Training schemes	—	—	—	—	—	—	—	—	—	10·80	9·09	8·40
Other	3·53	4·12	3·56	3·62	4·65	4·73	4·50	5·14	5·73	7·89	6·20	5·29
TOTAL	40·97	38·87	38·00	37·96	37·01	36·55	35·66	36·15	32·50	28·51	27·03	25·66
Yorkshire and Humberside												
Full-time education	6·13	8·21	9·10	8·61	7·79	8·29	8·62	8·42	8·97	10·36	9·37	11·59
Employment	51·01	45·76	43·53	43·71	43·35	41·81	40·68	41·33	34·31	11·26	13·01	9·63
Training schemes	—	—	—	—	—	—	—	—	—	13·26	8·63	7·25
Other	4·00	4·27	4·82	5·82	6·68	7·39	8·10	8·00	9·09	12·91	8·78	7·93

	1979-80	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91
TOTAL	61·15	58·24	57·45	58·14	57·82	57·49	57·41	57·74	52·37	47·78	39·79	36·39
North West												
Full-time education	11·62	13·84	14·48	14·62	15·42	15·74	15·20	16·88	14·75	15·68	14·56	16·67
Employment	65·47	58·51	53·68	53·42	51·27	50·54	49·05	48·57	40·41	14·41	16·55	14·73
Training schemes	—	—	—	—	—	—	—	—	—	14·40	10·98	8·77
Other	7·88	9·28	11·29	11·30	12·01	11·36	12·05	11·29	11·84	15·03	10·64	8·89
TOTAL	84·96	81·63	79·45	79·35	78·70	77·64	76·29	76·74	66·99	59·51	52·73	49·05
East Midlands												
Full-time education	7·40	8·44	9·42	8·68	8·25	8·94	8·72	9·02	8·64	8·14	8·64	10·64
Employment	35·77	33·42	31·56	32·93	31·65	30·81	29·79	29·71	25·71	9·01	11·09	7·14
Training schemes	—	—	—	—	—	—	—	—	—	9·18	5·84	4·44
Other	4·89	4·64	4·58	4·85	5·92	6·78	5·90	6·64	5·86	8·62	6·95	5·52
TOTAL	48·07	46·50	45·56	46·47	45·83	46·52	44·41	45·36	40·21	34·95	32·52	27·73
West Midlands												
Full-time education	9·81	13·05	14·16	13·88	13·08	13·04	12·52	13·41	13·01	12·89	11·94	14·35
Employment	51·25	44·25	43·21	43·87	43·21	42·92	42·55	39·54	34·84	13·13	14·74	9·67
Training schemes	—	—	—	—	—	—	—	—	—	13·76	10·24	9·41
Other	5·19	7·14	7·02	7·81	8·97	8·00	7·90	9·72	9·19	12·37	9·71	9·60
TOTAL	66·26	64·43	64·39	65·56	65·26	63·95	62·97	62·67	57·04	52·15	46·63	43·02
East Anglia												
Full-time education	3·42	4·65	4·46	4·17	4·68	4·55	4·27	4·87	5·33	4·85	3·75	4·77
Employment	16·04	15·19	14·67	14·49	13·84	13·98	13·99	12·84	12·28	6·43	6·45	3·59
Training schemes	—	—	—	—	—	—	—	—	—	3·11	1·82	1·37
Other	1·54	1·44	1·84	1·62	2·20	2·50	2·22	3·22	2·68	4·11	3·61	3·24
TOTAL	21·00	21·28	20·96	20·28	20·72	21·02	20·48	20·94	20·29	18·49	15·63	12·98
Greater London												
Full-time education	6·72	8·54	9·52	9·91	10·38	10·35	11·64	11·84	11·79	11·33	10·91	12·02
Employment	46·65	39·16	36·05	35·30	33·10	30·60	28·58	27·86	22·53	14·40	13·82	10·02
Training schemes	—	—	—	—	—	—	—	—	—	1·71	1·46	1·19
Other	7·72	8·97	9·69	10·15	10·51	11·16	10·26	10·39	9·57	11·22	10·22	9·04
TOTAL	61·09	56·67	55·25	55·35	53·98	52·11	50·48	50·08	43·89	38·67	36·42	32·26
Other South East												
Full-time education	17·93	22·34	22·91	24·17	23·78	24·66	24·67	24·95	23·88	25·75	22·36	26·83
Employment	79·81	70·82	66·35	68·33	65·97	62·77	60·77	61·32	51·86	30·63	30·84	20·08
Training schemes	—	—	—	—	—	—	—	—	—	7·81	4·33	3·08
Other	8·65	8·80	10·66	10·92	12·30	13·44	12·43	13·03	12·82	18·35	13·64	11·34
TOTAL	106·39	101·97	99·92	103·42	102·04	100·87	97·87	99·30	88·56	82·54	71·17	61·33
South West												
Full-time education	10·42	12·50	13·30	12·15	12·47	12·90	13·36	13·23	13·23	12·38	13·46	14·95
Employment	35·46	31·18	31·07	30·39	30·01	30·37	28·64	28·99	26·92	11·60	11·66	6·90
Training schemes	—	—	—	—	—	—	—	—	—	8·68	5·23	3·56
Other	3·27	4·11	3·78	5·44	5·69	4·81	5·04	5·11	5·12	7·50	6·41	5·75
TOTAL	49·15	47·79	48·15	47·98	48·17	48·09	47·04	47·33	45·27	40·16	36·77	31·15
Total England												
Full-time education	76·42	95·91	102·27	100·18	99·81	103·00	103·66	107·85	104·48	106·73	100·70	117·97
Employment	415·95	368·71	349·64	352·79	340·80	331·10	320·57	315·93	270·74	115·33	124·19	87·55
Training schemes	—	—	—	—	—	—	—	—	—	82·69	57·63	47·47
Other	46·68	52·76	57·23	61·53	68·91	70·16	68·40	72·54	71·91	98·00	76·17	66·58
TOTAL	539·05	517·38	509·14	514·51	509·52	504·25	492·63	496·31	447·13	402·76	358·69	319·57

Notes:

(1) Data on training schemes was not collected separately until 1988-89. Prior to this figures were included in "employment" category.

(2) Prior to 1989-90, employment included those intending to take up full-time education at a later date. From 1989-90 onwards these are included in "other" category.

Intended destinations of school leavers aged 15 as at 31 August 1980 to 1991
England

Percentages

	1979-80	*1980-81*	*1981-82*	*1982-83*	*1983-84*	*1984-85*	*1985-86*	*1986-87*	*1987-88*	*1988-89*	*1989-90*	*1990-91*
Northern												
Full-time education	7·2	11·2	13·0	10·5	10·7	12·4	13·0	14·5	15·1	18·8	21·1	24·0
Employment	84·2	78·3	77·6	80·0	76·7	74·7	74·4	71·3	67·3	15·6	22·3	22·6
Training schemes	—	—	—	—	—	—	—	—	—	37·9	33·6	32·7
Other	8·6	10·6	9·4	9·5	12·6	12·9	12·6	14·2	17·6	27·7	22·9	20·6
TOTAL	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0
Yorkshire and Humberside												
Full-time education	10·0	14·1	15·8	14·8	13·5	14·4	15·0	14·6	17·1	21·7	23·6	31·8
Employment	83·4	78·6	75·8	75·2	75·0	72·7	70·9	71·6	65·5	23·6	32·7	26·5
Training schemes	—	—	—	—	—	—	—	—	—	27·7	21·7	19·9
Other	6·5	7·3	8·4	10·0	11·6	12·8	14·1	13·9	17·3	27·0	22·1	21·8
TOTAL	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0
North West												
Full-time education	13·7	17·0	18·2	18·4	19·6	20·3	19·9	22·0	22·0	26·3	27·6	34·0
Employment	77·1	71·7	67·6	67·3	65·1	65·1	64·3	63·3	60·3	24·2	31·4	30·0
Training schemes	—	—	—	—	—	—	—	—	—	24·2	20·8	17·9
Other	9·3	11·4	14·2	14·2	15·3	14·6	15·8	14·7	17·7	25·3	20·2	18·1
TOTAL	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0
East Midlands												
Full-time education	15·4	18·2	20·7	18·7	18·0	19·2	19·6	19·9	21·5	23·3	26·6	38·4
Employment	74·4	71·9	69·3	70·9	69·1	66·2	67·1	65·5	63·9	25·8	34·1	25·7
Training schemes	—	—	—	—	—	—	—	—	—	26·3	18·0	16·0
Other	10·2	10·0	10·0	10·4	12·9	14·6	13·3	14·6	14·6	24·7	21·4	19·9
TOTAL	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0
West Midlands												
Full-time education	14·8	20·2	22·0	21·2	20·0	20·4	19·9	21·4	22·8	24·7	25·6	33·3
Employment	77·4	68·7	67·1	66·9	66·2	67·1	67·6	63·1	61·1	25·2	31·6	22·5
Training schemes	—	—	—	—	—	—	—	—	—	26·4	22·0	21·9
Other	7·8	11·1	10·9	11·9	13·7	12·5	12·5	15·5	16·1	23·7	20·8	22·3
TOTAL	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0
East Anglia												
Full-time education	16·3	21·9	21·3	20·6	22·6	21·6	20·9	23·3	26·3	26·2	24·0	36·8
Employment	76·4	71·4	70·0	71·5	66·8	66·5	68·3	61·3	60·5	34·8	41·2	27·7
Training schemes	—	—	—	—	—	—	—	—	—	16·8	11·6	10·6
Other	7·3	6·7	8·8	8·0	10·6	11·9	10·8	15·4	13·2	22·2	23·1	25·0
TOTAL	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0
Greater London												
Full-time education	11·0	15·1	17·2	17·9	19·2	19·9	23·1	23·6	26·9	29·3	29·9	37·2
Employment	76·4	69·1	65·2	63·8	61·3	58·7	56·6	55·6	51·3	37·2	38·0	31·1
Training schemes	—	—	—	—	—	—	—	—	—	4·4	4·0	3·7
Other	12·6	15·8	17·5	18·3	19·5	21·4	20·3	20·7	21·8	29·0	28·1	28·0
TOTAL	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0
Other South East												
Full-time education	16·9	21·9	22·9	23·4	23·3	24·4	25·2	25·1	27·0	31·2	31·4	43·7
Employment	75·0	69·5	66·4	66·1	64·6	62·2	62·1	61·7	58·6	37·1	43·3	32·7
Training schemes	—	—	—	—	—	—	—	—	—	9·5	6·1	5·0
Other	8·1	8·6	10·7	10·6	12·0	13·3	12·7	13·1	14·5	22·2	19·2	18·5
TOTAL	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0
South West												
Full-time education	21·2	26·2	27·6	25·3	25·9	26·8	28·4	28·0	29·2	30·8	36·6	48·0
Employment	72·1	65·2	64·5	63·3	62·3	63·2	60·9	61·2	59·5	28·9	31·7	22·1
Training schemes	—	—	—	—	—	—	—	—	—	21·6	14·2	11·4
Other	6·7	8·6	7·8	11·3	11·8	10·0	10·7	10·8	11·3	18·7	17·4	18·5
TOTAL	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0
Total England												
Full-time education	14·2	18·5	20·1	19·5	19·6	20·4	21·0	21·7	23·4	26·5	28·1	36·9

	1979-80	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91
Employment	77·2	71·3	68·7	68·6	66·9	65·7	65·1	63·7	60·5	28·6	34·6	27·4
Training schemes	—	—	—	—	—	—	—	—	—	20·5	16·1	14·9
Other	8·7	10·2	11·2	12·0	13·5	13·9	13·9	14·6	16·1	24·3	21·2	20·8
TOTAL	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0

Notes:
(1) Data on training schemes was not collected separately until 1988-89. Prior to this figures were included in "Employment" category.
(2) Prior to 1989-90, employment included those intending to take up full-time education at a later date. From 1989-90 onwards these are included in "other" category.

Grant-maintained Schools Centre

Mr. Anthony Coombs: To ask the Secretary of State for Education for what purposes the Government intend in future to fund the Grant-Maintained Schools Centre.

Mr. Patten: Government grant to the Grant-Maintained Schools Centre will continue to support certain activities related to schools once approved for grant-maintained status. In addition, I now intend that it should be available to support the dissemination of factual information about grant-maintained status. The Grant-Maintained Schools Centre will be bound by the same code of practice as it is proposed should apply to local education authority officers and which is currently under discussion with them. In the meantime, the Grant-Maintained Schools Centre will be bound by the draft code which is the basis for discussion: copies are being deposited in the Libraries of both Houses.

Somerset University

Mr. Bayley: To ask the Secretary of State for Education, pursuant to his answer of 15 February, *Official Report*, column *52*, if he will give the date upon which he gave his consent to the use of the name "Somerset University"; and if he will publish the document in which his consent is recorded.

Mr. Boswell: I refer the hon. Member to my reply to the hon. Member for York (Mr. Bayley) on 23 February, *Official Report*, column *509*.

Education Authorities (Political Control)

Mr. Pawsey: To ask the Secretary of State for Education how many local education authorities are Conservative controlled.

Mr. Forth: Conservatives are the majority party on 26 local education authorites in England.

Teachers' Salaries

Mr. French: To ask the Secretary of State for Education if he will list the average classroom teacher's salary inclusive of incentive allowances and incremental enhancements for each education authority in England.

Mr. Forth: The table shows the average salary of standard scale teachers in the maintained nursery, primary and secondary schools sector on 31 March 1990. The figures are based on the actual salaries paid to teachers including incentive allowances, London allowances, and other discretionary payments. More recent figures are not yet available separately for each LEA. The 1992 new earnings survey recorded the average earnings of all school teachers in England and Wales, including head and deputy head teachers, as £20,498.

	£
ILEA	15,990
Barking	15,896
Barnet	15,440
Bexley	15,599
Brent	16,493
Bromley	15,902
Croydon	15,865
Ealing	16,161
Enfield	15,435
Haringey	16,062
Harrow	15,305
Havering	15,361
Hillingdon	15,670
Hounslow	15,427
Kingston	15,551
Merton	16,413
Newham	16,514
Redbridge	15,505
Richmond	15,171
Sutton	15,615
Waltham Forest	15,485
Birmingham	14,839
Coventry	14,887
Dudley	14,411
Sandwell	14,681
Solihull	14,702
Walsall	14,663
Wolverhampton	14,588
Knowsley	14,790
Liverpool	14,839
St. Helens	14,626
Sefton	14,821
Wirral	14,531
Bolton	14,372
Bury	14,673
Manchester	15,050
Oldham	14,188
Rochdale	14,664
Salford	14,632
Stockport	14,682
Tameside	14,517
Trafford	14,652
Wigan	14,832
Barnsley	14,514
Doncaster	14,682
Rotherham	14,576
Sheffield	14,961
Bradford	14,276
Calderdale	14,627
Kirklees	14,537
Leeds	14,733
Wakefield	14,668
Gateshead	14,962
Newcastle	14,788
North Tyneside	14,663
South Tyneside	14,592
Sunderland	14,553
Isles of Scilly	13,909
Avon	14,692
Bedfordshire	14,681
Berkshire	14,799
Buckinghamshire	14,468
Cambridgeshire	14,444
Cheshire	14,659
Cleveland	14,691
Cornwall	14,652

	£
Cumbria	14,602
Derbyshire	14,650
Devon	14,433
Dorset	14,684
Durham	14,700
East Sussex	14,587
Essex	14,761
Gloucestershire	14,451
Hampshire	14,491
Hereford	14,704
Hertfordshire	14,763
Humberside	14,825
Isle of Wight	14,486
Kent	14,750
Lancashire	14,602
Leicestershire	14,748
Lincolnshire	14,685
Norfolk	14,619
North Yorkshire	14,543
Northampton	14,518
Northumberland	14,637
Nottinghamshire	14,750
Oxfordshire	14,641
Shropshire	14,689
Somerset	14,554
Staffordshire	14,807
Suffolk	14,455
Surrey	14,852
Warwickshire	14,699
West Sussex	14,562
Wiltshire	14,411

TRANSPORT

Air Pollution

Mrs. Wise: To ask the Secretary of State for Transport what steps he will take to reduce the levels of nitrogen oxides and improve air quality in urban areas.

Mr. Kenneth Carlisle: An emissions test was included in the MOT test in November 1991. Tough European Community standards for new cars were introduced on 1 January. This has meant the fitting of catalytic converters to most new petrol-engined cars. A typical vehicle equipped with a catalyst in good condition will reduce its emissions of carbon monoxide, hydrocarbons and oxides of nitrogen by about 90 per cent. Since 1 September 1992 there has been a metered smoke test in the annual test for heavy diesels. A range of measures is also being implemented to cut traffic congestion and pollution through better traffic management, parking controls and improved public transport. The Department of Transport is also carrying out a wide-ranging study of urban traffic congestion, including the possible role of road pricing.

Regulations

Mr. Sproat: To ask the Secretary of State for Transport, pursuant to his answer of 8 February, *Official Report*, column *418*, if he has now finished compiling and has checked for accuracy and consistency of definition the comprehensive provisional list of regulations for which his Department is responsible; and when he intends to place the list in the Library.

Mr. Norris: Work is proceeding as quickly as possible on checking my Department's list of regulations affecting business. A consolidated list of regulations for all Departments will be compiled by the central deregulation unit of the Department of Trade and Industry and placed in the Library as soon as possible.

Railway Lines, North-west

Mr. Pickthall: To ask the Secretary of State for Transport (1) if he will make a statement about the future of the Carnforth-Barrow and Barrow-Carlisle Cumbrian coast railway lines;

(2) if he will make a statement about the future of the Wigan-Southport and the Ormskirk-Preston railway lines.

Mr. Freeman: Our policy is to franchise the operation of all British Rail's passenger services to the private sector. Each franchise will be based upon the timetable operated by British Rail just prior to its commencement. In the meantime, decisions about services on individual lines remain a matter for British Rail.

Free Flight Offers

Mr. Nigel Griffiths: To ask the Secretary of State for Transport, pursuant to the answer of the President of the Board of Trade on 15 December 1992, *Official Report*, column *147*, on guidelines on free flight offers, what progress has been made in the Government's consideration of the Civil Aviation Authority's proposal on a statutory financial protection scheme to reimburse scheduled passengers in the event of an airline collapsing.

Mr. Norris: The position remains as indicated in the answer of 15 December. Primary legislation would be needed to implement such a financial protection scheme and will necessarily depend on there being an opportunity to introduce such legislation.

Railways (Crimes)

Mr. Gapes: To ask the Secretary of State for Transport how many crimes against the person and robberies were committed on the Liverpool Street to Romford line stations and trains over the past five years.

Mr. Norris: Figures are not readily available for years before 1991. Figures for crimes against the person on stations and trains between Liverpool Street and Romford in 1991 and 1992 are as follows:

	1991	*1992*
Robberies	31	31
Sexual offences	17	13
Assaults	34	30
Theft from person	37	50
Other	314	359
Total	433	483

Road Tolls

Mr. Peter Bottomley: To ask the Secretary of State for Transport what issues other than revenue raising and reduction of congestion will be included in his consideration of further road tolls.

Mr. Kenneth Carlisle: My right hon. Friend plans to publish by the early summer a Green Paper which will discuss the basis of charging for the use of inter-urban

roads and all the issues arising from that. Reaction to the Green Paper will be an important consideration in developing policy in this area.

Road Accidents (Children)

Mr. Nigel Evans: To ask the Secretary of State for Transport what measures are being taken to reduce the number of children killed and injured outside schools by motorists; and if he will make a statement.

Mr. Kenneth Carlisle: The Department has introduced a wide range of engineering, educational and publicity measures to reduce the number of children who are killed or injured on the roads. These were outlined in our 1990 policy document "Children and Roads: A Safer Way". In particular trials are being conducted of variable speed limits outside schools on busy trunk roads.

Exhaust Emissions

Ms Walley: To ask the Secretary of State for Transport, pursuant to his answer of 16 February, *Official Report*, columns 150-51, if he will give consideration to compensating engineering companies and garages in respect of the development and purchase of equipment to undertake the off-road testing of diesel exhaust emissions to comply with the new regulations; and if he will estimate the costs involved.

Mr. Kenneth Carlisle: The suspension of the metered check of diesel smoke is only temporary and it is my intention to reinstate it at the earliest opportunity. Consequently I do not consider that there is any case for offering compensation to equipment manufacturers. Equally, since owners of diesel-engined vehicles still have to go to MOT testing stations which have been authorised to test diesels where excessive smoke continues to be checked by eye, garages with smoke meters are not losing any fee income during the period of suspension.

Mr. Llwyd: To ask the Secretary of State for Transport what action has been taken since 1 April 1991 in response to complaints about smokey vehicles; how many operators have been required to have vehicles tested at a testing station; and how many prohibition notices and operator license variations have been issued as a result.

Mr. Kenneth Carlisle: Since April 1991 the vehicle inspectorate has asked some 3,000 vehicle operators to check vehicles for excessive smoke, following complaints. Most operators have responded positively to these requests and have taken steps, where appropriate, to remedy defects. A follow-up vehicle inspection has been necessary only in a relatively few cases. I am not aware of any complaint which has resulted in the issue of a prohibition notice or action against an operator's licence. A vehicle would be inspected at a testing station only if that were necessary to clear a prohibition.

Cycle Routes

Ms Walley: To ask the Secretary of State for Transport what assessment he has made of the operation of the scheme launched in 1982 to promote cycle routes in five towns; and if he will make a statement.

Mr. Kenneth Carlisle: Carefully designed cycle routes were implemented in the towns in the study under this scheme. Much was learnt about how to provide safe, good-quality routes and facilities and the technical lessons have already been published. These routes did not result in an increase in cycling and in particular did not attract people to cycle instead of using their cars. However, the routes did improve safety for cyclists, who tended to congregate on them. The final report will be published soon.

Selby Bypass

Mr. Alison: To ask the Secretary of State for Transport what stage has been reached in his departmental key event programme for the construction of the Selby bypass as published in September 1987; and what slippage has occurred.

Mr. Kenneth Carlisle: The 1987 White Paper categorised the proposed Selby bypass for construction from 1991 onwards. Preparatory works have since proceeded and, following a public inquiry, orders establishing the line and necessary alterations to side roads were made last month. We expect the next stage, which is the publication of the draft compulsory purchase order, to occur this summer.

Mr. Alison: To ask the Secretary of State for Transport when he expects to be in a position to invite tenders for the construction of the Selby bypass and how soon thereafter to start work on the project.

Mr. Kenneth Carlisle: As statutory, financial and other procedures have still to be completed for the Selby bypass scheme, it is too early to give a firm date for when tenders could be invited. After the compulsory purchase order is published, the legal procedures allowing for objections, and possibly a public inquiry, have to be followed. Once this order is made it typically takes six to 12 months until we would be in a position to invite tenders. Works could be ready to start about six months later.

Road Accidents

Mr. Nigel Evans: To ask the Secretary of State for Transport how many pedestrians under the age of 16 years were killed or injured in road accidents in 1992.

Mr. Kenneth Carlisle: The latest available data, for 1991, show that 20,848 pedestrians under the age of 16 were killed or injured in road accidents.

Passenger Rolling Stock

Mr. Wilson: To ask the Secretary of State for Transport (1) what proposals there are to introduce new or newly constructed passenger rolling stock on the London, Tilbury and Southend line; what is the estimated cost; and when he expects it to be introduced;

(2) what action has been taken since 1988 to remove the danger of electrical explosions in the guard's vans and EMU rolling stock in operation on the London, Tilbury and Southend line; what modifications to rolling stock are still to be carried out; and what is the total cost of any modifications that have *(a)* been carried out and *(b)* are still to be carried out;

(3) how many units in each class of electrical multiple unit rolling stock are in use on the London, Tilbury and Southend line; what is the average age of each class of EMU; and what is the average age of all the rolling stock in use on the line;

(4) how many and which class of electrical multiple unit operating on the London, Tilbury and Southend line are being used with the guard's brake and adjoining passenger accommodation locked out of use as a precaution against electrical explosions;

(5) on how many occasions since 1988 there have been explosions in the guard's vans and electrical multiple unit rolling stock operating on the London, Tilbury and Southend line; and if he will give the date, class and EMU involved and the cause of the explosion for each incident.

Mr. Freeman: The number of units and the average age of the rolling stock in each class are as follows:

Class	*Number of units*	*Average age (years)*
302	30	35
308	27	32
310	37	27
312	14	16

The overall average age of the fleet is 29 years.

There have been two explosions in the guard's vans of London, Tilbury and Southend line rolling stock since 1988. These occurred on 15 September and 11 October 1991, and involved a class 308 unit and a class 312 unit respectively. Both incidents were caused by failure of the high tension cable insulation.

I understand from British Rail that the necessary repairs to the class 310 and 312 units have been done, and work on class 302 and class 308 units should be completed later this month, at a total cost of around £125,000.

The guard's van and adjoining coach on each of the seven class 302 and class 308 units still to be repaired are currently locked out of use.

My right hon. Friend and I have asked British Rail to tell us by Easter what rolling stock it wishes to lease using the £150 million leasing facility announced at the time of the autumn statement, and for which routes. Rolling stock for the London, Tilbury and Southend line is one of the options.

Mr. John Greenway: To ask the Secretary of State for Transport what proportion of new rolling stock to be ordered by British Rail over the coming year is planned to be awarded to ABB York.

Mr. Freeman: Orders for new rolling stock are awarded by British Rail following competitive tendering in accordance with the EC utilities directive [90/531/EEC].

Jubilee Line

Mr. John Greenway: To ask the Secretary of State for Transport to which company the contract for building the new Jubilee line rolling stock will be awarded.

Mr. Norris: This is a matter for London Underground Ltd., which I know will not make a statement until a contract is signed.

Biofuels

Mr. Flynn: To ask the Secretary of State for Transport (1) what assessment he has made of the relative polluting effects on the environment of biofuels compared with those of petrol or diesel; and if he will make a statement;

(2) what plans he has to encourage the wider availability of and increased use of bioethanol and rape methyl ester as a substitute for petrol or diesel;

(3) what plans he has to encourage the wider availability of and increased use of blended biodiesel and bioethanol blends as substitutes for petrol or diesel.

Mr. Kenneth Carlisle *[holding answer 15 March 1993]:* The Department is sponsoring research assessing the environmental, operational and cost implications of a range of alternative road transport fuels including biofuels. This includes a study exploring the feasibility of conducting limited in-service field trials of alternative fuels. The series of linked reports should be complete by mid 1993. In addition the Department is carrying out emission tests on a separate biodiesel trial being conducted by Reading Buses.

While, in principle, biofuels offer the possibility of reduced carbon dioxide emissions, the case in terms of other emissions is not clear cut; and the cost of biofuels is very high. I am waiting for the outcome of the work currently under way. I have no plans, therefore, to encourage wider availability and use of biofuels at this stage.

ENVIRONMENT

Major Accident Hazards

Mr. Llew Smith: To ask the Secretary of State for the Environment what communications he has received recently from the European Commission in regard to EC directive 82/501/EEC on major accident hazards of certain industrial activities.

Mr. Maclean: The United Kingdom received a letter from the European Commission acting under article 169, dated 18 February 1993, concerning the application of EC directive 82/501/EEC to a waste disposal incinerator in Gwent owned by ReChem International. The Department is currently considering this matter and a response will be made within the time limit set by the Commission.

Correspondence

Mr. Home Robertson: To ask the Secretary of State for the Environment when he expects to reply to the letter dated 28 January from the hon. Members for East Lothian and for Durham, North-West (Ms Armstrong) requesting a meeting to discuss problems in the cement industry, which was transferred to his Department from the Department of Trade and Industry on 22 February.

Mr. Baldry: I refer the hon. Member to my letter to him dated 15 March.

Regulations

Mr. Sproat: To ask the Secretary of State for the Environment, pursuant to his answer of 12 February, *Official Report*, column *831*, if he has now finished compiling and has checked for accuracy and consistency of definition the comprehensive provisional list of regulations for which his Department is responsible; and when he intends to place the list in the Library.

Mr. Howard: Work is proceeding as quickly as possible on checking my Department's list of regulations affecting business. It will be placed in the Library as soon as possible.

Housing

Mr. Straw: To ask the Secretary of State for the Environment (1) what percentage of dwellings of each housing association registered with the Housing Corporation is *(a)* available for let, *(b)* to be let after minor repairs, *(c)* to be let after major repairs, *(d)* to be sold, *(e)* awaiting demolition and *(f)* unlet for any reason; and if he will give the national average for each category; (2) if he will list in rank order the percentage of dwellings available for letting but unlet for each housing association registered with the Housing Corporation, with an average for all associations.

Mr. Howard: Statistics on dwellings owned and managed by registered housing associations are collected by the Housing Corporation, which publishes annually figures for England as a whole. The information that is available at national average level, as at the end of March 1992, is as follows:

	Percentage	*Percentage*
(i) Dwellings under letting		97·5
(ii) Vacant and available for letting		1·1
(of which:		
—requiring minor repair	0·4)	
(iii) Vacant and not available for letting		1·4
(of which:		
—awaiting or undergoing works	1·2	
—awaiting sale	0·1	
—other	0·1)	

I shall ask the Housing Corporation to write to the hon. Member with information about individual housing associations.

Mr. Henderson: To ask the Secretary of State for the Environment what are the amounts of local authority housing capital provision for each of the last five years for each standard region of England and in total.

Mr. Baldry: I refer the hon. Member to my answer on 27 January 1993, *Official Report*, column *778* to the hon. Member for Darlington (Mr. Milburn).

Mr. Henderson: To ask the Secretary of State for the Environment what are the amounts of housing revenue account subsidy given to local authorities for each of the last five years for each standard region of England and in total.

Mr. Baldry: The information requested is shown in the table. Housing revenue account subsidy was introduced in 1990-91 and so there is no comparable information for 1988-89 or 1989-90.

Housing Revenue Account Subsidy Entitlement 1990-91—1992-93

	1990-91	*1991-92*	*1992-93*
North	275,278,991	275,964,537	292,913,237
Yorkshire and Humberside	321,571,885	332,420,714	354,760,455
East Midlands	192,713,670	197,135,706	201,536,213
East Anglia	74,249,318	71,679,794	65,237,486
Greater London	1,276,108,272	1,480,846,136	1,493,948,150
Rest of South-East	336,167,195	341,806,561	314,043,605
South-West	154,360,061	156,794,565	155,524,572
West Midlands	336,758,611	361,423,559	386,746,613
North-West	517,181,874	566,554,277	621,708,028
ENGLAND	3,484,389,877	3,784,625,849	3,886,418,359

Source: LAH Division (Housing Revenue Account Subsidy Claim Forms) 10 March 1993

Dr. Wright: To ask the Secretary of State for the Environment how many tenants have exercised their right under the charter programme to make bids for a housing action trust; and how many of these bids have been successful.

Mr. Baldry: We have had approaches from five tenants' groups. None has yet made a formal bid.

Local Government Finance

Mr. Redmond: To ask the Secretary of State for the Environment what was the standard spending assessment per head of population for each local authority in England for each year from 1989-90 to 1993-94.

Mr. Robin Squire: The information requested has been placed in the Library.

Mr. Luff: To ask the Secretary of State for the Environment if he will list for each year since 1974 the total expenditure of Worcester city council and Wychavon district council, and the average expenditure of the English district councils.

Mr. Robin Squire: Standard spending assessments for 1990-91 to 1993-94 and grant-related expenditure from 1981-82 to 1989-90 for Worcester and Wychavon are given below in millions of pounds and in pounds per head of resident population, together with the corresponding average for all shire districts.

It would be possible to provide information prior to 1981-82 only at disproportionate expense.

Standard spending assessments and grant-related expenditure in millions of pounds

Year	*Worcester*	*Wychavon*	*Average for all shire districts*
1993-94	7·434	7·866	9·387
Adjusted 1992-93	7·297	7·700	9·175
1992-93	7·297	7·700	9·174
1991-92	6·896	7·214	8·720
1990-91	5·401	5·692	6·796
1989-90	5·557	4·704	6·111
1988-89	4·867	4·094	5·410
1987-88	4·551	4·047	5·202
1986-87	4·735	4·235	5·461
1985-86	4·157	3·981	4·940
1984-85	3·939	4·042	4·778
1983-84	4·066	4·160	4·967

Year	Worcester	Wychavon	Average for all shire districts
1982-83	3·888	3·950	4·729
1981-82	3·000	3·544	4·198

Standard spending assessments and grant-related expenditure in pounds per head

Year	Worcester	Wychavon	Average for all shire districts
1993-94	88·6	76·8	92·1
Adjusted 1992-93	88·3	75·6	90·8
1992-93	88·3	75·6	90·8
1991-92	84·0	71·2	86·6
1990-91	66·5	56·3	67·8
1989-90	69·6	47·5	61·3
1988-89	63·5	41·4	54·6
1987-88	59·7	41·3	52·8
1986-87	62·1	43·6	55·8
1985-86	54·7	41·5	50·7
1984-85	51·9	42·4	49·2
1983-84	53·6	43·6	51·3
1982-83	51·3	41·7	49·0
1981-82	39·9	37·7	43·8

Mr. Henderson: To ask the Secretary of State for the Environment what are the amounts of central Government support for local authorities under his Department's inner cities programme for each of the last five years for each standard region of England and in total.

Mr. Robin Squire: The total amounts of expenditure outturn achieved by local authorities under my Department's urban group of programmes for each year from 1987-88 to 1991-92 are as follows:

Region	1987-88	1988-89	1989-90	1990-91	1991-92	Total £ million
North West[1]	54·8	55·4	53·3	51·1	56·1	270·7
Northern	54·5	46·0	45·6	46·6	44·8	237·5
Eastern[2]	0·1	0·1	0·4	0·5	0·4	1·5
South East[3]	0·8	0·4	0·1	0·2	0·2	1·7
South West	3·1	4·0	3·0	4·0	5·5	19·6
London	50·3	46·6	41·6	40·8	45·7	225·0
East Midlands	22·4	19·1	17·7	23·1	21·8	104·1
Merseyside	32·8	32·3	31·8	36·0	36·8	169·7
Yorkshire/Humber	35·1	36·8	36·1	40·0	49·8	197·8
West Midlands	56·8	51·5	52·9	53·0	54·6	268·8
Grand total[4]	310·7	292·2	282·5	295·3	315·7	1,496·4

[1]DOE region excludes Merseyside.
[2]Derelict land grant only.
[3]UDG and DLG only.
[4]Includes outturn figures for urban programme and derelict land grant; and UDG approvals for 1987-88 and 1988-89 only—UDG subsequently subsumed within city grant.

Further details of these and other urban group programmes, including urban development corporations, city grant, task forces and city action teams, are in the Department's annual reports.

Mr. Henderson: To ask the Secretary of State for the Environment what were the total amounts of central Government support for local authorities, voted in the estimates for his Department, for each of the last five years for each standard region of England and in total.

Mr. Robin Squire: The total amounts of central Government support for local authorities voted in estimates for which the Department of the Environment accounts, and included in the planning total, for the last five years were:

£ million

Year	Number
1987-88	19,180
1988-89	19,772
1989-90	20,715
1990-91	24,575
1991-92	32,376

In order to allow for comparison, these figures have been adjusted to reflect consistent definitions of the planning total and to include proxies for the yields of non-domestic rates prior to 1990-91.

Figures for each standard region in England are not available, and could not be obtained without disproportionate cost.

Mr. Henderson: To ask the Secretary of State for the Environment (1) what are the figures for the yield from non-domestic rates for each of the last five years for each standard region of England, and in total;

(2) what are the figures of non-domestic rate payments to local authorities for each of the last five years for each standard region of England and in total;

(3) what were the amounts of rate support grant for local authorities for each of the last three years of its operation for each standard region of England and in total;

(4) what were the amounts of revenue support grant and community charge grant for local authorities for each of the last three years for each standard region of England and in total;

(5) what was the amount of grant given to local authorities for community charge transitional relief in respect of 1990-91, for each standard region of England, and in total;

(6) what were the amounts of grant given to local authorities under the community charge reduction scheme in respect of *(a)* 1991-92 and *(b)* 1992-93 for each standard region of England and in total.

Mr. Robin Squire: The information requested is as follows:

Non-domestic rate distributable amounts and yields

Region	Non-domestic rate yield					Non-domestic rate payments to local authorities		
	1988-89 £ million	1989-90 £ million	1990-91 £ million	1991-92 £ million	1992-93 £ million	1990-91 £ million	1991-92 £ million	1992-93 £ million
North	345	370	444	479	457	679	806	795
North West	960	1,049	986	1,052	1,029	1,373	1,622	1,613
Yorkshire and Humberside	655	715	755	829	770	1,082	1,277	1,265
East Anglia	305	330	303	344	362	445	532	528
South East	1,750	1,910	1,888	2,243	2,324	2,344	2,773	2,745
South West	605	660	631	743	755	1,023	1,229	1,224
West Midlands	805	880	809	874	832	1,126	1,345	1,341
East Midlands	570	625	585	632	625	878	1,044	1,035
London	2,900	3,170	2,607	3,010	3,209	1,477	1,780	1,759
England	8,895	9,710	9,007	10,206	10,363	10,428	12,408	12,306

Notes:

Columns 1 and 2 show estimated net non-domestic rate yield for 1988-89 and 1989-90 including income from properties which from 1990-91 would be shown on the central or crown lists.

Columns 3 to 5 show the estimated amount of non-domestic rates raised by local authorities for each year of the community charge system from properties shown on local lists—that is the contribution to the pool plus the allowance for the cost of collection. For 1990-91 and 1991-92 there are based on final calculations by authorities (taking into account prior year adjustments where appropriate. For 1992-93 the amounts shown are the provisional calculations of the contribution to the pool, taking into account in-year recalculations resulting from the provisions of the Non-Domestic Rates Act 1992. These amounts are not comparable with columns 1 and 2, which will include income from properties not on local lists.

Columns 6 to 8 show the amount of non-domestic rates paid to local authorities from the non-domestic rates pool for each year of the community charge system, 1990-91 to 1992-93. For 1992-93 payments from the pool include an Exchequer payment which compensates local authorities for the shortfall in 1992-93 which would otherwise occur as a result of the Non-Domestic Rating Act 1992. Payments of non-domestic rates in respect of 1988-89 and 1989-90 are assumed to be the same as the estimated yield, as shown in columns 1 and 2 respectively.

Rate support grant, revenue support grant and community charge grant

Region	Rate support grant (£ millions)			Revenue support grant (£ millions)			Community charge grant (£ millions)
	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93	1991-92
North	796	849	843	595	594	1,031	311
North West	1,624	1,716	1,694	1,481	1,530	2,419	626
Yorkshire and Humberside	1,278	1,325	1,306	888	903	1,603	489
East Anglia	306	302	287	235	206	491	210
South East	1,211	1,048	947	1,332	1,294	2,857	1,075
South West	809	819	786	525	443	1,094	480
West Midlands	1,052	1,040	1,052	1,081	1,051	1,774	527
East Midlands	758	783	762	583	546	1,116	405
London	1,633	1,804	1,902	2,748	3,084	4,275	682
England	9,466	9,686	9,578	9,468	9,652	16,661	4,805

Notes:

Columns 1 to 3 show the rate support grant payable in each year from 1987-88 to 1989-90. The rate support grant for the receiver for the Metropolitan police has been included within the figure for London.

Columns 4 to 6 show the revenue support grant payable in each year of the community charge system from 1990-91 to 1992-93. The figures for 1992-93 include additional grant payable in respect of the teachers pay award.

Column 7 shows the community charge grant receivable in respect of 1991-92 community charges, as estimated by authorities when setting their community charges for 1992-93.

Community Charge Reduction Scheme Grants

Region	Transitional relief 1990-91 (£ millions)	CCRS 1991-92 (£ millions)	CCRS 1992-93 (£ million)
North	37	100	88
North West	49	202	200
Yorkshire and Humberside	28	104	104
East Anglia	11	44	45
South East	41	186	115
South West	23	120	119
West Midlands	19	125	124
East Midlands	24	121	104
London	20	119	93
England	252	1,121	992

Note: The above figures show the amount of grant estimated to be payable transitional relief in 1990-91 and community charge reduction scheme (CCRS) in 1991-92 and 1992-93.

Mr. John Marshall: To ask the Secretary of State for the Environment what is the difference in the level of

Government grant and business rates per head of population and per household between the London borough of Wandsworth and the London borough of Hackney.

Mr. Robin Squire: The amounts of revenue support grant (RSG) and income from the uniform business rate (UBR) per head of resident population and per household for 1993-94 for the authorities requested are given:

Local Authority	*RSG £ per head*	*RSG £ per household*	*UBR £ per head*	*UBR £ per household*
Wandsworth	619	1,459	213	501
Hackney	1,082	2,625	213	516

Note: The household figures are from the 1991 census.

Urban Regeneration Agency

Mr. Vaz: To ask the Secretary of State for the Environment if he will list all the people Lord Walker has met in furtherance of his role as chairman-designate of the Urban Regeneration Agency, the dates of these meetings and the reasons for them.

Mr. Robin Squire: Since the announcement of the Government's intention that he should be the first chairman of the Urban Regeneration Agency, Lord Walker has met numerous people on a range of matters and has listened to the views that many of them have expressed on the Urban Regeneration Agency.

Mr. Vaz: To ask the Secretary of State for the Environment (1) what consultations he has had and plans to have with local authority associations on the composition of the board of the Urban Regeneration Agency; and when he intends to begin appointing board members;

(2) if he will make a statement on the criteria to be used in selecting people for appointment to the board of the Urban Regeneration Agency.

Mr. Robin Squire: Board members will not be appointed until after the Housing and Urban Regeneration Bill has received Royal Assent. In making the appointments, the Secretary of State will take into account views expressed during Parliament's consideration of the Bill and the responses to the consultation exercise on the agency, including those from the local authority associations. His aim in selecting board members will be to make a range of expertise available to the agency, choosing them for the contribution they can make, not because of whom they represent.

Tree Preservation Orders

Sir David Steel: To ask the Secretary of State for the Environment when he will complete draft proposals for the revision of the legislation on tree preservation orders.

Mr. Maclean: The system of tree preservation legislation has proved its value over the years and remains extremely effective. It has been modified and strengthened from time to time and the Government are currently undertaking a formal review to see whether further progress can be made. My Department is continuing to study representations made in the light of the consultation stage of this review.

Waste Management

Mr. Llew Smith: To ask the Secretary of State for the Environment what contribution has been made by British experts to the waste management policy group of the Organisation for Economic Co-operation and Development.

Mr. Maclean: Officials from my Department attend all meetings of the group to reflect United Kingdom experience and interests. The head of my Department's waste technical division chaired the group's advisory committee which prepared the 1992 OECD council decision on the control of transfrontier movements of wastes destined for recovery operations.

Mr. Llew Smith: To ask the Secretary of State for the Environment what initiatives his Department supports in local authorities to support the separation and recycling of household wastes.

Mr. Maclean: My Department supports local authority initiatives for separating and recycling waste through supplementary credit approvals for recycling. The following authorities have been allocated supplementary credit approvals for 1992-93:

Authority	*Amount £'000*
London Boroughs	
Camden	10·015
Croydon	180·000
Ealing	185·000
Enfield	76·000
Greenwich	136·910
Hackney	38·538
Hammersmith and Fulham	38·785
Haringey	18·000
Hounslow	81·000
Kingston upon Thames	13·000
Lambeth	20·000
Merton	50·000
North London Waste Authority	600·000
Richmond upon Thames	40·000
Southwark	78·000
Sutton	183·000
Waltham Forest	10·000
Metropolitan Authorities	
Barnsley	65·000
Bolton	25·000
Calderdale	20·500
Doncaster	67·000
Greater Manchester Waste Disposal Authority	133·000
Kirklees	14·000
Leeds	2,662·000
Merseyside Waste Disposal Authority	24·000
Newcastle upon Tyne	160·000
North Tyneside	10·000
Salford	12·000
South Tyneside	24·000
Sunderland	10·000
Wakefield	88·950
Walsall	95·000
West Yorkshire Waste Management joint committee	950·950
Wolverhampton	196·100
County Councils	
Cambridgeshire	181·000
Cheshire	225·000
Cornwall	254·000
Devon	251·000
Gloucestershire	95·000
Hampshire	630·000
Hereford and Worcester	55·000
Humberside	40·000

Authority	Amount £'000
Leicestershire	285·000
Norfolk	80·000
North Yorkshire	79·000
Somerset	54·000
Staffordshire	6·000
Suffolk	15·000
District Councils	
Adur	355·000
Allerdale	30·000
Alnwick	3·000
Basildon	7·000
Bath	53·120
Blaby	20·000
Bolsover	30·000
Braintree	15·000
Brighton	76·000
Bristol	185·000
Broxborne	40·000
Burnley	40·000
Carlisle	19·000
Castle Morpeth	60·000
Castle Point	12·000
Chelmsford	12·000
Cherwell	6·000
Chesterfield	7·000
Copeland	35·000
Cotswold	90·000
Darlington	12·000
Derby	54·000
East Hampshire	70·000
East Yorkshire	10·000
Ellesmere Port and Neston	5·000
Exeter	15·000
Gedling	31·000
Guildford	75·000
Harborough	6·000
Harrogate	22·000
Hartlepool	246·308
Hastings	57·000
Hinckley and Bosworth	45·000
Isles of Scilly	42·000
Leicester	65·000
Lewes	140·000
Luton	56·000
Melton	30·200
Mid Devon	4·000
Mid Suffolk	24·000
Milton Keynes	2,000·000
Newark and Sherwood	32·050
Northavon	55·000
North Dorset	4·000
North Hertfordshire	6·000
Norwich	199·000
Nottingham	150·000
Nuneaton and Bedworth	8·000
Oxford	110·000
Plymouth	45·000
Reading	43·000
Restormel	58·000
Rother	35·000
Rushmoor	16·000
Ryedale	76·000
St. Albans	158·000
Scarborough	88·000
Scunthorpe	79·000
South Derbyshire	37·000
South Holland	20·150
South Somerset	176·000
Test Valley	263·000
Tewkesbury	18·000
Thurrock	14·000
Tonbridge and Malling	95·000
Wansdyke	23·000
Waverley	15·000
Wealden	220·000
West Dorset	48·000
West Wiltshire	9·900
Woking	107·000
Wokingham	17·000
Wrekin, The	94·000
Wycombe	5·000
Total	14,994·926

Mr. Llew Smith: To ask the Secretary of State for the Environment what evaluation he has made of the application to the United Kingdom of the recent report on management of plastic wastes in Europe by the United Nations Economic Commission for Europe.

Mr. Maclean: We have examined the report, which will be a useful contribution to the current debate on recycling.

Mr. Llew Smith: To ask the Secretary of State for the Environment what volumes of hazardous or toxic wastes have been imported into the United Kingdom since 5 May 1992; what ports of entry were involved; and what checks are made on consignments of imported wastes to ascertain if consignment papers match cargoes.

Mr. Maclean: Imports of hazardous or toxic wastes to the United Kingdom from 5 May 1992 until 12 March 1993, by last Customs office of entry, are as follows:

Port of entry	Waste (tonnes)
Boston	149·0
Dover	7,109·7
Felixstowe	3,070·1
Fleetwood	98·7
Great Yarmouth	125·6
Grimsby	64·3
Harwich	1,511·5
Heysham	940·3
Holyhead	328·4
Immingham	7,880·4
Ipswich	466·3
Kingston upon Hull	2,350·5
Liverpool	782·5
Newport (Gwent)	977·5
Newry	31·7
Purfleet	56·6
Ramsgate	2,896·8
Southampton	1,199·4
Teesport	0·7
TOTAL	30,040·0

A transfrontier shipment note giving details of the nature, amount and destination of a consignment of toxic or hazardous waste must be sent to the relevant waste regulation authority before the wast shipment can take place and must travel with the consignment. The waste regulation authority is responsible for ensuring that the contents of consignments match the descriptions given in transfrontier shipment notes.

Mr. Llew Smith: To ask the Secretary of State for the Environment what volumes of *(a)* lindane, *(b)* chlorobenzenes, *(c)* chlorophenols, *(d)* chlorinated methoxy benzene and *(e)* other dioxin-contaminated wastes have been imported into the United Kingdom since 1 January; what import licences have been issued over the past 15 months for such imports; and if he will make a

statement on council decision 93/98/EEC on transfrontier transport of hazardous wastes and their disposal of 1 February, in so far as it applies to the United Kingdom.

Mr. Maclean: Imports are not recorded in the exact manner indicated by the hon. Member. The tables show the amount of waste imported *(a)* from 1 January 1992 to 12 March 1993 and *(b)* from 1 January 1993 to 12 March 1993.

Under decision 93/98/EEC of 1 February 1993, the Council approved the procedure for the conclusion, on behalf of the Community, of the Basel convention on the control of transboundary movements of hazardous wastes and their disposal. The Council on 23 March will consider the date of deposit of the instrument of approval by the Community.

Transfrontier shipments
Summary totals report between 1 January 1992 and 12 March 1993

Wastes	*Totals (tonnes)*
Total Absorption Effluents	20·6
Total Acetate	26·4
Total Acetone	15·8
Total Acids Tars	0·2
Total Aerosol	416·8
Total Alkalies	17·5
Total Alkyl Amine Salt	0·7
Total Mixed	1,724·2
Total Ashes and Slags	23·3
Total AZO Dyes	3·2
Total Biomate	9·8
Total Tropical Bleaching Powder	168·1
Total BTH Residue	83·5
Total Carbon/Charcoal Waste	4·0
Total Electrical Transformer	27·5
Total Catalyst Cr, Cu, Zn, Solids	99·6
Total Celite Waste	202·1
Total Chemicals	505·6
Total Chlorinated Compounds	22·2
Total Chlorinated Solvents	4,473·7
Total Clean Out	17·8
Total Contaminated Solvents	198·0
Total Cosmetics	3·4
Total Cyanide Waste	65·8
Total Fire Damaged TVs	45·1
Total DDT Dusting Powder	15·2
Total Dichlorodiphenytrichloroe	1·5
Total Dielectric Fluid	12·6
Total Diethylhexylpthalate	4·5
Total Distillation Residue	69·4
Total Drums Filter Aids	75·4
Total Dry Cleaning Processes	18·6
Total Durotak 280-2630	63·9
Total Grinding Dust from Brake	961·9
Total Effluent Treatment Waste	37·3
Total Electric Capacitors	82·7
Total Empty Containers	23·9
Total Facron "S" Liquid Formulae	37·1
Total Fatty Acid	6·2
Total Filtercake Mixed Metals	969·9
Total Filtration Products	6,490·9
Total Flammable Solvents	77·3
Total Fluegas/Furnace Soot/Dust	22·5
Total Fly-ashes/Slags	10,663·9
Total Freon TDFC	2·5
Total Furnace Dust	90·2
Total Glycolmethacrylate Scrap	2·4
Total Haloginated Compounds	42·5
Total Halogenated Sludge	296·9
Total Hexachlorobenzene	306·8
Total Herbicides	20·7
Total Hexachlorobutadene	252·2
Total Hospital Waste	628·3
Total Ink Solution	2·0
Total Inorganic Acids	17·0
Total Inorganic Waste	20·6
Total Isocianate + Urea	17·0
Total Isolation Material	42·3
Total Laboratory Chemicals	84·9
Total Luminiscent Tubes	14·6
Total Metal Hydroxide/Oxides	147·2
Total Methanol	2·2
Total Methyl Methacrylate	4·0
Total Miscellaneous Waste	39·8
Total Miscellaneous Chemical Waste	196·8
Total Chlorinated Solvent Mix	195·3
Total Mother Layer (RD 41400)	265·2
Total Nickel Baths Sludge	3·0
Total Nitrobenzotrifluoride	10·8
Total Oil Sludge/Wax/Grease	6·3
Total Organic Acids	17·0
Total Organic Waste Mix	405·8
Total Paint Waste	260·1
Total Paracetamol Waste	3·4
Total Paranitrochlorobenzene	18·0
Total Polychlorinated Biphenyl	4,022·2
Total PCB Contaminated Material	6·0
Total PCB Fluid/Transformer	16·1
Total Pesticides	1,430·9
Total Pharmaceutical Waste	101·3
Total Styrenated Phenol	1·4
Total Phosphate Salt	16·8
Total Polyester Waste	0·8
Total Polymer Paste (PVC)	1·9
Total Polypropylene Waste	278·5
Total Polysterene Waste	14·3
Total Potassium Contaminated	20·0
Total Printing Waste	3·8
Total Purification Residues	38·1
Total Miscellaneous Redundant	362·5
Total Pesticide Residues	1,902·6
Total Resin Waste	13·7
Total Sewage Sludge	8·4
Total Silicon Polymere	16·6
Total Sludge Waste	465·2
Total Solid Material	43·8
Total Solvent—Cleaning	1·1
Total Solvent Sludges	386·6
Total Sulphuric Acid	1,051·1
Total Factory Sweeping Waste	343·4
Total Tar Residue/Liquid	218·7
Total Toxic Metals Contaminated	44·0
Total Transformer Carcass	31·4
Total Treatment	396·6
Total Trichloroethane Residue	2·5
Total Ureas	1·1
Total Used Paints and Emulsion	59·6
Total Varnish Waste	170·0
Total Waste Water	2,506·4
Total Yarn Waste	208·5
Total Zinc Salts/Waste	21·9
GRAND TOTAL	45,435·0

Transfrontier shipments
Summary totals report between 1 January 1993 and 12 March 1993

Wastes	*Totals (tonnes)*
Total Aerosol	119·8
Total Mixed	305·4
Total Tropical Bleaching Powder	149·0
Total Celite Waste	22·9
Total Chlorinated Solvents	9·6
Total Clean Out	4·5
Total Contaminated Solvents	10·4
Total DDT Dusting Powder	0·2
Total Dielectric Fluid	7·2
Total Filtration Products	115·7
Total Haloginated Compounds	42·5
Total Halogenated Sludge	37·7

Wastes	Totals (tonnes)
Total Inorganic Waste	7·4
Total Isocianate + Urea	17·0
Total Laboratory Chemicals	10·2
Total Luminiscent Tubes	14·6
Total Miscellaneous Chemical Waste	11·4
Total Oil Sludge/Wax/Grease	1·1
Total Organic Waste Mix	72·6
Total Paint Waste	49·2
Total Polychlorinated Biphenyl	139·9
Total PCB Contaminated Material	6·0
Total PCB Fluid/Transformer	1·0
Total Pesticides	119·8
Total Pharmaceutical Waste	18·2
Total Polypropylene Waste	278·5
Total Miscellaneous Redundant	64·5
Total Pesticide Residues	301·5
Total Solvent—Cleaning	1·1
Total Solvent Sludges	3·2
Total Sulphuric Acid	40·0
Total Factory Sweeping Waste	22·2
Total Tar Residue/Liquid	58·8
Total Transformer Carcass	22·4
Total Treatment	73·6
Total Varnish Waste	41·3
Total Waste Water	118·9
GRAND TOTAL	2,319·2

Mr. Nicholas Winterton: To ask the Secretary of State for the Environment (1) what progress has been made by the European Commission and the EC technical adaptation committee in drawing up a list of wastes under the framework directive on waste, and a list of hazardous wastes under the hazardous waste directive;

(2) what consultation he has had with industry prior to producing the draft list of those wastes which would be considered hazardous in the context of the hazardous waste directive and associated measures;

(3) upon what scientific basis he has concluded that the recycling of paper sludge to agricultural land should be regarded as hazardous;

(4) what assessment he has made of the additional costs to United Kingdom industry if it were prevented from recycling paper sludge on agricultural sites and obliged instead to use formal landfill sites.

Mr. Maclean: The draft lists, known as the European waste catalogue, are being drawn up by the Commission's consultants for consideration by the technical adaptation committee. The catalogue is still at a formative stage and no decisions have yet been taken.

Successive drafts of the catalogue have been widely circulated for comment to a growing list of representative bodies, beginning in October last year.

In the light of responses to consultation, the Government are considering the draft catalogue, its potential cost implications, and the implications for the special waste regulations. Paper sludge is shown as non-hazardous in the draft. Other wastes from the paper manufacturing industry are shown as hazardous. Whether this would represent a change from the position under the existing special waste regulations will depend upon the precise composition of the waste concerned.

Tenants' Choice

Dr. Wright: To ask the Secretary of State for the Environment how many tenants have exercised their rights under the tenants' choice programme to transfer from local authorities to housing associations.

Mr. Baldry: This information is not held in the form requested. However, 830 dwellings have transferred to housing associations, following successful tenants' choice ballots.

Uniform Business Rate

Mr. Alison: To ask the Secretary of State for the Environment what individual valuations have been calculated and currently applied to the specifically and separately rateable British Coal installation within Selby district in relation to the introduction of uniform business rate.

Mr. Robin Squire: The Selby mine complex is assessed as one hereditament comprising land, buildings, rateable plant and machinery at five mines and a coal disposal point at Gascoigne Wood. Kellingley colliery is a similar property.

The table shows a breakdown of the 1992-93 assessments.

	Rateable value (£) Selby	Kellingley
Land value	46,000	30,250
Buildings, structures, rateable plant and machinery	3,786,500	1,148,550
Access rights (shafts etc.)	3,981,462	1,102,129
Mineral element	6,132,579	1,760,075
TOTAL	13,946,541	4,081,004

There is also a tipping site at Cridling Stubbs with an assessment of £59,228.

Solid Fuel

Mrs. Helen Jackson: To ask the Secretary of State for the Environment what responses he has received to the consultation paper issued in July 1992 about a proposal to limit the sulphur content of solid fuel for domestic use; and what action he has taken on the issue.

Mr. Maclean: My Department received comments from 23 organisations. These were mostly in favour of the proposal, but a number of practical problems of monitoring and enforcement were raised. We are currently considering next steps in the light of these responses.

City Challenge, Bradford

Mr. Cryer: To ask the Secretary of State for the Environment what consideration he has given to the application of Bradford city challenge funds for providing grant aid to Springram Ltd. in connection with a new factory at Euroway estate, Bradford.

Mr. Robin Squire *[holding answer 5 February]:* Any such application is a matter for Bradford city challenge in the first instance. No formal proposal has been put to the Department for consideration.

Hedges

Mr. Alex Carlile: To ask the Secretary of State for the Environment how many hedge planting and hedge repair schemes were carried out in rural areas in each year since 1979; and if he will make a statement.

Mr. Maclean *[holding answer 15 March 1993]:* Grants for hedgerow planting and for major repairs have been available under the Ministry of Agriculture, Fisheries and Food's farm and conservation grant scheme and its predecessors since 1976. Farmers in environmentally sensitive areas may also benefit from the option of planting and repairing hedgerows under conservation plans. However, the information requested with regard to these schemes can be provided only at disproportionate cost.

Incentives are also offered under schemes run by the Countryside Commission. The countryside stewardship scheme seeks to conserve those features of the landscape which contribute to the preservation and abundance of our wildlife. The precise number of agreements involving hedgerow restoration and planting is not known, but an approximate figure since the scheme's launch in July 1991 is 344 agreements. The hedgerow incentive scheme provides grant aid for the restoration and management of our most valuable hedgerows. Since its launch in July 1992, 481 agreements have been made.

Countryside Stewardship Scheme

Mr. Martlew: To ask the Secretary of State for the Environment how many successful applications were made under the countryside stewardship scheme in *(a)* 1991 and *(b)* 1992; what was the cost of such schemes for each year; how many schemes involved additional payments for public access; what was the total amount paid in additional access payments; and what was the amount of land for which access has been paid.

Mr. Maclean *[holding answer 15 March 1993]:* The table provides the information requested in relation to agreements secured with land managers under countryside stewardship as a result of applications to the scheme in 1991. Figures for 1992 are based on agreement offers made —final figures for agreements secured are not yet available.

Countryside stewardship	*1991*	*1992*
Successful applications which resulted in agreements or agreement offers	900	1,384
The cost of agreements secured or offered[1]	£3,250,000	£6,900,000
Number of agreements secured or offered in each year involving additional payments for public access	300	350
Amount paid for additional access[1 2]	£350,000	£625,000
Amount of land to which access payments apply[1 2]	7,000 (hectares)	12,474 (hectares)

[1] Figures shown for 1992 under these categories are based on the cumulative total for agreements secured as a result of applications made in 1991 and agreement offers made as a result of applications in 1992. Payments in respect of 1992 agreements are estimated only and most will not fall due until September 1993.

[2] In 1992 an additional access option was introduced to offer payments for the creation of linear routes. Figures are not included in the table, but it is estimated that 1992 agreements will lead to the creation of about 163 km of new linear access.

Leeds Development Corporation

Mr. Fatchett: To ask the Secretary of State for the Environment if he will set out for each year since its creation the publicity and public relations budget of the Leeds development corporation.

Mr. Robin Squire *[holding answer 15 March 1993]:* Leeds development corporation's expenditure on publicity and public relations, which includes the corporation's promotional and marketing activities, was £223,000 in 1988-89, £324,000 in 1989-90, £480,000 in 1990-91 and £499,000 in 1991-92. For 1992-93 the proposed level of expenditure is £300,000.

HOME DEPARTMENT

Northern Ireland-related Offences

Mr. McNamara: To ask the Secretary of State for the Home Department what were the occupations, by census classification or other categorisation, of each person killed in Great Britain in violence related to the security situation in Northern Ireland since 1969.

Mr. Kenneth Clarke: The available information, which may not be completely accurate, is:

1	Cancer research specialist
3	Children
3	Cleaners
1	Car worker
1	Club manager
3	Company directors
1	Company manager
1	Courier
1	Door attendant
2	Electricians
1	Gardener
6	Housewives
2	Journalists
2	Labourers
1	Librarian
1	Maintenance worker
1	Management consultant
3	Members of Parliament
1	Office worker
2	Pipe fitters
1	Plasterer
5	Police officers
1	Postman
1	Psychiatric nurse
1	Punch-card operator
1	Quantity surveyor
1	Railway guard
1	Restaurateur
1	Sales clerk
1	Securities dealer
44	Service personnel
1	Shop assistant
1	Shop manager
1	Stockbroker
1	Stock controller
1	Store supervisor
2	Students
1	Telephonist
1	Tube driver
1	Typist
2	Unemployed
3	Unknown
1	Wages clerk
2	Waiters/Waitresses
2	Welders

Mr. McNamara: To ask the Secretary of State for the Home Department (1) what has been the average length of

sentence imposed on persons convicted for Northern Ireland-related offences in Great Britain in each year since 1969;

(2) what has been the average length of sentence imposed by the courts since 1973 on a terrorist convicted of Northern Ireland terrorist-related activities, excluding homicide, in England and Wales;

(3) what has been the average length of sentence imposed by the courts since 1973 on a terrorist convicted of Northern Ireland terrorist-related activities, excluding homicide, in Scotland.

Mr. Jack: The available statistics are contained in Home Office statistical bulletin "Statistics on the Operation of Terrorism (Temporary Provisions) Acts 1974 and 1976—29 November 1974 to 26 March 1984"—tables 4 and 5, issue number 10/84, and "Statistics on the Operation of Prevention of Terrorism Legislation—1992" —tables 5 and 6, issue number 5/93, copies of which are in the Library.

Mr. McNamara: To ask the Secretary of State for the Home Department what has been the average length of sentence imposed by the courts since 1970 on a terrorist convicted of a Northern Ireland-related homicide in England and Wales.

Mr. Jack: All 10 suspects who have been convicted of a Northern Ireland-related homicide in England and Wales since 1970 were convicted of murder and sentenced to life imprisonment.

Mr. McNamara: To ask the Secretary of State for the Home Department what were the occupations, by census classification or other categorisation, of each person killed on the European mainland in violence related to the security situation in Northern Ireland since 1969.

Mr. Kenneth Clarke: The available information, which may not be completely accurate, is:

1 Child
1 Diplomat
1 Driver
1 Housewife
8 Service personnel
6 unknown

Security Situation

Mr. McNamara: To ask the Secretary of State for the Home Department what has been the annual number of arrests and convictions directly related to the security situation in Great Britain since 1969.

Mr. Kenneth Clarke: The available information relates to convictions following detention under prevention of terrorism legislation. This is contained in the Home Office statistical bulletin, issues 10/84 and 5/93.

HOME DEPARTMENT

Young Offenders

Mr. Michael: To ask the Secretary of State for the Home Department what estimate he has made of the number of places required in secure training units for the 11 to 15 years age group which he announced on 2 March; and if he will publish the evidence on which he bases that estimate.

Mr. Jack: Work is proceeding on the development of detailed plans for the introduction of the new secure training order for persistent juvenile offenders between the ages of 12 and 15, including an assessment of the number of places likely to be required.

Mr. Michael: To ask the Secretary of State for the Home Department, pursuant to his answer of 10 March, *Official Report*, column *557*, when he expects to be able to provide an initial rough figure for the capital costs of *(a)* the individual units and *(b)* the total programme of secure training units for the 11 to 15 age groups announced on 2 March.

Mr. Jack: As my right hon. and learned Friend indicated in his statement on 2 March, columns 139-42, it is envisaged that the centres will be provided through agreements with suitable organisations which may come from the public, voluntary or private sectors provided that they can demonstrate the ability to meet the standards we shall be setting and to give value for money. Both the capital and revenue costs involved in implementing secure training orders are likely, therefore, to depend, inter alia, on a process of competitive tendering. This will take place once specifications have been drawn up.

Mr. Marlow: To ask the Secretary of State for the Home Department, pursuant to his answer of 9 March, *Official Report*, column *478*, if he will give the reasons for the Government's view that corporal punishment is not an acceptable way of dealing with offenders.

Mr. Jack: There are considerable doubts about the effectiveness of corporal punishment as a deterrent. The courts had largely stopped using this form of punishment before its abolition in 1948, not least because of evidence which seemed to indicate that its use was counterproductive; those who were flogged were found to be more likely to commit further offences than similar offenders who were not subjected to corporal punishment.

Moreover, the use of corporal punishment would be contrary to the United Kingdom's obligations under article 3 of the European convention on human rights which states that no one shall be subjected to torture or inhuman or degrading treatment or punishment.

Thames House

Mr. Alan Williams: To ask the Secretary of State for the Home Department how much is being spent on the refurbishment and structural work at Thames house.

Mr. Kenneth Clarke: The projected outturn cost of the work on Thames house is £238 million.

Police (Discipline)

Mr. Alan Williams: To ask the Secretary of State for the Home Department, pursuant to his answer of 22 February, *Official Report*, column *430*, from which police authorities the 19 police officers retired.

Mr. Charles Wardle: My answer of 22 February contained an inaccuracy, for which I apologise. The number of police officers who had retired after disciplinary charges had been brought against them, but before those charges had been heard should have been given as 18, not 19. The police authorities from which the 18 officers retired in 1991 are set down in the table:

	Number
Cambridgeshire	3
Durham	1
Gloucestershire	1
Lancashire	2
Merseyside	1
Northumbria	1
South Wales	3
Surrey	1
Sussex	2
Thames Valley	2
West Midlands	1
Total	18

United Kingdom Immigrants Advisory Service

Sir John Wheeler: To ask the Secretary of State for the Home Department if he will make a statement on the plans for a new voluntary body to take over the general immigration work of the United Kingdom Immigrants Advisory Service.

Mr. Charles Wardle: I announced on 8 July 1992, columns *202-203*, that the Government had decided to terminate the grant in aid paid to UKIAS and that my right hon. and learned Friend had invited Mr. Humfrey Malins to lead a small planning group, outside Government, to draw up proposals for a new voluntary body which would receive grant under section 23 of the Immigration Act 1971 and would take over UKIAS's general immigration work.

After consulting widely, the planning group completed its proposals at the end of last year and published its report on 29 January. A copy is in the Library of the House. The Government have now considered this report and have concluded that the trustees of an organisation constituted and structured as the planning group proposes would be able to meet their responsibilities under charity law and to satisfy the Home Office that there would be proper accountability for the grant paid. Accordingly, my right hon. and learned Friend is asking the planning group now to take steps to implement its proposals and establish the new body as outlined in the report.

The Government are most grateful to Mr. Malins and the members of the planning group for their work on the report and for their willingness to take their proposals forward, and also to the Reverend David Haslam and members of the standing executive committee who have formed an interim administration to run UKIAS during the transitional period so that the service to immigration appellants can continue.

Immigration (Prison Detention)

Mr. Vaz: To ask the Secretary of State for the Home Department how many people are currently being detained in prison as a result of immigration procedures; and what information he has on the length of time they have been held.

Mr. Peter Lloyd: On 31 January 1993, there were 299 detainees held in prison service establishments in England and Wales under the Immigration Act 1971. The latest available information relating to the period of detention is for 31 August 1992 and is given in the table.

Population of persons detained under the Immigration Act 1971 in prison service establishments in England and Wales on 31 August 1992 by length of detention[1]

	Length of detention[1]					
	1 day to 1 month	*Over 1 month to 2 months*	*Over 2 months to 3 months*	*Over 3 months to 6 months*	*Over 6 months*	*Total detainees*
31 August 1992	51	28	25	63	55	222

[1] Time which had been served by 31 August 1992.

Market Testing

Mr. Hall: To ask the Secretary of State for the Home Department what is the cost to date of the market test exercise in relation to establishment division 5 information systems and pay services.

Mr. Kenneth Clarke: Up to 31 March 1993 the cost of the market test of ED5 information systems and pay services is expected to be £217,000.

Mr. Hall: To ask the Secretary of State for the Home Department what financial arrangements he proposes to make with potential contractors in his market testing of establishment division 5 information systems and pay services to cover liabilities under the Transfer of Undertakings (Protection of Employment) Regulations 1981 and the EC acquired rights directive.

Mr. Kenneth Clarke: The potential contractors will be required to take account of the possible implications of the Transfer of Undertakings (Protection of Employment) Regulations 1981 and the EC acquired rights directive in their bids.

Mr. Hall: To ask the Secretary of State for the Home Department if he will require all prospective contractors for the work of the establishment division 5 information systems and pay services to be certificated to BS 5750 and hold the "TickIt" qualification.

Mr. Kenneth Clarke: Prospective contractors will need to demonstrate that they can deliver the service to an acceptable quality standard, such as the BS 5750 and "TickIt" qualification.

Genetic Engineering

Mr. Llwyd: To ask the Secretary of State for the Home Department if he will make representations to his EC partners to secure that all EC genetic engineering regulations are cross-linked with those on animal experimentation and welfare.

Mr. Charles Wardle: We ensure that appropriate opportunities are taken to remind our EC partners of the need to bear in mind the principles of EC directive 86/609/EEC on animal experimentation when considering genetic engineering matters.

Cinematograph Films (Animals) Act

Mr. Llwyd: To ask the Secretary of State for the Home Department what plans he has to amend the Cinematograph Films (Animals) Act 1937 to include films shown on television, in private clubs, and in video form.

Mr. Charles Wardle: We have no plans to amend the Cinematograph Films (Animals) Act 1937.

Animal Experimentation

Mr. Llwyd: To ask the Secretary of State for the Home Department if he will bring forward proposals to impose a statutory requirement upon all those undertaking work under the Animals (Scientific Procedures) Act 1986 to receive compulsory training.

Mr. Charles Wardle: From 1 April 1994 applicants for personal licences will be required to have completed successfully an accredited training programme. In addition to this, from 1 April 1995, first-time project licence applicants will require further pre-licensing training, to be acquired from accredited training programmes.

Mr. Llwyd: To ask the Secretary of State for the Home Department if he will make it his policy to secure the formation of animal care and use committees at all establishments designated under the Animals (Scientific Procedures) Act 1986.

Mr. Charles Wardle: The regulatory system established under the Animals (Scientific Procedures) Act 1986 places responsibility on the holder of a certificate of designation issued under section 6 to ensure proper standards of animal care and use at his or her establishment. In discharging that responsibility, it is open to the certificate holder to establish an animal care and use committee according to local circumstances and need. There are no plans to require such committees at all designated establishments.

Mr. Llwyd: To ask the Secretary of State for the Home Department what plans he has to extend the conditions of the code of practice on housing and care of laboratory animals to cover breeding and supply establishments.

Mr. Charles Wardle: I refer the hon. Member to the reply given to an earlier question from the hon. Member on 3 November 1992, column *128*.

Mr. Llwyd: To ask the Secretary of State for the Home Department what plans he has to increase the number of his departmental inspectors to undertake work in relation to the Animals (Scientific Procedures) Act 1986.

Mr. Charles Wardle: None.

Crime Statistics

Mr. Nigel Evans: To ask the Secretary of State for the Home Department (1) how many crimes have been committed by those aged 18 years and younger each year since 1983;

(2) what was the total number of convictions for all offences in each year since 1983.

Mr. Jack: Information on "known offenders"—those found guilty or cautioned—by age is published annually in the Command Paper "Criminal Statistics England and Wales". Table 5.23 of the 1988 and 1991 publications gives the requested data for indictable offences back to 1983.

Figures showing the number of convictions for all offences are also published annually in the above-mentioned publication. Table 5.8 of the 1991 issue gives figures back to 1981.

A copy of this publication is available in the Library.

1992 data will not be available until the autumn of 1993.

Mr. Nigel Evans: To ask the Secretary of State for the Home Department (1) how many people were convicted for committing crimes involving the use of firearms in each year since 1979;

(2) how many people are currently serving prison sentences for committing crimes that involved the use of firearms.

Mr. Jack: Information for the years 1979, 1980, 1987 and 1989 to 1991 on the number of persons convicted of offences involving the use of firearms in England and Wales is given in the table. Information about other years could be provided only at disproportionate cost.

Information is not held centrally about the number of persons currently serving prison sentences for offences that involve the use of firearms. However in 1991, 1,261 offenders were sentenced at the courts in England and Wales to immediate custody for indictable offences and 15 for summary offences which all involved the use of firearms.

1992 data will not be available until autumn 1993.

Number of offenders convicted of offences involving the use of firearms by type of offence 1979, 1980, 1987, 1989, 1990 and 1991 England and Wales

Year	Indictable	Summary
1979	2,830	6,139
1980	3,073	5,915
1987	2,569	1,827
1989	3,008	1,378
1990	3,157	1,169
1991	3,289	934

Mr. Nigel Evans: To ask the Secretary of State for the Home Department how many crimes were reported in each year since 1983.

Mr. Jack: The available information is for notifiable offences recorded by the police. Statistics for 1983 to 1991 were published in table 2.24 of the 1991 volume of "Criminal Statistics, England and Wales". The latest available figures are for the 12 months ending June 1992 and were published in Home Office statistical bulletin 31/92. Copies of both are available in the Library.

Mr. Nigel Evans: To ask the Secretary of State for the Home Department how many crimes involving the use of firearms were committed in each police authority in each year since 1979.

Mr. Jack: Statistics on notifiable offences recorded by the police in which firearms were reported to have been used by police force area were published in "Criminal Statistics, England and Wales", supplementary tables 1989 Vol. 3—for the years 1979 to 1989 and 1991 Vol. 3—for the years 1990 and 1991—table S3.1(A). Copies of these publications are in the Library.

Mr. Nigel Evans: To ask the Secretary of State for the Home Department how many crimes involving physical violence were reported in each year since 1983.

Mr. Jack: The available information is for notifiable offences recorded by the police. Violent crime which involves physical violence or the threat of physical violence come within the offence groups of violence against the person, sexual offences and robbery. Statistics for 1983 to 1991 were published in table 2.24 of the 1991 volume of "Criminal Statistics, England and Wales". The latest figures are for the 12 months ending June 1992 and were published in Home Office statistical bulletin 31/92. Copies of both are available in the Library.

Ms Ruddock: To ask the Secretary of State for the Home Department how many offences were committed, in total, and by category of offence, in the Metropolitan police district, in each of the six months up to the latest available date.

Mr. Jack: The available information is for notifiable offences recorded and is shown in the table.

Notifiable offences recorded by the police by offence group

Metropolitan Police District	Number of offences					
	January 1992	February 1992	March 1992	April 1992	May 1992	June 1992
Violence against the person	2,793	2,624	2,848	3,043	3,062	3,696
Sexual offences	410	415	428	445	449	543
Burglary	18,244	15,907	16,803	15,942	13,859	15,415
Robbery	1,743	1,666	1,908	1,935	1,830	2,094
Theft and handling stolen goods	37,443	36,624	40,026	38,638	36,613	40,359
Fraud and forgery	3,554	3,324	3,489	3,471	3,022	3,872
Criminal damage	14,445	13,596	15,432	14,867	13,724	13,695
Other offences	599	612	543	573	589	549

Metropolitan Police District	Number of offences					
	January 1992	February 1992	March 1992	April 1992	May 1992	June 1992
Total	79,231	74,768	81,477	78,914	73,148	80,223

Drivers (Drugs)

Mr. Nigel Evans: To ask the Secretary of State for the Home Department how many people have been convicted for driving under the influence of illegal drugs in each year since 1979.

Mr. Jack: This information is not separately identifiable in the statistics collected centrally.

Crime Prevention

Mr. Llwyd: To ask the Secretary of State for the Home Department if he will make it his policy to place a statutory responsibility upon local authorities to allocate a budget for crime prevention measures.

Mr. Jack: No. It is for individual local authorities to determine their expenditure priorities within overall budgets.

Mr. Llwyd: To ask the Secretary of State for the Home Department if he will make a statement on his plans for the greater involvement of local authorities in *(a)* crime prevention and *(b)* protection to the general public from the effects of crime.

Mr. Jack: Local authorities are already closely involved in crime prevention and the protection of towns and neighbourhoods through their participation in the delivery of a number of the Government's housing and inner city initiatives, including city challenge, estates action and the safer cities programme. Outside these programmes, the Government welcome the increasing development by local authorities of their own community safety strategies and action plans, in partnership with the police and other agencies, following guidance issued to them in Home Office circular 44/90 (Welsh Office circular 28/90).

Wolds Prison

Ms Ruddock: To ask the Secretary of State for the Home Department whether his Department's operational guidelines and circulars concerning the prison service are issued to Her Majesty's prison Wolds.

Mr. Peter Lloyd: If the contractor is required, under the terms of the contract, to follow prison service practice or procedures then the appropriate guidelines or circulars are issued to him.

Primates

Mr. Llwyd: To ask the Secretary of State for the Home Department if he will establish a United Kingdom register of breeding primates.

Mr. Charles Wardle: There are no plans for a register exclusively for the United Kingdom. The Primate Society of Great Britain has suggested the establishment of a European primate register, and we have raised this idea with our EC partners. These discussions are at an early stage.

Dog Breeders

Mr. Llwyd: To ask the Secretary of State for the Home Department what plans he has to introduce legislation to control and restrict the activities of dog breeders and dealers.

Mr. Charles Wardle: None. Establishments where dogs are bred for sale are already subject to the controls of the Breeding of Dogs Act 1973. The controls of the 1973 Act were strengthened by the Breeding of Dogs Act 1991.

Pet Animals Convention

Mr. Llwyd: To ask the Secretary of State for the Home Department if he will ratify article 10 of the Convention on the protection of pet animals.

Mr. Charles Wardle: I refer the hon. Member to the reply I gave to a question from the hon. Member for Gateshead, East (Ms Quinn) on 19 November 1992 at column *293*.

Hong Kong (Passports)

Mr. Cousins: To ask the Secretary of State for the Home Department how many British passports giving the right of entry to Britain have been issued to citizens of Hong Kong in each of the last three years.

Mr. Charles Wardle: Registrations under the British nationality (Hong Kong) selection scheme commenced on 25 May 1991. Between then and 6 March 1992, 3,405 British citizen passports were issued in Hong Kong to scheme beneficiaries. The corresponding figure for 7 March 1992 to 6 March 1993 was 18,767.

Metropolitan Police Commissioner

Mr. Redmond: To ask the Secretary of State for the Home Department who is responsible for the appointment of the Commissioner of Police of the Metropolis; and to whom the appointee is subsequently responsible.

Mr. Charles Wardle: The Commissioner of Police of the Metropolis is appointed by her Majesty the Queen. He subsequently conducts the business of that office under the direction of the Secretary of State.

Policing Costs

Mr. Mike O'Brien: To ask the Secretary of State for the Home Department if he will list the police authorities, with the sum involved in each case, affected by the reduction in class IX, vote I, sub-head D2, "special grants for policing costs", in the spring supplementary estimates.

Mr. Kenneth Clarke: No police authorities were affected by this reduction, which was due to a lower than anticipated level of grant being due in support of payments made by assisted police authorities.

PRIME MINISTER

Banking Supervision

Mr. Vaz: To ask the Prime Minister what discussions he has had concerning the content of the second report of the Treasury and Civil Service Select Committee, Session 1992-93, "Banking Supervision and BCCI: The Implications of the Bingham report."

The Prime Minister: I meet my right hon. Friend the Chancellor of the Exchequer regularly to discuss matters of common interest.

Water and Sewerage Services, Scotland

Mr. Welsh: To ask the Prime Minister when he expects a decision to be taken on the future of water and sewerage services in Scotland; and if he will make a statement.

The Prime Minister: My right hon. Friend the Secretary of State for Scotland has received nearly 5,000 responses to his consultation paper on the future of water and sewerage services in Scotland. He will make a decision when all responses have been considered.

Mr. Welsh: To ask the Prime Minister which Department is responsible for deciding on the future of water and sewerage services in Scotland; and if he will make a statement.

The Prime Minister: My right hon. Friend the Secretary of State for Scotland is responsible for deciding on the future of water and sewerage services in Scotland.

HEALTH

Traffic Casualties

Mr. Cousins: To ask the Secretary of State for Health what was the schedule of charges for the hospital treatment of traffic casualties in current prices and in cash terms *(a)* in 1980 and *(b)* for each of the last three years.

Mr. Sackville: The information requested is shown in the table:

	1 April 1980 £	*1 August 1990* £	*1 October 1991* £	*1 November 1992* £
Cash Terms				
Ceiling on charges for in-patient treatment	1,250	2,546	2,667	2,780
Ceiling on charges for out-patient treatment	125	255	267	278
Emergency treatment fee	6·75	18·20	19·30	20·10
Constant Price terms (1992-93 Prices)				
Ceiling on charges for in-patient treatment	2,562·79	2,846·81	2,787·01	2,780
Ceiling on charges for out-patient treatment	256·28	285·13	279·01	278
Emergency treatment fee	13·84	20·35	20·17	20·10

Mr. Cousins: To ask the Secretary of State for Health what was the total estimated cost of road traffic accidents to the national health service at current prices and in cash terms *(a)* in 1980 and *(b)* in each of the last three years.

Mr. Sackville: This information is not held centrally.

Misappropriation

Mr. Redmond: To ask the Secretary of State for Health what action is taken when national health service cash or assets have been misappropriated or improperly obtained by *(a)* members of the public, *(b)* members of staff or *(c)* managers, directors or chairmen.

Dr. Mawhinney: I refer the hon. Member to the reply I gave him on 20 January at column *322*.

Nursing Homes

Mr. McCartney: To ask the Secretary of State for Health what evidence she has received from family health services authorities that general practices are de-registering or refusing to register elderly residents of nursing homes.

Dr. Mawhinney: None.

Mr. McCartney: To ask the Secretary of State for Health if she will issue guidelines to general practitioners about the extent to which palliative treatment should be given by general practitioners to residents of nursing homes.

Dr. Mawhinney: No.

Mr. McCartney: To ask the Secretary of State for Health what advice she has issued to family health services authorities to deal with the de-registering or the refusal to register by general practitioners of elderly residents of nursing homes.

Dr. Mawhinney: Family health services authorities are aware of their obligations in this area. They are able to provide to patients a list of alternative doctors in their area. Under the National Health Service General Medical Services Regulations 1992, family health services also have the power to assign a patient to a general practitioner should that patient experience problems in registering in the normal way.

Mr. McCartney: To ask the Secretary of State for Health how many general practitioners in Derbyshire have refused to give palliative care to residents of nursing homes in the county; and what steps she has taken to rectify the situation.

Dr. Mawhinney: We have no evidence to suggest that any general practitioner in Derbyshire has refused to provide palliative care to patients resident in nursing homes.

Warrington Hospital

Mr. Hoyle: To ask the Secretary of State for Health what were the post-operative infection rates for each year since 1990 for Warrington general hospital.

Mr. Sackville: This information is not collected centrally. The hon. Member may wish to contact Mr. D. Hannah, chairman of Warrington health authority, for details.

Complementary Therapies

Miss Lestor: To ask the Secretary of State for Health what assessment she has made of the savings to the NHS drugs budget from the use of complemetary therapies in general practice; and if she will make provision to fund research to provide evidence for such savings.

Dr. Mawhinney: No such assessment has been made directly involving complementary therapies. The Department and the National Health Service management executive have taken a number of measures to contain spending on the NHS drugs budget and shall continue to seek ways of improving the effectiveness of these measures, as well as considering, new ones.

Mr. Congdon: To ask the Secretary of State for Health what recent assessment she has made of the contribution that complementary therapists make to the health of the nation.

Mr. Sackville: The national health service may adopt a variety of approaches in meeting the health needs of the population. Natural therapies may be incorporated in local arrangements for health care, including programmes aimed at meeting the targets in the key areas initially selected for action in "The Health of the Nation" strategy, where they are considered appropriate and cost-effective.

Breast Implant Surgery

Mr. Sheerman: To ask the Secretary of State for Health what steps are being taken to make prospective patients aware of the risks involved in breast implant surgery.

Mr. Sackville: The Department keeps the potential risks of these implants under review and provides advice. The Chief Medical Officer wrote to all doctors on this topic in January 1992. A copy of the letter has been placed in the Library.

It remains the professional responsibility of clinicians to inform patients about the possibility of any known side effects in the process of obtaining consent.

Abortion

Mrs. Ann Winterton: To ask the Secretary of State for Health (1) what assessment has been made of the incidence of significant under-reporting of the numbers of abortions in some health authorities; and if she will make a statement;

(2) if she will obtain for her departmental library a copy of a publication the name of which has been supplied to her.

Mr. Sackville: Any evidence of under-reporting is always investigated. The publication referred to is the November 1992 issue of the *British Journal of Obstetrics and Gynaecology*, a copy of which is held in the Department's library. One of the articles in the journal is about apparent discrepancies in the number of abortions carried out in one health region. The figures are being investigated and follow-up action will be taken if required.

Mrs. Ann Winterton: To ask the Secretary of State for Health if she will give a breakdown by district health authority of the number of abortions performed in the latest year for which figures are available which are recorded *(a)* through the formal notification procedure and *(b)* through records of hospital activity; if she will calculate the percentage discrepancy in each case; and if she will make a statement.

Mr. Sackville: A comparison of data from the hospital episode statistics (HES) system with those from the formal notification system is being carried out. Any discrepancies will be further investigated.

Mrs. Ann Winterton: To ask the Secretary of State for Health what recent representations she has received concering possible under-reporting of abortions by some health authorities.

Mr. Sackville: Two such representations have been received since the beginning of 1991.

Psychiatric Care

Mr. Wigley: To ask the Secretary of State for Health if she will make it her policy to establish a statutory right of access to a key worker and a care programme for all those under the care of a consultant psychiatrist who currently live in the community.

Mr. Yeo: We have no plans to introduce new legislation to this effect.

Mr. Wigley: To ask the Secretary of State for Health if she will make it her policy to ensure that mental health review tribunals do not discharge patients from compulsory detention in hospital unless adequate after-care arrangements are provided.

Mr. Yeo: The care progamme approach makes it the responsibility of all district health authorities, in collaboration with local social services departments, to draw up individual care programmes for all in-patients about to be discharged from mental illness hospitals. This includes those patients discharged by a mental health review tribunal. I understand that tribunals take account of proposed aftercare arrangements in the evidence they receive when considering discharge.

Prescriptions

Mr. Redmond: To ask the Secretary of State for Health on average how many items of prescription are dispensed each day *(a)* to patients exempt from charge and *(b)* to patients paying for prescription.

Dr. Mawhinney: In 1991, the latest year for which information is available, an average of 1·01 million prescribed items were dispensed each day by community pharmacists and appliance contractors, of which about 812,000 went to patients exempt from charge or entitled to charge remission and some 199,000 went to patients who paid charges or held prescription prepayment certificates.

Mr. Redmond: To ask the Secretary of State for Health how many prescriptions for moisturising creams were dispensed in 1991-92.

Dr. Mawhinney: Moisturising creams as such are not a recognised therapeutic category. The number of prescriptions for emollients dispensed by community pharmacists and dispensing doctors in England in 1991 was 2·2 million.

Mr. Lidington: To ask the Secretary of State for Health what studies her Department has made of the evolution of prescribing patterns in each of the 10 categories of medicines to which she proposes to extend the selected list system.

Dr. Mawhinney: None. It will be for the Advisory Committee on National Health Service Drugs to decide what data it needs to enable it to complete its review.

Mr. Lidington: To ask the Secretary of State for Health what representations she has received from pharmaceutical companies about the implications for employment of the proposed extension of the selected list for medicines.

Dr. Mawhinney: We have received a number of representations from pharmaceutical companies. In response, we have pointed out that the changes we are introducing mirror measures being taken throughout Europe to limit the growth of drugs bills. Investment and employment in the United Kingdom pharmaceutical industry depend on a number of factors in both the United Kingdom and other key pharmaceutical markets.

Sir Keith Speed: To ask the Secretary of State for Health what level of prescribing must be reached before a generic drug is included within part 8 of the drug tariff.

Dr. Mawhinney: Entry to the drug tariff is triggered automatically when 100,000 prescriptions are written generically per year.

Sir Keith Speed: To ask the Secretary of State for Health what is her estimate of the number of prescription items to be written under the national health service in the 1993-94 financial year.

Dr. Mawhinney: This information is not available in the form requested, but it is estimated that some 448 million prescribed items will be dispensed by community pharmacists, appliance contractors and dispensing doctors in 1993-94.

Personal Social Services

Mr. Garnier: To ask the Secretary of State for Health what is the level of resources for spending on personal social services, including community care, in 1992-93 and 1993-94; and if she will make a statement.

Mr. Yeo: Total standard spending for local authority personal social services in 1992-93 is £4,850 million. In 1993-94 standard spending will be £5,585 million, an increase of 15 per cent. Included in the 1993-94 total is the special transitional grant of £565 million for community care. This provides evidence of the Government's commitment to social services. Standard spending next year will be more than 33 per cent. higher in real terms than in 1990-91. Expenditure by local authorities in 1992-93 is 67 per cent. higher in real terms than in 1978-79, and the special transitional grant is 35 per cent. higher than the transfer of resources from the Department of Social Security.

Leprosy Patients (Thalidomide)

Mr. Wigley: To ask the Secretary of State for Health what representations she has received from the Committee on the Safety of Medicines concerning the use of thalidomide to treat leprosy patients.

Dr. Mawhinney: None.

Complaints Procedure

Dr. Wright: To ask the Secretary of State for Health how many complaints were made by patients to family health service authorities about general practitioners during the last year for which figures are available; and how many of these complaints were upheld.

Dr. Mawhinney: The latest available figures relating to formal complaints are contained in table 5.14 (Family Health Services) of "Health and Personal Social Services Statistics 1992", a copy of which is in the Library.

Figures for the numbers of comments, suggestions and informal complaints made to family health services authorities are not available centrally.

Young Offenders

Lady Olga Maitland: To ask the Secretary of State for Health if she will list the local authorities who have provided secure units for juvenile offenders and those which have not.

Mr. Yeo: I refer my hon. Friend to the replies I gave to my hon. Friend the Member for Elmet (Mr. Batiste) on 20 January at columns *318-19*.

Mr. Peter Atkinson: To ask the Secretary of State for Health what provision has been made by local authorities in the north-east to provide secure accommodation for young offenders.

Mr. Yeo: The information is shown in the table.

Secure accommodation in North East region

Location	*Managing authorities*	*Number of secure places*
New Aycliffe Royston House	Durham	14
Aycliffe Community Home special unit	Durham	36
Netherton Park Elm secure unit	Northumberland	5

Mr. Peter Atkinson: To ask the Secretary of State for Health if she will list the premises in the Hexham constituency which have been used to provide accommodation for young offenders in each of the last five years; if she will provide details of the local authorities who have made use of them; and if she will make a statement.

Mr. Yeo: Information is not available centrally about the individual premises in which children or young people are looked after by local authorities or voluntary organisations other than for local authority secure units. There are no secure units in the Hexham constituency.

The provision of accommodation for young people on sentence is a matter for my right hon. Friend the Home Secretary.

Doctors' Working Hours

Ms Primarolo: To ask the Secretary of State for Health what was the average number of hours worked by *(a)* consultants and *(b)* junior hospital doctors in England in each of the past five years (i) by region and (ii) nationally.

Dr. Mawhinney: Information on the average hours worked by consultants and junior hospital doctors is not available centrally. Information on regional averages could be obtained only at disproportionate cost.

The average weekly contracted hours for junior hospital doctors in England is available for the period 1988-91, as at 30 September each year, as follows:
1988:82 hours *1989*:81 hours *1990*:80 hours *1991*: 80 hours (all figures rounded to the nearest whole hour).

Mr. Pickthall: To ask the Secretary of State for Health how many junior hospital doctors worked fewer than 83 hours a week as at 1 March; and how many remain above that figure.

Dr. Mawhinney: This information is not available centrally.

Eye Tests

Ms Primarolo: To ask the Secretary of State for Health how many people received eye tests free of charge in each of the last five years by category of exemption from charges.

Dr. Mawhinney: The number of free national health service sight tests paid for in each financial year in England in each of the last five years are shown in the table, by category of exemption from charges.

Category	*1987-88*	*1988-89*	*1989-90*	*1990-91*	*1991-92*
Children under 16	—	—	1,541,180	1,560,390	1,842,550
Students under 19	—	—	334,000	346,220	410,150
People on income support/family credit	—	—	1,129,970	1,380,240	1,650,570
Holders of exemption certificate AG2	—	—	171,980	215,200	271,990
Registered blind/partially sighted	—	—	14,540	14,880	21,880
Those who need certain complex lenses	—	—	36,760	49,230	62,250
Diagnosed diabetes/glaucoma sufferers	—	—	255,430	324,920	384,380
Relatives aged 40 and over of diagnosed glaucoma sufferers	—	—	165,120	262,580	335,660
New scheme	—	—	3,649,000	4,153,660	4,979,420
Old scheme	11,694,800	12,392,830	1,630,750	—	—
Total[1]	11,694,800	12,492,830	5,279,750	4,153,660	4,979,420

[1] From April 1989, national health service sight tests were restricted to certain groups in the population. The sight tests paid for in 1989-90 include some conducted prior to 1 April 1989—old scheme—when national health service sight tests were universally available. The remainder paid for in 1989-90 do not represent a full year under the new system, because of the delay in payments. The figure for 1989-90 is not, therefore, directly comparable with that for 1990-91.

Antacids

Mr. Renton: To ask the Secretary of State for Health, pursuant to her answer of 22 February, *Official Report*, column *480*, what was the total prescription volume and costs for *(a)* antacids and *(b)* anti-ulcer drugs for each of the last 10 years.

Dr. Mawhinney: The information is as follows:

Prescriptions (thousands)

	1982	*1983*	*1984*	*1985*	*1986*	*1987*	*1988*	*1989*	*1990*	*1991*
Antacids (1.1)[1]	6,320	6,558	6,733	6,978	7,406	7,757	7,953	7,701	7,713	8,469
Ulcer-healing drugs (1.3)[1]	2,165	2,431	2,794	3,234	3,859	4,515	5,104	5,792	6,698	7,961

Net Ingredient Cost (pounds thousands)

	1982	*1983*	*1984*	*1985*	*1986*	*1987*	*1988*	*1989*	*1990*	*1991*
Antacids (1.1)[1]	15,717	17,956	18,796	17,280	18,397	20,005	20,999	20,795	20,902	23,876
Ulcer healing drugs (1.3)[1]	31,652	41,422	51,087	63,533	81,930	101,719	124,262	146,996	180,081	222,241

[1] British National Formulary category.

Notes:
1. 1982 to 1990 data based on a sample of one in 200 prescriptions dispensed by community pharmacists and appliance contractors only.
2. 1991 data cover all prescriptions dispensed by community pharmacists and appliance contractors, dispensing doctors, and personal administration.

Regulations

Mr. Sproat: To ask the Secretary of State for Health, pursuant to her answer of 5 February, *Official Report*, column *379*, if she has now finished compiling and has checked for accuracy and consistency of definition the comprehensive provisional list of regulations for which her Department is responsible; and when she intends to place the list in the Library.

Mr. Sackville: A consolidated list of regulations for all Departments will be compiled by the central deregulation unit of the Department of Trade and Industry and placed in the Library as soon as possible.

Dr. Kypros Loucas

Ms Lynne: To ask the Secretary of State for Health (1) if she will establish a special compensation scheme for patients found to have been wrongfully treated by Dr. Kypros Loucas;

(2) what requests for assistance Her Majesty's Government have received from the General Medical Council in respect of the inquiry into the conduct of Dr. Kypros Loucas.

Mr. Yeo: I refer the hon. Member to the reply I gave her on 15 March at column 7.

Maternity Services

Mrs. Wise: To ask the Secretary of State for Health how many women were delivered in England during each of the financial years 1990-91 and 1991-92; and how many *(a)* complete and *(b)* incomplete records have been included in the maternity hospital episode system data files for each of these two financial years.

Mr. Sackville *[holding answer 12 March 1993]:* There were 665,065 deliveries in England during 1990-91, the latest year for which figures are available.

During 1990-91 there were 400,448 delivery episodes recorded on the maternity hospital episode system. An analysis of the quality and completeness of these data is proceeding. The data files for 1991-92 are not yet available.

WALES

Housebuilding Statistics

Mr. Barry Jones: To ask the Secretary of State for Wales what are the latest year-on-year figures in public sector housebuilding, giving figures for elderly persons' accommodation separately; and if he will make a statement.

Mr. Gwilym Jones: Information on activity is given in the table:

Completions of local authority and new town dwellings and units provided by housing associations

	Built for the elderly	*Total*
1990-91	385	3,525
1991-92	396	3,885

Mr. Barry Jones: To ask the Secretary of State for Wales what are the latest year-on-year figures for housing association housebuilding.

Mr. Gwilym Jones: Information on activity is given in the table:

Total units provided by housing associations in Wales

	Total
1990-91	3,060
1991-92	3,548

Committee of the Regions

Mr. Morgan: To ask the Secretary of State for Wales what consultations he has had in relation to the functions of the Welsh Economic Council and proposals for a forum for membership of the Committee of the regions representing Wales; and if he will make it his policy to make strict definitions of the purposes of the proposed council and forum to avoid duplication of functions.

Mr. David Hunt: I have received 89 responses to my consultation paper on the Welsh Economic Council; consultations are continuing.

Heads of the Valley Authority

Mr. Llew Smith: To ask the Secretary of State for Wales if he will list those organisations and individuals who made representations to him proposing a unitary authority based on Blaenau Gwent, Merthyr Tydfil together with the community areas of Rhymney, Darran Valley and New Tredegar.

Mr. Rowlands: To ask the Secretary of State for Wales whether he will list those organisations and individuals who recommended to him the establishment of the proposed Heads of the Valleys unitary authority.

Mr. David Hunt: My proposal to establish a Heads of the Valley unitary authority was based upon my consideration of the large number of often conflicting representations I received about the possible boundaries of unitary authorities in the valleys. Copies of the representations I received, both to my consultation paper of June 1991 and to my statement to the House of 3 March 1992, are in the Library of the House.

Mr. Llew Smith: To ask the Secretary of State for Wales if he will make a further statement on the application of the criteria of the community identity and traditional loyalty to which he made reference in Cm. 2155 "Local Government in Wales", to his proposed unitary authority based on Blaenau Gwent, Merthyr Tydfil, together with the community areas of Rhymney, Darran Valley and New Tredegar.

Mr. David Hunt: I am well aware of the strength of community identity that exists in these areas. I am confident that the proposed Heads of the Valleys authority, which is based on communities which share similar heritage, will be well able both to respond to the needs of local people and to ensure the provision of high quality services efficiently, economically and effectively.

NHS Expenditure

Mr. Wigley: To ask the Secretary of State for Wales what has been spent per head of the population on the national health service in Wales in each year since 1985 at *(a)* current and *(b)* outturn prices.

Mr. Gwilym Jones: The information requested is given in the table.

NHS (in Wales) Expenditure (Gross) per head

	(a) 1992-93 prices £	*(b) Outturn prices* £
1985-86	508	339
1986-87	527	363
1987-88	552	401
1988-89	570	445
1989-90	578	479
1990-91	597	536
1991-92[1]	640	614
1992-93[1,2]	691	691

[1] Using provisional mid-year population estimate for 1991.
[2] Using provision following spring supplementary estimates.

Training and Enterprise Councils

Mr. Rowlands: To ask the Secretary of State for Wales what are the total budgets for each training and enterprise council in Wales for 1992-93 and the estimated budgets for 1993-94; and what are the amounts in each case for *(a)* youth training and *(b)* adult training.

Sir Wyn Roberts: The information requested in respect of 1992-93 was given in my replies to the hon. Member for Darlington (Mr. Milburn) on 10 November 1992.

Information relating to 1993-94 budgets is not available, as contracts with training and enterprise councils have not yet been finalised.

Regional Technology Centres

Mr. Wigley: To ask the Secretary of State for Wales what plans he has to develop regional technology centres to establish delivery mechanisms for innovation and technology transfer and offer specific services to small and medium-sized enterprises in Wales.

Mr. David Hunt: Colleges in Wales provide a regional network of centres of technology and, with the active support of the Government, many of these organisations including North East Wales institute (NEWI), Carmarthenshire college of technology and art (CCTA) and the university of Glamorgan, already deliver focused technology transfer services to Welsh industry, particularly small and medium-sized enterprises (SMEs). University colleges, and companies, in Wales make extensive use of the teaching company scheme and are involved in many of the LINK programmes.

The Welsh Development Agency also encourages technology transfer; Imperial Park is being developed and this and other initiatives such as the Welsh relay centre and support under the European STRIDE and DTI college-industrial units programmes will build on existing strengths and make an invaluable contribution towards enhancing the innovative culture we are seeking to encourage within Welsh SMEs.

Moreover, as I announced recently, the Government are reviewing the scope for transferring responsibility for a range of schemes for encouraging industrial innovation and technology transfer in Wales from the Department of Trade and Industry to the Welsh Office.

Far East Investment

Mr. Wigley: To ask the Secretary of State for Wales what representations have been made by his Department to companies and organisations in *(a)* Taiwan, *(b)* Hong Kong and *(c)* Singapore concerning the development of inward investment programmes in Wales.

Mr. David Hunt: My Department, together with Welsh Development International, is in close touch with a number of companies in Taiwan, Hong Kong and Singapore about the opportunities for investment in Wales.

Local Government Reorganisation

Mr. Rowlands: To ask the Secretary of State for Wales what time scale he proposes for the further consultation on the White Paper on local government reorganisation.

Mr. David Hunt: I would welcome views from right hon. and hon. Members and all other interested parties as soon as possible.

School Music

Mr. Morgan: To ask the Secretary of State for Wales, pursuant to the answer of 9 March to the hon. Member for Alyn and Deeside (Mr. Jones), *Official Report*, columns *513-14*, what proposals he has to consult the chairman of the Welsh Arts Council in relation to the funding of school and county-level brass bands, youth choirs and orchestras.

Sir Wyn Roberts: None. I refer the hon. Gentleman to the reply given to the hon. Member for Alyn and Deeside on 9 March, columns *513-14*.

Market Testing

Mr. Flynn: To ask the Secretary of State for Wales what assessment he has made of the consequences of market testing bids for civil service jobs in Wales for divestment of work out of Wales.

Mr. David Hunt: If such aspects arise, I will consider them in the context of each case.

National Museum Schools Service

Mr. Morgan: To ask the Secretary of State for Wales how many county councils currently support financially the national museum schools service; how many of them have indicated that they will cease to support that service after 1 April; what assessment he has made over the impact of the future level of funding on the achievement of national curriculum history syllabus targets in primary and secondary schools; and if he will make a statement.

Sir Wyn Roberts: Five local education authorities currently give financial support to the schools museum service. Three of them have indicated their intention to give some continuing support next year, but South Glamorgan and Gwynedd have said that they will withdraw support. The £150,000 grant from the Welsh Office which my right hon. Friend announced on 9 December 1992 should more than offset the reduced support from the local education authorities, and should allow the present service to be sustained. The total level of financial support will also depend on contributions from schools. No assessment of the effects of the reduced local education authority support can yet be made.

Regulations

Mr. Sproat: To ask the Secretary of State for Wales, pursuant to his answer of 8 February, *Official Report*, column *485*, if he has now finished compiling and has checked for accuracy and consistency of definition the comprehensive, provisional list of regulations for which his Department is responsible; and when he intends to place the list in the Library.

Mr. David Hunt: Pursuant to the answer given on 8 February, I can now confirm that there are no such Wales-only regulations.

Health Staff (Bloodborne Diseases)

Mr. Morgan: To ask the Secretary of State for Wales what guidelines he will issue to Welsh health authorities in relation to prompt reporting to his Department of the

present or past service of bloodborne virus-infected health professionals in their employ involved in invasive forms of treatment or surgery with a view to recall systems, counselling and, where necessary, redeployment away from invasive surgery.

Mr. Gwilym Jones: The Welsh Office will be associated with the review of advice on procedures to be adopted by health authorities announced by my right hon. Friend the Secretary of State for Health on 11 March 1993.

Mr. Morgan: To ask the Secretary of State for Wales what proposals he has in relation to improvement of medical records database to enable accurate recall of ex-patients, where those patients were treated or their babies delivered by health professionals subsequently found to be suffering from AIDS or infected by HIV, Hepatitis B or other bloodborne viruses and diseases.

Mr. Gwilym Jones: The Welsh Office is supporting a project to improve the quality and consistency of the medical record which will help in the identification of patients who may have been treated by an infected health professional.

Mr. Morgan: To ask the Secretary of State for Wales what representations he has received in relation to Mid Glamorgan health authority's decision not to notify the public or to issue specific recall notices to patients treated by, or children delivered by or with the assistance of their late doctor employee, deceased suffering from AIDS.

Mr. Gwilym Jones: My right hon. Friend has received three representations about this matter.

Royal Naval Armaments Depot, Trecwn

Mr. Ainger: To ask the Secretary of State for Wales what are the terms of reference of the study that has been commissioned into the suitability and specific qualities of RNAD Trecwn for decommissioning munitions; and what form the study will take.

Mr. David Hunt: The study is being managed jointly by the Welsh Development Agency, Dyfed county council and Preseli Pembrokeshire district council. It will be primarily a locational study, seeking to identify the specific advantages of RNAD Trecwn for decommissioning. The study will be carried out in parallel with a North Atlantic Treaty Organisation study into decommissioning munitions being carried out by the NATO Maintenance and Supply Agency (NAMSA).

The terms of reference of the RNAD Trecwn study are to analyse:

skill availability;

depot size and handling capacity in relation to information provided by the NAMSA study;

security and administration;

locational advantages and disadvantages, including transport and internal movements; and

suitability for the methods of decommissioning required, as identified by the NAMSA study.

Youth Training

Mr. Morgan: To ask the Secretary of State for Wales what is the youth training budget for each of the seven Welsh training and enterprise councils for the 1993-94 financial year.

Sir Wyn Roberts: The information requested is not yet available. The training and enterprise councils have been given indicative budgets during the course of negotiations, but contracts for 1993-94 have not been finalised.

Welsh Development Agency

Mr. Richards: To ask the Secretary of State for Wales if he will make a statement on the appointment of the chairman of the Welsh Development Agency.

Mr. David Hunt: I am considering a large number of applications received in response to advertisements for this appointment. This will not be completed in time for a new appointment to become effective before the end of this month and I have therefore asked the present chairman, Dr. Gwyn Jones, to continue in post until the end of June. I am pleased to say that Dr. Jones has told me that he has been able to adjust his commitments to enable him to do so. I will make a further announcement about the appointment in due course.

Ancient Monuments

Mr. Martlew: To ask the Secretary of State for Wales how many ancient monuments in Wales are currently scheduled; how many he estimates ought to be scheduled; when he estimates the scheduling will be complete; how many scheduled monuments have been damaged or destroyed in each of the last five years; what were the causes of that damage or destruction, and if he will make a statement.

Sir Wyn Roberts: Responsibility for this subject has been delegated to Cadw: Welsh Historic Monuments. I have asked the chief executive, John Carr, to arrange for a reply to be given.

Letter from E. A. J. Carr to Mr. Eric Martlew, dated March 1993:

I am replying to your recent Parliamentary Question to the Secretary of State for Wales about the scheduling of ancient monuments in Wales since the matters you raise are the responsibility of the Agency.

The identification and scheduling of monuments of national importance is a key activity for the Agency. An evaluation of all known archaeological remains in Wales is underway and currently 2,697 monuments have been scheduled. It is estimated that when this exercise is completed, the total number of scheduled monuments in Wales might be of the order of 5,500.

We have been considering how the Agency's work in this area might be accelerated and you will be interested to know that during the next financial year, Cadw will be supplementing the work of its Inspectorate by employing a contractor to work on the scheduling enhancement of Roman military sites in the Principality. We shall also be reviewing the way in which contractors could be used to further accelerate this work.

The Agency routinely monitors the condition of all scheduled monuments on a three year cycle, and where damage has been identified all such cases are investigated. Depending on the circumstances of each case our response has ranged from a warning to those involved to a prosecution of the offenders. In two cases a successful prosecution has been mounted and a further two cases have been referred to the Crown Prosecution Service.

The Agency has no precise record of the number of scheduled monuments that may be damaged each year but from the monitoring arrangements I mention above this is kept under review. You might find it helpful to have details of

those monuments descheduled in the last five years due to reasons of damage or destruction though you will see that in each case damage occured before 1988.

1988-89
Y Gaer Camp, Clwyd:
The site has been levelled and landscaped removing any evidence of the monument when developed as a caravan park in the 1950s.

1989-90
Mount Sion Round Barrow, Dyfed:
This monument was situated in the middle of two gun ranges and was destroyed by gunfire in 1981.

Mynydd Llanybyther, alignment of standing stones, Dyfed:
No remains of this monument survive. It was probably destroyed when the area was first planted by the Forestry Commission in 1957.

Siemens Laboratory, West Glamorgan:
Demolished following grant of scheduled monument consent in 1987.

1990-91
Castell Dol Wiff:
The monument was lost when the site was levelled and a bungalow built over the site in 1983.

Rose Valley Barrow:
The remains of the barrow are thought to have been lost as a consequence of natural erosion. The original mound is thought to have been levelled when the site was brought into agricultural use and ploughed probably in the 1970s.

NORTHERN IRELAND

Royal Victoria Hospital

Dr. Hendron: To ask the Secretary of State for Northern Ireland how many beds for patients there are in the Royal Victoria hospital at present and how many there were during each of the last five years.

Mr. Hanley: The average numbers of available beds in the Royal Victoria hospital from 1987 to 1991-92 are as follows:

	Number
1987	1,008
1988-89	1,019
1989-90	977
1990-91	939
1991-92	879

Information on the number of available beds at present in the Royal Victoria hospital is not held centrally.

Dr. Hendron: To ask the Secretary of State for Northern Ireland how many nurses will be employed at the Royal Victoria hospital at the end of 1993.

Mr. Hanley: It is not possible to state the number of nurses who will be employed at the Royal Victoria hospital at the end of 1993. This will be determined on the basis of service requirements at that time.

Dr. Hendron: To ask the Secretary of State for Northern Ireland how many nurses have been employed at the Royal Victoria hospital for each of the last five years; and what was the ratio of nurses to patients in each year.

Mr. Hanley: The information is set out in the table.

	Number of nurses		*Nurse (WTE)/Patient Days ratio*[2]
Year	*Total*	*W.T.E*[1]	
1988-89	1,388	1,085·70	1:266
1989-90	1,408	1,110·10	1:253
1990-91	1,398	1,107·88	1:243
1991-92	1,475	1,190·26	1:218

[1] W.T.E = Whole Time Equivalent.
[2] Nurse to patient ratios are calculated on the basis of one nurse (whole-time equivalent) to the number of patient days (excluding out-patients).

Security-related Offences

Mr. McNamara: To ask the Secretary of State for Northern Ireland what has been the annual number of arrests and convictions directly related to the security situation in Northern Ireland since 1969.

Mr. Mates: The number of arrests in Northern Ireland under the Northern Ireland (Emergency Provisions) Acts and the Prevention of Terrorism (Temporary Provisions) Acts, and the number of convictions for scheduled offences tried by a judge without a jury in the Northern Ireland courts are readily available only from 1975. The available information is set out in the table.

Year	*Number of Persons arrested in NI under the Northern Ireland (Emergency Provisions) Acts and the Prevention of Terrorism (Temporary Provisions) Acts*	*Number of Persons convicted for Scheduled Offences*
1975	4,149	995
1976	8,567	900
1977	6,040	1,148
1978	5,029	837
1979	4,769	844
1980	3,570	550
1981	5,043	562
1982	4,017	744
1983	2,873	577
1984	2,475	464
1985	2,068	625
1986	2,283	567
1987	1,951	680
1988	1,782	487
1989	1,670	414
1990	1,614	440
1991	1,788	388
1992	1,842	354

Notes:
1. Figures included arrests under the NI (Emergency Provisions) Act, which are available up to 30 September 1992 only and exclude arrests under section 11 and section 13 of that Act prior to 1 June 1978, which are not available.
2. Not all persons who are arrested are charged or convicted; and not all findings of guilt are made the same year as the relevant arrest.
3. If an individual is arrested on more than one occasion, he/she will be added to the statistics on each occasion.
4. An individual convicted at different trials is added to the statistics on each occasion, and only once on each occasion whether or not he/she is convicted of more than one offence at each trial.

Mr. McNamara: To ask the Secretary of State for Northern Ireland (1) what has been the average length of sentence imposed on persons convicted for security-related offences in Northern Ireland in each year since 1969;

(2) what has been the average length of sentence imposed by the courts since 1970 on a terrorist convicted of a Northern Ireland-related homicide in Northern Ireland;

(3) what has been the average length of sentence imposed by the courts since 1973 on a terrorist convicted of Northern Ireland terrorist-related activities, excluding homicide, in Northern Ireland.

Mr. Mates: Statistics collected distinguish offences scheduled under the Northern Ireland (Emergency Provisions) Act 1991 and its predecessors, which are usually terrorist related, and tried at the Crown court sitting without a jury. They are readily available only from 1987 onwards and are as follows:

Sentences of imprisonment given to persons convicted of scheduled offences at the Crown Court sitting without a jury 1987-1991

	1987	1988	1989	1990	1991
Life imprisonment (number of persons)	10	12	11	15	11
Determinate prison sentence (number of persons)	333	257	227	241	262
Average determinate prison sentence (excluding life sentences)	4 years 8 months	5 years 2 months	5 years 9 months	5 years 10 months	6 years 9 months

Note: Some persons were convicted of more than one offence.

Sentences of imprisonment given to persons convicted of murder at the Crown Court sitting without a jury*

	1987	1988	1989	1990	1991
Life imprisonment (number of persons)	10	12	11	15	11
Determinate prison sentence (number of persons)	21	10	7	16	28
Average determinate prison sentence	11 years 9 months	11 years 6 months	17 years 2 months	13 years 7 months	16 years 2 months

Notes:
1. Some persons were convicted of more than one offence.
2. Where a person was convicted of more than one offence, the most serious, or that receiving the longest sentence is recorded.
*3. The offence of murder in the above table also includes attempted murder, aiding and abetting murder and conspiracy to murder.

Sentences of imprisonment given to persons convicted of scheduled offences, excluding murder, at the Crown Court sitting without a jury, 1987-91*

	1987	1988	1989	1990	1991
Life imprisonment	—	—	—	—	—
Determinate prison sentence (number of persons)	312	247	220	225	234
Average determinate prison sentence (i.e., excluding life sentences)	4 years 3 months	4 years 11 months	5 years 5 months	5 years 4 months	5 years 8 months

Notes:
1. Some persons were convicted of more than one offence.
*2. For the purposes of the above table the offence "Murder" also includes attempted murder, aiding and abetting murder and conspiracy to murder.

Labour Statistics

Mr. McNamara: To ask the Secretary of State for Northern Ireland what was the sectoral distribution of the Northern Ireland labour force in percentage terms in 1971, 1981 and 1991 in *(a)* agriculture, *(b)* manufacturing, *(c)* other industry, including construction, mining, transport and communication, gas, electricity and water, *(d)* private services, including distribution, banking and finance and miscellaneous services, but excluding security, *(e)* public services, including professional and scientific agencies, and public administration, but excluding security related activities and *(f)* security, including locally recruited armed forces and private security personnel, but excluding regular Army, Royal Navy and Royal Air Force.

Mr. Atkins: The sectoral distribution of the employed civilian labour force in Northern Ireland in percentage terms in 1971, 1981 and 1991 is as follows.

Sectoral distribution of Northern Ireland civilian employment, 1971, 1981, 1991

	Employees in employment			Self-employed		
	1971	1981	1991	1971	1981	1991
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
Agriculture	5·9	3·8	3·6	46·5	40·0	n/a
Manufacturing	35·2	24·0	19·1	2·0	3·9	n/a
Other industry	15·0	12·0	10·2	12·7	17·1	n/a
[illegible]vate services	44·0	60·3	32·2	38·8	39·0	n/a
Public Services			34·9	0·0	0·0	n/a
Total	100·0	100·0	100·0	100·0	100·0	

Notes:
1. It is not possible to provide separate information for security personnel in the form requested.
2. Figures for self employed have been obtained from the census of population, and are not yet available by industrial sector for 1991.
3. Separate information on public and private sector services was not collected prior to 1983.

Regulations

Mr. Sproat: To ask the Secretary of State for Northern Ireland, pursuant to his answer of 4 March, *Official Report*, column *249*, if he has now finished compiling and has checked for accuracy and consistency of definition the comprehensive provisional list of regulations for which his Department is responsible; and when he intends to place the list in the Library.

Mr. Atkins: Work is proceeding as quickly as possible on checking my Department's list of regulations affecting business. A consolidated list of regulations for all Departments will be compiled by the central deregulation unit of the Department of Trade and Industry and placed in the Library as soon as possible.

Electricity

Mr. Beggs: To ask the Secretary of State for Northern Ireland whether the undertaking on rises in electricity prices given by the Parliamentary Under-Secretary of State, the hon. Member for Wiltshire, North (Mr. Needham) to the then hon. Member for Hartlepool on 16 October 1991 in evidence taken before the Energy Committee (HC No. 25 of 1991-92, page 5) remains the policy of Her Majesty's Government.

Mr. Atkins: Yes, the mechanism described by the then Under-Secretary of State for Northern Ireland was implemented and remains in place.

Mr. Beggs: To ask the Secretary of State for Northern Ireland if he will publish details of changes in the fuel cost element of electricity generating cost in Northern Ireland for each of the past three years for which records are available and the present year to date.

Mr. Atkins: The fuel costs incurred in the generation of electricity were:

	£ million
1989-90	105·3
1990-91	106·1
1991-92	96·7
[1]1992-93	99·7

[1] To 28 February.

Mr. Beggs: To ask the Secretary of State for Northern Ireland if he will sanction higher than inflation and fuel element-related increased charges by Northern Ireland Electricity to domestic and industrial consumers in Northern Ireland.

Mr. Atkins: This is a matter for the Director General of Electricity Supply in Northern Ireland.

EMPLOYMENT

Training

15. **Mr. Milligan:** To ask the Secretary of State for Employment what progress there has been on the delivery of the youth training guarantee in Hampshire.

Mr. McLoughlin: Hampshire training and enterprise council and the careers service have been working extremely hard to ensure that the YT guarantee is met. I am pleased to say that there are now over 6,000 young people on YT and that the number waiting for places has reduced dramatically in recent months.

16. **Mr. Waterson:** To ask the Secretary of State for Employment what types of apprenticeship are being brought forward through the youth training scheme in the south-east of England.

Mr. Michael Forsyth: Some 10,300 apprenticeships covering a wide range of skills were operating under youth training in the south-east in spring 1992.

17. **Mr. Hunter:** To ask the Secretary of State for Employment if she will make a further statement on the implementation of training for work.

Mrs. Gillian Shephard: Annual contract negotiations with training and enterprise councils are well on their way to completion and training for work will start from the 29 March as a major part of the 1·5 million opportunities we are making available to help people back to work.

23. **Mr. Patrick Thompson:** To ask the Secretary of State for Employment what types of apprenticeship are coming forward through the youth training scheme.

Mr. Michael Forsyth: Some 54,000 apprenticeships were operating under youth training in the spring of 1992, over 30,000 more than in 1984; and covering a wide range of occupations. One example is the county Durham training and enterprise council engineering initiative, offering training to craft and technician levels for over 100 young people.

Ms Short: To ask the Secretary of State for Employment (1) how many people were participating in

(a) employment training, *(b)* employment action, *(c)* the enterprise allowance scheme and *(d)* youth training in each region and in Great Britain as a whole in each month since September 1992; and if she will make a statement;

(2) if she will publish a table showing for each region and for Great Britain as a whole the destination of leavers from *(a)* youth training schemes and *(b)* ET, giving the most recent figures, and figures for each earlier period since the scheme began to operate, broken done in the same way as the answer of 15 February to the hon. Member for Islington, North (Mr. Corbyn), *Official Report*, column *58*.

Mr. McLoughlin: As the information is contained in a large number of tables, I will write to the hon. Member.

Long-term Unemployment

18. **Mrs. Browning:** To ask the Secretary of State for Employment what measures the Government have introduced to help the long-term unemployed, aged over 45 years, to obtain work and training.

Mr. Michael Forsyth: All our employment and training services are open to people aged over 45 years, including the additional half million places available from April.

Wages Councils

19. **Mr. Salmond:** To ask the Secretary of State for Employment what further representations she has received on the abolition of the wages councils; and if she will make a statement.

Mr. Michael Forsyth: I have continued to receive representations for and against abolition of the councils.

Enterprise Allowance

20. **Dr. Lynne Jones:** To ask the Secretary of State for Employment what has been the annual expenditure on enterprise allowance since its inception.

Mr. Michael Forsyth: Annual expenditure on the enterprise allowance scheme (EAS) and its successor since 1991-92, the business start-up scheme (BSUS), is as follows:

	£ millions (GB)
1982-83	2·4
1983-84	23·2
1984-85	76·7
1985-86	103·9
1986-87	143·4
1987-88	195·9
1988-89	196·7
1989-90	170·9
1990-91	133·0
1991-92	105·2

Labour Statistics

21. **Mr. Llew Smith:** To ask the Secretary of State for Employment what percentage of male unemployed people in Blaenau Gwent have been without work for between one and two years.

Mr. McLoughlin: In January 1993, on the unadjusted bases, 18 per cent. of male claimants in the Blaenau Gwent parliamentary constituency had been unemployed for between one and two years.

Mr. Bill Michie: To ask the Secretary of State for Employment what are the figures for jobs lost in the Sheffield area in the steel and engineering industry over the last 12 months.

Mr. McLoughlin: Figures at the level of industrial and geographical detail specified are only available from the census of employment—subject to confidentiality restrictions. The results of the 1991 census of employment will be available from 8 April. For the period specified, estimates are available only for broad industry groups by standard region.

Youth Unemployment

22. **Mr. Austin-Walker:** To ask the Secretary of State for Employment if she will outline the measures which she has taken to alleviate youth unemployment in Woolwich; and what assessment she has made of the results.

Mr. McLoughlin: Woolwich is covered by South Thames training and enterprise council. The TEC has recently increased its youth training opportunities by 75 per cent., from 2,000 to 3,500. This is sufficient to meet the demand for places locally.

Equal Opportunities

24. **Dr. Spink:** To ask the Secretary of State for Employment what steps she is taking to promote equal opportunities in employment irrespective of age; and if she will make a statement.

Mrs. Gillian Shephard: We deplore age discrimination and take every opportunity to persuade employers to treat everyone on their merits. Employers who practise age discrimination miss out on the skill, experience and reliability which older people can offer.

Vacancies

25. **Mr. Olner:** To ask the Secretary of State for Employment how many vacancies are currently available at jobcentres in the west midlands.

Mr. Michael Forsyth: In January 1993, on the seasonally adjusted basis, there were 6,000 unfilled vacancies registered at jobcentres in the west midlands region.

These do not represent the total number of vacancies available in the area.

Job Clubs

26. **Mr. Sykes:** To ask the Secretary of State for Employment what progress has been made in the development of special job clubs in the north-east.

Mrs. Gillian Shephard: There are currently 15 specialist job clubs in the north-east, giving extra help to executives, people with language or literacy difficulties, ex-offenders and people with disabilities.

Cumbria Training and Enterprise Council

27. **Mr. Campbell-Savours:** To ask the Secretary of State for Employment when she next intends to visit Cumbria TEC to discuss its budget.

Mr. McLoughlin: My right hon. Friend has no plans to visit Cumbria TEC but she has recently met the chairman of the TEC. I, or other Employment Department Ministers, intend to visit all of the TECs in due course.

Disabled people

28. **Mr. Thurnham:** To ask the Secretary of State for Employment what plans she has for encouraging more employers to provide opportunities for people with disabilities.

Mr. McLoughlin: The Department will continue to encourage employers to provide opportunities for disabled people through a programme of education and persuasion backed by practical help. From 1 June 1993 employers using the disability symbol will be required to make five specific commitments central to good practice in the employment of people with disabilities. We will continue to develop and improve the schemes and services which help to meet the employment and training needs of people with disabilities.

Full-time Employment

29. **Mr. Win Griffiths:** To ask the Secretary of State for Employment in how many standard planning regions in the United Kingdom full-time employment has increased since 1979 for *(a)* men and *(b)* women.

Mr. Michael Forsyth: Male full-time estimates are not available for the period requested. Since 1979 total male civilian employment has increased in East Anglia and the south-west. The number of females in full-time civilian employment has increased in the south-east, East Anglia, the south-west, east midlands and Yorkshire and Humberside.

Industrial Accidents

Mr. Colvin: To ask the Secretary of State for Employment how many industrial accidents there were in ports covered by the national dock labour scheme in 1988.

Mr. McLoughlin: The information is not readily available in the form requested and could be provided only at disproportionate cost.

The table shows the total number of occupational injuries within the docks and harbour industry in Great Britain during the 1988-89 financial year.

Injuries in all Docks and Harbours as Reported to the Health and Safety Executive's Factory and Agricultural Inspectorates 1988-89

	Fatal	Major	Over 3 day	Total
Total	10	133	659	802

Mr. Colvin: To ask the Secretary of State for Employment how many industrial accidents there were in ports previously covered by the national dock labour scheme in 1991.

Mr. McLoughlin: The information is not readily available in the form requested and could be provided only at disproportionate cost.

The table shows the total number of occupational injuries within the docks and harbour industry in Great Britain during the 1991-92 financial year.

Injuries in all Docks and harbours as Reported to the Health and Safety Executive's Factory and Agricultural Inspectorates 1991-92[1] (provisional)

	Fatal	Major	Over 3 day	Total
Total	6	88	469	563

[1] Year commencing 1 April.

Market Testing

Mr. Ieuan Wyn Jones: To ask the Secretary of State for Employment if she will make it her policy to ensure that no charges will be imposed upon local authorities for schemes currently granted under the training and information wings of the Health and Safety Commission, as a result of the introduction of the market-testing proposals.

Mr. McLoughlin: I have no such plans at present.

Foundry Industry

Mr. Dalyell: To ask the Secretary of State for Employment what plans she has for increasing the number of training places in the foundry industry.

Mr. McLoughlin: Employers in all sectors of industry and commerce are responsible for training their employees.

Training and enterprise councils in England and Wales, and local enterprise companies in Scotland, plan for and provide youth training, and training places for unemployed adults, which meets their local labour market needs.

Regulations

Mr. Sproat: To ask the Secretary of State for Employment, pursuant to her answer of 9 February, *Official Report*, column *595*, if she has now finished compiling and has checked for accuracy and consistency of definition the comprehensive provisional list of regulations for which her Department is responsible; and when she intends to place the list in the Library.

Mr. Michael Forsyth: I placed a list of all legislation for which the Department, including the Health and Safety Executive, is responsible in the Library on 15 March.

TRADE AND INDUSTRY

Cycles

Mr. Simpson: To ask the President of the Board of Trade what was the value of bicycle parts imported into the European Community and the equivalent or actual number of completed cycles imported, together with the comparable Community and United Kingdom production and the number of completed cycle equivalents sold in the United Kingdom, in each year since 1988.

Mr. Needham: The information requested is in the table.

EC(12) Imports of cycles and cycle parts from non-EC countries 1988-91 £ million

Values	1988	1989	1990	1991
Cycles	95	171	314	486
Cycle Parts	140	206	320	346

Values	1988	1989	1990	1991
				thousands
	1988	1989	1990	1991
Cycles	2,129	3,049	5,144	6,805

Note:

Cycles are defined in terms of division 8712 of the harmonised system—bicycles and other cycles (including delivery tricycles) not motorised.

Value figures converted from ECUs to sterling using annual average exchange rate.

Estimates of production, in terms of value, for the UK cycle industry are published in "Business Monitor" PA1002, a copy of which is available in the Library., Official figures of EC wide production are not available.

Official figures of cycle sales in the United Kingdom are not collected.

Proyecto Venezuela

Mr. Jacques Arnold: To ask the President of the Board of Trade if he will assess the results of Proyecto Venezuela, the Venezualan-British business development initiative.

Mr. Needham: The main objectives of Proyecto Venezuela were to bring the opportunities in Venezuela to the attention of British industry and to raise the profile of United Kingdom companies in Venezuela. A research and publicity campaign and an intensive ministerial visiting programme helped achieve these objectives. Over 500 companies requested information on Venezuela, 185 companies and 500 company representatives attended seminars on Venezuela and in 1992 five missions comprising 118 companies visited the market. There was also a successful energy and environment seminar in Caracas held in conjunction with PDVSA, the Venezuelan State Oil Company.

In 1992, our direct export to Venezuela increased by 13 per cent. over 1991 and the United Kingdom continues to be one of the largest foreign direct investors in Venezuela. Several British companies have opened offices in Caracas. On the project side, there have been successes in the water sector. Companies are well placed to win contracts in other areas, including in the important oil and gas sector.

Proyecto Venezuela has always been considered a long-term project and the promotional programme, including inward and outward missions, continues. Proyecto Venezuela is also taking on an educational and cultural dimension with notable successes in the industrial training field. The British Council co-operated with the DTI in the production of a comprehensive training brochure and over 200 students from PDVSA and its affiliates have undertaken courses run by British training and higher education establishments.

Poland

Mr. Mackinlay: To ask the President of the Board of Trade what proposals he has to change Government policy on providing credits to assist the expansion of the Polish economy and trade with the United Kingdom.

Mr. Needham: A review of the possibility of reintroducing ECGD cover is being undertaken. I expect the review to be completed within a few weeks but I cannot prejudge its outcome.

Gas-powered Electricity Generation

Mr. Alan W. Williams: To ask the President of the Board of Trade what percentage of Britain's electricity was derived from gas in each year since 1987; and what is the expected percentage contribution in each year to 1996.

Mr. Eggar: The percentages of United Kingdom electricity generated from gas in each year since 1987 are as follows:

	Per cent.
1987	0·9
1988	1·0
1989	1·0
1990	1·2
1991	1·5
1992	2·7

Caminus Energy Ltd., in its report "Markets for Coal (HMSO ISBN 0 11 514987 2) produced for the Government's coal review, analysed the future fuel mix in electricity generation under two sets of assumptions. The conclusions of its analysis, including the forecast contribution of gas-fired power stations, is set out in tables 14 and 15 of the report.

Amateur Radio Stations

Mr. Redmond: To ask the President of the Board of Trade how many amateur radio station inspections his officers have carried out in the last 12 months; and what the results were.

Mr. Leigh: Responsibility for the subject of the question has been delegated to the Radiocommunications Agency under its chief executive, John Michell. I have asked him to arrange for a reply to be given.

Letter from B. A. Maxwell to Mr. Martin Redmond, dated 12 March 1993:

You recently tabled a question concerning amateur radio station inspections. As you know, the Chief Executive of the Agency has been asked to write to you with the information requested as this is an operational matter for which this Agency is responsible. I am replying in the absence of the Chief Executive. The question and the information are as follows.

Question 109 tabled on 10 March 1993: To ask the President of the Board of Trade, how many amateur radio station inspections his officers have carried out in the last 12 months; and what the results were.

In the present financial year to the end of February, 126 inspections of amateur radio stations were carried out. 26 oral and 4 written warnings were given. 2 amateurs were prosecuted and 1 licence revoked.

I hope this is helpful.

Astra Holdings

Mr. Hoyle: To ask the President of the Board of Trade when the report into Astra Holdings is to be completed; and if he will place a copy of it in the Library when it is ready.

Mr. Neil Hamilton: I cannot say, but the inspection is well advanced. When the report is received, consideration can be given to publication. It is the general policy to publish reports on public companies, and on publication copies of reports are placed in the Library.

One-stop Shops

Mr. James Hill: To ask the President of the Board of Trade how many bids have been received from chambers of commerce, training and enterprise councils and local authorities to set up one-stop shops for small and medium-sized business.

Mr. Leigh: Fifty-seven bids were received.

Manufactured Imports

Mr. Austin Mitchell: To ask the President of the Board of Trade what percentage of the British market for manufactures is filled by imports.

Mr. Needham: The latest published information on the topic can be found in "Business Monitor" MQ12, which is available in the Library of the House.

Cosmetics (Safety)

Mr. Llwyd: To ask the President of the Board of Trade if he will make representations to the European Community to secure the establishment of an independent committee of experts to review what is required to ensure the safety of cosmetics.

Mr. Leigh: I see no need to duplicate the work of the European Commission's Scientific Committee on Cosmetology set up by Commission decision 77/45/EEC on 19 December 1977 and comprising independent experts who are responsible for considering questions concerning the safety evaluation of cosmetic ingredients.

Public Bodies

Dr. Wright: To ask the President of the Board of Trade how many appointments to the public bodies listed in "Public Bodies" for his Department were made from names supplied by the public appointment unit; and if he will list them.

Mr. Eggar: My right hon. Friend is responsible for a total of over 800 public appointments. The public appointments unit (PAU) provides names of suitably qualified candidates for a wide range of DTI public appointments. Since 1 April 1992 15 appointments to nine separate public bodies have been made from names supplied by the PAU. In addition, the PAU has provided information on potential candidates for public appointments identified within the Department.

EC Research and Development

Mr. Llew Smith: To ask the President of the Board of Trade what contribution his Department plans to make to the conference on EC research and development organised by the European Commission to be held in Coventry on 2 April.

Mr. Leigh: My Department has not been asked to contribute to the one-day conference on EC research and development organised by Coventry university on 2 April. However, an official will be attending the conference.

The Office of Science and Technology, which is responsible for co-ordinating all United Kingdom policy on EC R and D, will be providing a speaker.

"North America Now"

Mr. Llew Smith: To ask the President of the Board of Trade if his recently launched "North America Now" trade and export campaign involves business in the nuclear sector.

Mr. Needham: The nuclear industry, which principally takes in the energy sector, is not a priority sector for the first year of the "North America Now" campaign. DTI's role in the promotion of nuclear power generation technology with regard to the north American market is responsive rather than proactive. However, there are two "supply side" enabling technologies that are relevant to the nuclear industry—process control instrumentation and environmental monitoring and remediation technology —which are priority sectors for the first year of the campaign and will be promoted to appropriate north American "end-users". Where such opportunities are identified in the US nuclear power generation sector, DTI will assist United Kingdom industry in tackling those opportunities.

Other applications of nuclear technology where they correspond to priority sectors, such as the health care sector, will be actively promoted to the north American markets during the course of the campaign.

Hong Kong

Mr. Cousins: To ask the President of the Board of Trade how many trade delegations visited Hong Kong supported by the British Government in each of the last three years; and how many inward investment missions from Hong Kong have been supported over a similar period.

Mr. Needham: Support under my Department's outward mission scheme was provided for 10 trade missions to Hong Kong during 1990-91. Nine missions were supported during 1991-92 and 13 during 1992-93.

The Invest in Britain Bureau hosted its first inward investment mission to the United Kingdom from Hong Kong in June 1992. A second mission will visit the United Kingdom this month.

Export Credits

Mr. Cousins: To ask the President of the Board of Trade what were the average premium rates charged by national credit agencies in the United Kingdom, France, Germany, Italy, the United States of America and Japan for capital exports in non-OECD markets and the standard national bank interest rates.

Mr. Needham: The Export Credits Guarantee Department has only limited details of the rates that other export credit agencies charge for capital exports in non-OECD markets. Such information that it does have has been provided by the various agencies in strict confidence.

Rates vary widely from market to market and for different types and durations of risk. Comparison of averages is therefore rather difficult but in general ECGD rates are higher than average for the higher risk markets, lower than average for lower risk and, in aggregate, are rather higher than the overall average.

Interest rates charged by banks vary between customers and over time. In the specific case of fixed rate export

fiannce minimum rates are determined by the OECD consensus. The current rates for the countries concerned are:

	Contract rate Per cent.	Pre-contract rate Per cent.
United Kingdom	8·10	8·30
France	9·20	9·40
Germany	7·87	8·07
Italy	12·75	12·95
United States of America		
2-5 years credit	5·93	6·13
over 5-8·5 years credit	6·83	7·03
over 8·5 years credit	7·26	7·46
Japan	5·00	5·20

European Coal and Steel Community

Mr. Morgan: To ask the President of the Board of Trade at which *(a)* geographical areas and *(b)* sectors of job creation the reserves of the European Coal and Steel Community will be targeted when the ECSC is wound up.

Mr. Sainsbury: The ECSC treaty expires in 2002. Discussions are already underway with our EC partners and the Commission on the future of the ECSC financing activities. The Council has called on the Commission to bring forward proposals for using the reserves in the way most suitable for the industries concerned.

Aerospace Industry

Mr. Gordon Prentice: To ask the President of the Board of Trade what steps he is taking to ensure that long-term finance is available to the British aerospace industry to ensure high-level research and development.

Mr. Sainsbury: My Department is committed to continuing the successful partnership between Government and the British aerospace industry. It recognises the importance of supporting long-term research in the industry while working towards a progressive reduction in state aids.

Since 1979, the Department of Trade and Industry has made over £1·5 billion available in repayable launch aid, regional development grants and in support for the civil aircraft research and demonstration programme.

KONVER Programme

Mr. Hutton: To ask the President of the Board of Trade (1) what assessment has been made by Her Majesty's Government of the benefits to the United Kingdom of the European Commission's KONVER programme;

(2) if he will make a statement on Her Majesty's Government's policy towards the KONVER initiative proposed by the European Commission.

Mr. Sainsbury: The Government are awaiting the European Commission's proposal for implementing the KONVER Community initiative.

Hazardous Chemicals (Transport)

Ms Walley: To ask the President of the Board of Trade what quantities of hazardous chemicals were transported by *(a)* road, *(b)* rail and *(c)* into or out of United Kingdom ports in each of the last five years.

Mr. Kenneth Carlisle: I have been ask to reply.

Only limited information is available.

The quantity of chemicals, including those classed as dangerous, moved by road in vehicles over 3·5 tonnes in each of the last five years for which figures are available was:

	Million tonnes
1987	49
1988	52
1989	55
1990	53
1991	45

There were 1·4 million tonnes of dangerous chemicals moved by rail in wagons in 1989-90, 1·5 million tonnes in 1990-91, and 1·2 million tonnes in 1991-92. In addition, British Rail has moved annually some 14,000 tank containers of differing sizes.

Special surveys of movements of hazardous substances through United Kingdom ports recorded 3·1 and 3·5 million tonnes of packaged dangerous goods—which would include some dangerous chemicals in 1988 and 1989 respectively, and 7·8 and 8·1 million tonnes of bulk dangerous chemicals in 1989 and 1990 respectively.

Post Office

Mr. Rowe: To ask the President of the Board of Trade what financial and efficiency targets he has set for the Post Office in 1993.

Mr. Leigh: The President of the Board of Trade, in agreement with the Treasury and in consultation with the Post Office, has set Royal Mail and Post Office Counters Ltd. targets to achieve respectively an annual average return of 16 per cent. and 9·3 per cent. on capital employed over the three years 1992-93 to 1994-95. The profit used when calculating the return will be struck after interest —excluding interest on past surpluses—but before tax. The capital employed on which returns will be calculated will be the greater of either opening fixed assets or the previous year's closing capital employed.

The President of the Board of Trade, in agreement with the Treasury and in consultation with the Post Office, has set the following real unit cost targets for Royal Mail and Post Office Counters Ltd.:

Cumulative reduction by 1994-95 over 1991-92
Royal Mail—4 per cent.
Post Office Counters Ltd.—3 per cent.

As Parcelforce operates in a competitive market, the President of the Board of Trade has agreed with the Post Office that an efficiency target need not be set. The President of the Board of Trade announced on 15 July 1992 that Parcelforce is to be sold. Parcelforce has been set the financial target of achieving at least break even in each of the years 1992-93 and 1993-94, but has not been set a financial target in respect of 1994-95.

Ms Estelle Morris: To ask the President of the Board of Trade (1) if he will make it his policy, in the event of privatisation of Parcelforce, to impose an obligation on those who assume responsibility for the employment of Parcelforce staff to ensure that the pension rights and expectations of these staff are equal to those they enjoy as members of the Post Office superannuation scheme the Post Office pension scheme;

(2) what will be the basis in which he proposes to apportion the surpluses in the Post Office superannuation scheme and the Post Office pension scheme in the event of the privatisation of Parcelforce;

(3) what external advice his Department has sought on the legal implications of unilaterally changing the pension rights and entitlements on Parcelforce staff in the event of privatisation;

(4) what action he proposes to take to ensure that the long-term pension expectations of Post Office staff in Parcelforce are in no way diminished as a result of any privatisation.

Mr. Leigh *[holding answer 15 March 1993]:* We are considering the form and timing of the sale of Parcelforce, including such issues as pensions. Our decisions will be announced in due course.

Mr. Kirkwood: To ask the President of the Board of Trade what assessment his Department has made of the impact that adoption of any of the three new forms for new pensioners that the Department of Social Security currently has under trial, would have on the viability of the current network of post offices and sub-post offices.

Mr. Leigh *[holding answer 12 March 1993]:* The purpose of the trial is to enable an assessment to be made of the impact of different types of form. Any impact on post offices will be considered once the trial has been completed.

Free Flight Offers

Mr. Nigel Griffiths: To ask the President of the Board of Trade, pursuant to his answer of 17 February to the hon. Members for Cunninghame, South (Mr. Donohoe) and for Coventry South-East (Mr. Cunningham) *Official Report*, column *261*, what evidence he now has on whether certain free flight offers accompanying the sale of goods or services are other than bona fide sales promotions.

Mr. Leigh: I have received no evidence which would cause me to change my answer of 17 February.

Regional Aid

Mr. Fatchett: To ask the President of the Board of Trade if he will set out by travel-to-work area the total amount of money received since 1984 in *(a)* United Kingdom regional assistance and *(b)* European regional development funds.

Mr. Sainsbury: Since little data on UK regional assistance, and none of the European regional development fund, are recorded by travel-to-work areas, the information requested could not be provided other than at disproportionate cost.

Ms Harman: To ask the President of the Board of Trade how much of the European Community's regional development fund earmarked in the present accounting period for use within the United Kingdom has yet to be disbursed; and how much of the undisbursed allocation he expects to be drawn down during the remainder of the present accounting period.

Mr. Sainsbury *[holding answer 15 March 1993]:* Of the United Kingdom's share of the fund for the period of the present regulations, 1989-1993, £1,521 million has been allocated and the remainder will have been allocated by the end of the year.

Deregulation Task Forces

Mr. Sproat: To ask the President of the Board of Trade if he will list the chairmen of the task forces appointed to look into aspects of possible deregulation; which areas each chairman will cover; what will be the method of operation of each task force; who will serve on each task force, additional to the chairman; by what date he has ordered each task force to report their findings; and if he will make a statement.

Mr. Neil Hamilton: We have set up seven task forces to undertake a comprehensive review of regulations affecting business and to advise Ministers on priorities for repeal and simplification. The task forces will work for the next six months, making regular reports to Ministers. The names of the task force chairmen and the areas they will cover are as follows:

Michael Heron—Food, drink and agriculture
Duncan Bluck CBE—Communications and transport
Christopher Spackman—Construction
Malcolm Bates—Engineering industries
John Robb—Chemicals and pharmaceuticals
Sir Sydney Lipworth—Financial services
Nigel Whittaker—Retail and Tourism

The Chairmen will meet Lord Sainsbury, the DTI's special adviser on deregulation, later this week to agree the method of operation of the task forces. The names of the other members of the task forces will be announced shortly.

Debt Payments

Mr. Cousins: To ask the President of the Board of Trade further to his answer to the hon. Member for Leeds, Central (Mr. Fatchett) of 18 November, *Official Report*, column *225*, if he has concluded his consultations on proposals to require large companies to state in their reports and accounts how quickly they pay; and if he will make a statement.

Mr. Neil Hamilton: *[holding answer 9 February 1993]:* My Department issued on 25 January a consultative document on the options for taking forward our commitment that in future large companies will be required to state in their report and accounts how quickly they pay. We are asking for comments by 26 March. A copy of the document has been placed in the Library.

AGRICULTURE, FISHERIES AND FOOD

Milk Marketing Board

Mr. John Marshall: To ask the Minister of Agriculture, Fisheries and Food what is the size of the site and the offices of the headquarters of the Milk Marketing Board at Thames Ditton; and what estimate has been made of their value.

Mr. Curry: The Milk Marketing Board has informed us that the size of its Thames Ditton headquarters site is about 22 acres. The gross area of buildings on site is about 254,000 sq ft. The value of the site would depend on a number of factors, such as the state of the market and the intended use for it.

Under the Agriculture Bill, the Milk Marketing Board would be able to apply to Ministers for approval of formal proposals for the transfer and distribution of its assets including its Thames Ditton headquarters. In deciding

whether to grant approval, Ministers would have to have regard to all the circumstances and in particular to whether the proposals made reasonable provision for the distribution of assets to registered producers.

Veal

Mr. Llwyd: To ask the Minister of Agriculture, Fisheries and Food (1) what plans he has to impose restrictions on the import of white veal into the United Kingdom;

(2) if he will make it his policy to set a target date for banning the export from the United Kingdom of calves destined for veal crates.

Mr. Soames: I have no such plans as my legal advice is that these actions would be illegal under the treaty of Rome.

Mr. Llwyd: To ask the Minister of Agriculture, Fisheries and Food how many calves have been exported from the United Kingdom for rearing in veal calf crates in each year since 1985.

Mr. Soames: Totals of the number of calves exported from Great Britain to other EC countries for further fattening are given. It is not possible to determine what proportion of the totals were for rearing in veal calf crates.

Year	*£ thousands*
1985	142·4
1986	190·7
1987	365·2
1988	234·7
1989	302·2
1990	338·8
1991	399·6
1992	420·6

Source: Statistics prepared for the reports of the Chief Veterinary Officer—Animal Health, 1985 to 1992.

Laying Hens

Mr. Llwyd: To ask the Minister of Agriculture, Fisheries and Food what plans he has *(a)* to increase the mandatory space allowance for battery cages containing laying hens and *(b)* to establish a target date for phasing out the use of battery cages in the United Kingdom.

Mr. Soames: It is already the Government's policy to seek revised Community rules to phase out the current design of battery cages and to increase the minimum space allowances set by the existing Community legislation. We look to the Commission to publish proposals for new welfare rules for laying hens as soon as possible.

Mr. Llwyd: To ask the Minister of Agriculture, Fisheries and Food what plans he has to implement the recommendations of the Farm Animal Welfare Council concerning the welfare of laying hens in colony systems.

Mr. Soames: The Government intend to publish a response to the Farm Animal Welfare Council's report in the near future.

Wildlife Diseases

Mr. Llwyd: To ask the Minister of Agriculture, Fisheries and Food if he will make it his policy to develop a United Kingdom-wide database of wildlife diseases.

Mr. Soames: The Ministry has no plans to establish such a database.

Pigs

Mr. Llwyd: To ask the Minister of Agriculture, Fisheries and Food (1) what plans he has to establish a target date for banning the use of stall and tether systems by United Kingdom pig breeders;

(2) what plans he has to introduce legislation establishing minimum space allocations and minimum standards for bedding and foraging material for reared pigs in the United Kingdom.

Mr. Soames: The Welfare of Pigs Regulations 1991 already ban the installation of new stall and tether systems in this country and require all such systems to be phased out by the end of 1998. The Community directive adopted in 1991 which sets minimum standards for the welfare of pigs addresses the need for bedding and foraging material. This directive must be implemented in the United Kingdom by the beginning of 1994. However, the Welfare of Livestock Regulations 1990 already require pigs and certain other livestock to have a lying area which is well drained or well maintained with dry bedding.

Departmental Spending

Dr. Wright: To ask the Minister of Agriculture, Fisheries and Food what share of total departmental spending was accounted for by non-departmental public bodies in each year since 1979.

Mr. Curry: Information relating to expenditure on non-departmental public bodies is contained in the annual publication "Public Bodies", which has been published each year since 1982. I regret that information prior to that date is not readily available.

Figures for departmental expenditure for the years to 1990 are contained in the public expenditure White Paper for each year and are summarised in the cash plan table given at the beginning of chapter 3 of each White Paper. Figures for 1991 onwards are contained in the Ministry's departmental reports and may be found in the cash plan at annex 1 to each report.

Bovine Spongiform Encephalopathy

Mr. Ron Davies: To ask the Minister of Agriculture, Fisheries and Food if he will list the number of confirmed cases of BSE, by county, for the month of February.

Mr. Soames: The information requested is available in the Library of the House.

Deregulation Initiative

Dr. Strang: To ask the Minister of Agriculture, Fisheries and Food if he will list the organisations which have been or will be consulted about his deregulation initiative; and if he will make a statement.

Mr. Gummer: The organisations consulted by my Department about the deregulation initiative number many hundreds. On food measures alone, 240 organisations have been consulted.

Dr. Strang: To ask the Minister of Agriculture, Fisheries and Food which licences of regulations from the

list which he placed in the Library as referred to in his answer to the hon. Member for South Shields (Dr. Clark) on 17 February 1992, *Official Report*, column *26*, he is still considering as part of his deregulation initiative; what new licences and regulations he is considering as part of this initiative; and if he will make a statement.

Mr. Gummer: The list of regulatory measures placed in the Library of the House on 17 February 1992 is shortly to be superseded by a more detailed list of regulations which affect industry. This is referred to as the baseline list. Under the Prime Minister's initiative on deregulation, all Whitehall Departments will include their baseline lists in a composite document to be laid in the House Library. Deregulation plans are being drawn up within my Department on the basis of the baseline list and informed by comments being received on the original list of measures placed in the Library of the House. A plan for deregulating food law was sent to interested organisations for comment earlier this month and has been in the Library of the House. All measures on the baseline list are open to review under the deregulation initiative. I have introduced five deregulatory principles:

regulation last: the regulatory approach will be followed only where fully justified and where some less burdensome route—e.g., through codes of conduct—is seen to be inadequate;

need criteria: all national and EC regulations will be examined against strict need criteria and, in the case of legislation arising out of EC obligations, the principle of subsidiarity, as agreed at the Edinburgh European summit;

cost: the EC Commission will be asked to produce compliance cost assessments with all new proposals for EC legislation; and Government Departments will produce such assessments for all proposed national legislation which does not arise directly out of Community law;

competition: in implementing Community law, the Government will seek to ensure that United Kingdom industry is not placed at a disadvantage compared with its competitors in other member states;

consultation: business representatives will be fully consulted at the earliest possible stage on the effect of proposed new regulations on their own sectors.

Proposals for new licences and regulations will be scrutinised against these principles and will be subject to widespread consultation with the business and other interests concerned.

Mr. Sproat: To ask the Minister of Agriculture, Fisheries and Food, pursuant to his answer of 5 February, *Official Report*, column *375*, if he has now finished compiling and has checked for accuracy and consistency of definition the comprehensive provisional list of regulations for which his Department is responsible; and when he intends to place the list in the Library.

Mr. Curry: Work is proceeding as quickly as possible on checking my Department's list of regulations affecting business. A consolidated list of regulations for all Departments will be compiled by the central deregulation unit of the DTI and placed in the Library as soon as possible.

Farmers (Regulations and Licences)

Dr. Strang: To ask the Minister of Agriculture, Fisheries and Food which licences or regulations relating to farmers have subsequently been *(a)* withdrawn or *(b)* amended after he placed in the Library the list mentioned in his answer of 17 February 1992 to the hon. Member for South Shields (Dr. Clark), *Official Report*, column *26*; and if he will make a statement.

Mr. Gummer: Comments from industry on the list of regulatory measures placed in the Library of the House on 17 February 1992 are still being received by my department. A particular effort is being made to obtain the views of small businesses. On the basis of this wide consultation, deregulation plans are being drawn up for the department's main policy areas with a view to reducing the level of regulatory burden placed on industry.

Fishermen

Mr. Morley: To ask the Minister of Agriculture, Fisheries and Food if he will list all major changes to the law affecting fishermen since 1963.

Mr. Curry: The following is a list of Acts of Parliament affecting fishermen since 1963:

Sea Fisheries Regulation Act 1966
Sea Fisheries (Shellfish) Act 1967
Sea Fish (Conservation) Act 1967
Conservation of Seals Act 1970
Salmon and Freshwater Fisheries Act 1975
Fishery Limits Act 1976
Fisheries Act 1981
British Fishing Boats Act 1983
Diseases of Fish Act 1983
Salmon Act 1986
Sea Fish (Conservation) Act 1992

Potatoes

Mr. Pickthall: To ask the Minister of Agriculture, Fisheries and Food if he will make a statement about the future of research and development in potatoes when the new potato regime is introduced.

Mr. Curry: The EC proposals for a regime in potatoes would have no direct effect on research and development. However, it is unlikely that the Potato Marketing Board would be able to continue in its present form. That is why the Agriculture Bill, presently before the House, allows for the transfer of the board's assets including the research station at Sutton Bridge to a successor body or bodies in order to continue the industry's involvement in R and D.

Animal Health and Veterinary Group

Dr. Spink: To ask the Minister of Agriculture, Fisheries and Food what plans he has for the future organisation of his Ministry's animal health and veterinary group.

Mr. Gummer: I have decided to proceed with a management review of the animal health and veterinary group, including the state veterinary service. The review will examine in detail the group's functions and organisation with a view to improving the use of the Ministry's resources in this area. It will be headed by a grade 5 official from my Ministry who has been asked to report by the end of this year.

Chinchilla

Mr. Morley: To ask the Minister of Agriculture, Fisheries and Food (1) what legal provisions apply to *(a)* the keeping of and *(b)* the commercial breeding and farming of chinchilla; and what steps his Department takes to ensure inspection and enforcement;

(2) what guidelines or standards are laid down on the keeping of chinchilla with particular reference to minimum cage size.

Mr. Soames: There is no legislation relating specifically to the keeping of chinchilla. Any chinchilla kept on agricultural land for farming purposes, including fur production, would be subject to the general animal welfare provisions of the Agriculture (Miscellaneous Provisions) Act 1968 and inspection by the state veterinary service. I am not, however, aware that any chinchilla are currently kept in the United Kingdom for such purposes.

The keeping of chinchilla for other purposes, like that of all domestic and captive animals, is covered by the Protection of Animals Act 1911 which is the responsibility of my right hon. and learned Friend the Secretary of State for the Home Department. The Act makes it an offence to cause unnecessary suffering to any captive or domestic animal. In addition, pet shops are licensed by local authorities, which have the right of inspection under the Pet Animals Act 1951.

Salmon

Mr. Bellingham: To ask the Minister of Agriculture, Fisheries and Food how many salmon were caught in England, Scotland and Wales during the season 1991 and the season 1992, by *(a)* rod and line, *(b)* commercial nets and *(c)* north-east coast drift net fishery.

Mr. Curry *[pursuant to the reply, 27 January 1993, column 719]*: I regret that the catch statistics were prepared on different bases: those for England and Wales included grilse, but those for Scotland excluded grilse. The table provides reported catches of salmon and grilse for each country.

Reported catches of salmon and grilse in England, Scotland and Wales in 1991 by method of capture

	England	*Scotland*	*Wales*
Rod and line	9,452	62,450	4,522
Commercial nets[1]	34,631	76,351	3,044
(of which NE coast drift nets)	(22,463)		
Total	44,083	138,801	7,566

[1]Includes reported catches of salmon by all methods other than by rod and line.

SOCIAL SECURITY

Fraud

Mr. Hinchliffe: To ask the Secretary of State for Social Security on how many occasions social security fraud was detected in *(a)* England, *(b)* Yorkshire and Humberside and *(c)* West Yorkshire in the last year for which figures are available; and how many prosecutions were undertaken in these areas.

Mr. Burt: The administration of fraud detection is a matter for Mr. Michael Bichard, the chief executive of the Benefits Agency. He will write to the hon. Member with such information as is available and a copy will be placed in the Library.

Letter from Michael Bichard to Mr. David Hinchliffe, dated 15 March 1993:

As Chief Executive of the Benefits Agency, it is my responsibility to answer questions about relevant operational matters. I am therefore replying to your recent Parliamentary Question to the Secretary of State for Social Security asking on how many occasions social security fraud was detected in *(a)* England, *(b)* Yorkshire and Humberside and *(c)* West Yorkshire in the last year for which figures are available; and how many prosecutions were undertaken in these areas.

The last full year for which figures are available is the year ending 31 March 1992. During the year ending 31 March 1992 a total of 196,061 social security investigations into fraud were undertaken in England by officers of the Benefits Agency. Included in this figure are 23,179 cases in the Yorkshire and Humberside area. I regret that I am unable to provide figures for the West Yorkshire area as we do not have a distinct operational area there.

In the same year there were a total of 3,644 prosecutions undertaken in England and Wales. I am unable to provide separate figures for England alone or the West Yorkshire and Humberside area. All prosecution statistics for the year in question were compiled by our solicitors branch who do not operate within these distinct geographical areas.

It may be useful for you to know that from the year starting April 1992 we have compiled prosecution statistics for each of our operational areas. This will enable us to provide information for smaller geographical areas.

I hope that you find this reply helpful. A copy will appear in the Official Report and a copy will also be placed in the Library.

Target Times

Lady Olga Maitland: To ask the Secretary of State for Social Security what is *(a)* the target time and *(b)* the proportion of cases in which the target time was achieved over the past three months, for (i) attendance allowance claims and (ii) disability living allowance claims for those over 60 years of age.

Mr. Scott: The administration of disability living allowance is a matter for Mr. Michael Bichard, the chief executive of the Benefits Agency. He will write to my hon. Friend and a copy will be placed in the Library.

Letter from Michael Bichard to Lady Olga Maitland, dated 15 March 1993:

As Chief Executive of the Benefits Agency, it is my responsibility to answer questions about relevant operational matters. I am therefore replying to the points raised in your recent Parliamentary Question to the Secretary of State for Social security about *(a)* the target time and *(b)* the proportion of cases in which the target time was achieved over the past three months, for (i) Attendance Allowance (AA) claims and (ii) Disability Living Allowance (DLA) for those over 60 years of age.

You asked for the target time for clearing claims from DLA customers who are over 60 years of age. I should explain, however, that clearance times broken down to particular age bands of DLA customers is not routinely gathered.

The primary target set for the clearance of DLA claims is 60 per cent. of claims to be cleared in 30 days. The performance figures for the last three months are shown in the table below:

	Per Cent. in 30 days
December 1992	55
January 1993	49
February 1993	61

It will perhaps be helpful if I explain a little about the changes which took place with the onset of the new adjudication structure. With the introduction of DLA from 6 April 1992, all outstanding AA claims, reviews and appeals in

respect of people under 65 were transferred to DLA for processing under the new adjudication system introduced at the same time. This was because any award of AA spanning 6 April for people under 65 would automatically become the Care Component of DLA at that time.

The primary target set for the clearance of AA claims is 60 per cent. of claims to be cleared in 35 days. The performance figures for AA for the last three months are shown in the table below:

	Per Cent. in 35 days
December 1992	54
January 1993	44
February 1993	52

As you may know the success of the advertising campaign and the policy initiatives surrounding the launch of the benefits attracted a much larger number of applications in the early stages than was expected. Backlogs of work arose as a result and this has undoubtedly affected our ability to meet the clearance targets. However I am pleased to say that the firm actions which have been taken to reduce the backlogs are now resulting in significant improvements in clearance times. At the end of February the total amount of outstanding claims to DLA stood at around 50,000 and about 45,000 for AA compared with the over 124,000 DLA claims and 153,000 claims outstanding at the end of June 1992.

Finally, I hope you find this reply helpful. A copy of this letter will appear in the Official Report and a copy will also be placed in the Library.

Disability Payments

Mrs. Jane Kennedy: To ask the Secretary of State for Social Security what is his latest estimate of the number of disability living allowance claims being completed per adjudication officer per day.

Mr. Scott: The administration of disability living allowance is a matter for Mr Michael Bichard, the chief executive of the Benefits Agency. He will write to the hon. Member and a copy will be placed in the Library.

Letter from Michael Bichard to Ms Jane Kennedy, dated 15 March 1993:

As Chief Executive of the Benefits Agency, it is my responsibility to answer questions about relevant operational matters. I am therefore replying to your recent Parliamentary Question to the Secretary of State for Social Security asking for the latest number of Disability Living Allowance claims being completed per adjudication officer per day.

As at 26/2/93 adjudication officers dealing with new claims to Disability Living Allowance were clearing on average 15 cases per day.

It has to be borne in mind that because some cases are more complex than others this figure may vary week by week.

I hope you will find this reply helpful. A copy of this reply will appear in the Official Report and a copy will also be placed in the Library.

Homelessness

Mr. Peter Bottomley: To ask the Secretary of State for Social Security what assessment his Department has made of the comparative living costs of homeless families placed in permanent accommodation with self-contained cooking facilities and homeless families who are placed in temporary accommodation and who are reliant on the purchase of take-away food.

Mr. Burt: None. Such an assessment would be difficult with neither a practicable definition of self-contained cooking facilities nor an accurate assessment of the number of people with access to other cooking facilities and the use they make of them.

Mr. Peter Bottomley: To ask the Secretary of State for Social Security what research his Department has undertaken into the impact of introducing VAT on take-away food on the weekly household budgets of homeless families living in temporary accommodation who are without access to self-contained cooking facilities.

Mr. Burt: None. Such research would not take account of families with access to facilities that were not self-contained. It would also require a practicable definition of the term "self-contained cooking facilities".

Abandoned Children (Mothers)

Mr. Redmond: To ask the Secretary of State for Social Security what action he is taking to ensure that fathers cite the name of mothers who abandon their child, so that they can be made to pay maintenance towards the upkeep of their child; and if he will make a statement.

Mr. Burt: The provisions of the Child Support Act 1991 apply equally whether it is the mother or the father who is the parent with care of the children. Therefore, where a father who is the parent with care of the child is in receipt of income support, family credit or disability working allowance, he will be required to co-operate with the Child Support Agency in obtaining maintenance from the mother, unless this would cause harm or undue distress to the parent with care or to any children living with him.

Pensioners (Consumer Goods)

Mr. David Shaw: To ask the Secretary of State for Social Security what information he has on the acquisition and ownership of consumer goods by pensioners for *(a)* 1979 and *(b)* the most recent year for which information is available, in respect of personal computers, typewriters, and word processors.

Miss Widdecombe: It is estimated that in 1991, the latest year for which information is available, 1·3 per cent. of retired households[1] had a home computer[2]. This information is not available for 1979. No information on ownership of typewriters is available.

Notes:

[1]retired households consist of single retired adults or households with one man and one woman where the head of household is retired.

[2]the term "home computer" covers personal computers and word processors.

Free School Meals

Mr. Gordon Prentice: To ask the Secretary of State for Social Security if he will bring forward proposals to amend the Social Security Act 1986 to restore to local authorities the discretion to make available free school meals to children whose parents are not on income support.

Mr. Burt: There are no plans to extend the availability of free school meals. Families who cannot claim income support because a parent is working 16 hours or more a week can claim family credit. In setting the child rates used in calculating family credit entitlement, allowance is made for the non-availability of free school meals.

Independent Tribunal Service

Mr. Cousins: To ask the Secretary of State for Social Security how many cases the Independent Tribunal Service has cleared in 1990-91, 1991-92 and 1992-93.

Mr. Scott: I have been informed by the office of the president of the Independent Tribunal Service that the total number of cases cleared in the years in question was as follows:

Appeal Tribunal	*1990-91*	*1991-92*	*1992-93*[1]
Social Security (SSAT)	118,902	131,835	117,660
Medical (MAT)	23,521	23,319	18,948
Disability (DAT)	—	—	2,811
Total	142,423	155,154	139,419

Note 8
[1]Year to 31 January 1993.

These figures cover a complex and fast-changing state of affairs. If the hon. Member is aware of any specific problems, he may wish to contact the president's office.

Departmental Spending

Dr. Wright: To ask the Secretary of State for Social Security what percentage share of total departmental spending was accounted for by non-departmental public bodies in each year since 1979.

Mr. Scott: The percentage share of total departmental spending accounted for by non-departmental bodies attached to the Department of Social Security is as follows:

Year	*Per Cent*
1992-93	1·78
1993-94	2·31

However, the details for earlier years are not readily available and could be obtained only at disproportionate cost.

Lone Parents

Mr. Hall: To ask the Secretary of State for Social Security what percentage of the population of the Warrington South constituency were *(a)* male lone parents or *(b)* female lone parents, at the latest available date.

Mr. Burt: Information is not available for the Warrington, South constituency. The 1990 Labour Force Survey shows that 8 per cent. of all women in the north-west region were lone parents.

Child Support Agency

Mr. Hall: To ask the Secretary of State for Social Security what is the estimated turnover rate of maintenance cases by the Child Support Agency in Warrington South.

Mr. Burt: In 1992-93 the child support unit in Warrington, South handled just under 1,300 maintenance cases. Estimates for 1993-94 are not available.

Appeals Tribunals

Dr. Godman: To ask the Secretary of State for Social Security (1) what plans he has to reduce delays in cases being heard by social security appeals tribunals in *(a)* Inverclyde, *(b)* Strathclyde and *(c)* Scotland as a whole; and if he will make a statement;

(2) what plans he has to reduce delays in cases being heard by medical appeals tribunals in *(a)* Strathclyde and *(b)* Scotland as a whole; and if he will make a statement.

Mr. Scott: Responsibility for the administration and organisation of social security and medical appeal tribunals lies with the president of the Independent Tribunal Service, His Honour Judge Thorpe, and the hon. Member may wish to write to his office direct.

Unemployment Benefit

Mr. Canavan: To ask the Secretary of State for Social Security (1) what changes he will make to end the rule whereby workers over the age of 55 years who receive an occupational pension of £35 or more per week suffer a reduction in unemployment benefit;

(2) how many people over the age of 55 years suffer a reduction in unemployment benefit because they receive an occupational pension of more than £35 gross per week.

Mr. Burt: I refer the hon. Member to my reply to the hon. Member for Halifax (Mrs. Mahon) on 10 March at col. *625-26*.

Regulations

Mr. Sproat: To ask the Secretary of State for Social Security, pursuant to his answer of 8 February, *Official Report*, columns *499-500*, if he has now finished compiling and has checked for accuracy and consistency of definition the comprehensive provisional list of regulations which have an impact on business for which his Department is responsible; and when he intends to place the list in the Library.

Miss Widdecombe: A list of the Department's regulations affecting business has been checked and a consolidated list of such regulations for all Departments will be compiled by the central deregulation unit of the DTI and placed in the Library shortly.

Housing Benefit

Mr. Nigel Jones: To ask the Secretary of State for Social Security, pursuant to his answer of 11 February, *Official Report*, columns *710-17*, how many housing benefit claimants, were *(a)* local authority tenants, *(b)* housing association tenants and *(c)* other private tenants, for England, Wales, Scotland and Great Britain as a whole for the latest year for which figures are available.

Mr. Burt: The available information is in the table:

Average number of Housing Benefit cases[1]

Region	*England*	*Wales*	*Scotland*	*Great Britain*
Local Authority tenants	2,419,600	153,200	459,600	3,032,400
Housing Association tenants	314,600	16,200	21,000	351,800
Other private tenants	859,300	49,600	60,300	969,300

[1]Numbers given are the averages of the May, August and November caseload counts for 1992 and include estimates for non responding authorities.

Cold Weather Payments

Mr. Winnick: To ask the Secretary of State for Social Security in which areas cold weather payments are to be paid for any period in February and early March.

Mr. Scott: The information requested is in the Library.

Care Homes

Mr. Hinchliffe: To ask the Secretary of State for Social Security what is his estimate of the number of claimants with preserved rights to income support who will be in receipt of benefit towards the cost of their care in residential or nursing homes on 1 April.

Mr. Burt: The number is estimated to be 295,000. There are also residents currently self-supporting who will have preserved rights to the income support higher limits.

Allowable Fees

Mr. Pickthall: To ask the Secretary of State for Social Security if he will extend the £10 increase in allowable fees, for people in nursing homes, due in April, to sufferers from Alzheimer's disease and those judged to be suffering from terminal illness.

Mr. Burt: No. The terminal illness limit is not necessarily paid only to those who are terminally ill within the accepted definition of that term. Resources are better directed to the other limits.

From April 1993, under the community care scheme, all new residents of nursing homes who need public support will have their needs assessed by the local authority, which will contract with individual homes for their fees.

SCOTLAND

Marriage Counselling

Sir David Steel: To ask the Secretary of State for Scotland if he will make it his policy to make the same percentage increases in funding of Marriage Counselling Scotland as are proposed for Relate (England and Wales).

Mr. Lang: No. Decisions on grants are made according to local needs and priorities.

TUPE Regulations

Mr. McAllion: To ask the Secretary of State for Scotland, pursuant to his answer of 8 March, column *411*, if he will now publish in the *Official Report* the two letters giving a legal view on the Transfer of Undertakings (Protection of Employment) Regulations 1981 issued to Tayside health board.

Mr. Stewart: No. The letters are between a legal adviser and a client and it is a matter for them.

Caledonian MacBrayne

Dr. Godman: To ask the Secretary of State for Scotland if he will list the Caledonian MacBrayne passenger ferry fleet by way of *(a)* names, *(b)* gross registered tonnage and *(c)* age of construction.

Lord James Douglas-Hamilton: The information requested is set out in the table:

Vessel	*Gross registered tonnage*	*Built*
Bruernish	69	1973
Canna	69	1975
Claymore	1,631	1978
Coll	69	1974
Eigg	69	1975
Hebridean Isles	3,040	1985
Iona	1,324	1970
Isle of Arran	3,296	1984
Isle of Cumbrae	201	1977
Isle of Mull	4,719	1988
Loch Tarbert	211	1992
Juno	854	1974
Jupiter	849	1974
Keppel	213	1960
Loch Dunvegan	549	1991
Loch Fyne	549	1991
Loch Linnhe	206	1986
Lochmor	1,989	1979
Loch Ranza	206	1987
Loch Riddon	206	1986
Loch Striven	206	1986
Lord of the Isles	3,504	1989
Loch Buie	295	1992
Morvern	64	1973
Pioneer	1,071	1974
Raasay	69	1976
Rhum	69	1973
Saturn	851	1978
Suilven	1,908	1974

Nursery Education

Dr. Godman: To ask the Secretary of State for Scotland what percentage of children aged under five years in *(a)* Inverclyde, *(b)* Strathclyde and *(c)* Scotland as a whole attend privately funded nursery schools.

Lord James Douglas-Hamilton: The information requested is not held centrally.

Terrorism

Mr. McNamara: To ask the Secretary of State for Scotland what has been the average length of sentence imposed by the courts since 1970 on a terrorist convicted of a Northern Ireland-related homicide in Scotland.

Lord James Douglas-Hamilton: The information requested is not available centrally.

Regulations

Mr. Sproat: To ask the Secretary of State for Scotland, pursuant to his answer of 12 February, *Official Report*, column *863*, if he has now finished compiling and has checked for accuracy and consistency of definition the comprehensive provisional list of regulations for which his Department is responsible; and when he intends to place the list in the Library.

Mr. Lang: Amendments have been made to my Department's list of regulations affecting business and submitted to the Department of Trade and Industry. A consolidated list of regulations for all Departments, including mine, will be compiled by the central deregulation unit of the Department of Trade and Industry and placed in the Library as soon as possible.

Consultants

Ms Mowlam: To ask the Secretary of State for Scotland (1) if he will list the contracts awarded by his Department to *(a)* Cooper and Lybrand management consultants, *(b)* Touche Ross management consultants, *(c)* Price Waterhouse management consultants, *(d)* Ernst and Young management consultants, *(e)* Chrichton Roberts Ltd., *(f)* KPMG management consultants and *(g)* Leopold Joseph management consultants, with the total cost of the contracts with each contractor, for (i) the past 12 months and (ii) 1991-92;

(2) how many contracts for consultancies were awarded by his Department over *(a)* the last 12 months and *(b)* 1991-92.

Mr. Lang *[holding answer 24 February 1993]*: My Department does not hold centrally records of all work commissioned from external consultants. Details are, however, held centrally of my Department's use of management consultants; information for the year 1991-92 and for the current financial year to 31 January 1993 is set out in the table. Also set out are the total costs of all contracts with the named consultants. In two cases, only one project was undertaken and because of the need to maintain commercial confidentiality the contract cost has been withheld.

Management consultancies awarded by the Scottish Office

Consultant 1991-92	*Project*
CEAS Consultants	Review of Livestock Improvement Schemes
Price Waterhouse	Unit Costing—Further Education Colleges
Price Waterhouse	Management Information Systems—Further Education Colleges (Phase 1)
PE International	Business Review of Directorate of Telecommunications
Castle Consultants	Customer Care and Communication
Ernst & Young	Business Review of Financial Information Systems
Ernst & Young	Public Expenditure Survey Feasibility Study
Coopers & Lybrand	Market Testing in the Scottish Office
CCTA	Education Department Information Systems Strategy Study
CCTA	Social Work Services Group Information Systems Strategy Study
Peter Hyde	Strategy for Change Information Systems Policy
Office Futures	Office Information Systems
SRU Ltd	Strategic Framework for NHS in Scotland
Touche Ross	Procedure Manual on Contracts
PE International	Review of Scottish Office Office Superannuation Division
Peat-Marwick	Scottish Office Superannuation Division—Administration and Information Technology Support Systems
PA Consulting Services	Scottish Criminal Record Office Automatic Fingerprint Recognition System
Quality Consulting Services	Scottish Prison Service BS5750 Quality System
Marketing Initiatives	Scottish Prison Service—Strategic Planning
HEDRA	Scottish Prison Service—Management Planning System
Coopers & Lybrand	Scottish Prison Service—Organisation Review
HEDRA	Prison Board Workshop
HEDRA	Scottish Prison Services—Information Services Strategy Study

Consultant 1991-92	Project
Price Waterhouse	Commissioner and Provider Roles
PA Consulting Group	Local Authority Services
Peat Marwick McLintock	Scottish Natural Heritage Pay and Grading
Investment Property Databank	Financial Performance of New Towns Development Corporation Property Assets
PIEDA	Housing Initiatives Survey
Coopers & Lybrand	Local Development Companies Disposal of Industrial and Commercial Assets
G. Stobbs	Management and Maintenance Review
Price Waterhouse	Valuation of East Kilbride Direct Labour Organisation
Coopers & Lybrand	Debt Write Off
PIEDA	Interim Evaluation of Strathclyde Integrated Development Operation
PIEDA	Highlands and Islands Interim Evaluation of National Programme of Community Interest
Goddard Kay Rogers & Associates Limited and Recruitment & Assessment Services	Recruitment of Director of Human Resources for NHS—Management Executive
Hay Management Consultants Ltd	Development of new pay system for NHS Managers
KPMG Management Consultants	NHS Trust Application—Financial Evaluation
CSL Group Ltd	NHS Management Executive—Accountancy Support
CSL Group Ltd	Review of Contracts in NHS
Capita	Scottish Office Market Testing Programme
Coopers and Lybrand	Staffing Structure of Scottish Higher Education Funding Council
PIEDA	Interim Evaluation of Strathclyde Integrated Development Operation
PIEDA	Highlands & Islands: Interim Evaluation of National Programme of Community Interest
MVA	Oil Related Employment Survey
HFA/PACEC/St Andrew's Economic Consultants	Impact of Ferry Subsidies paid to CalMac on the Western Isles
Solid Solutions	Scottish Electricity Privatisation—Collection of Final Instalment
MacKay Consultants	Evaluation of Agricultural Development Programme for Scottish Islands
Dr. A. Rowley	Scottish Agricultural Science Agency—Quality Assurance
Coopers & Lybrand	Computer Migration—Historic Scotland
Touche Ross	Pay and Performance Review—Historic Scotland
Touche Ross	Structure of Local Government in Scotland—Advice on Financial and Qualitative Appraisal of Options for Change
KPMG Management Consultants	Specification of Scottish Office Superannuation Division. Future Administrative and Information Technology Support Systems
KPMG Management Consultants	Scottish Police College—Training and Information System Strategic
Touche Ross	Scottish Police College Training Needs Analysis for Sergeants and Inspector Ranks
Price Waterhouse	Police Service in Scotland—Activity Analysis Presentation
Faulds Advertising	Evaluation of Campaign on Car Crime
Criminology and Law Research Group	Identification of all non-police led crime prevention community initiatives in Scotland

Consultant 1991-92	*Project*
MVA Consultancy	Evaluation of Scottish Office Funded Drugs Helpline
The Arkle Organisation	Scottish Prison Service—Strategic Planning (2)
The Learning Centre	Scottish Prison Service Training College—Industrial Relations
Anderson Lyall	Scottish Prison Service Training College—Prison Officer Training
QTAC Business Services	Scottish Prison Service Training College—Pilot Accreditation Study
Centre for Action Learning	Scottish Prison Service Training College—Governor 5 Training
Marketing Initiative	Scottish Prison Service Training College—Total Quality Management
Savage Young and Associates	Scottish Prison Service Training College—Quality Programme
Open Learning Centre—Perth College	Scottish Prison Service Training College—Training for Trainers
PA Consultants Ltd	Scottish Prison Service Training College—Governor Development
Hoskyns Group Plc	Scottish Prison Service—Information Network—Full Study
MMM (Consultants)	Scottish Prison Service—Procurement Review
Marketing Initiative	Scottish Prison Service—Review of Regime Activities
W. Marshall	Scottish Prison Service—Review of Sex Offenders
Marketing Initiative	Scottish Prison Service—Strategic Planning
Marketing Initiative	Scottish Prison Service—Migration Workshop
Marketing Initiative	Scottish Prison Service—Management Development
HEDRA	Scottish Prison Service—Strategic Planning
Marketing Initiative	Scottish Prison Service—Strategic Planning Workshop
PA Consultants Ltd	Scottish Prison Service—Strategic Planning Workshop
Ernst Young	Public Expenditure Survey: Phototype Development
Dr. Shelia Clarke	Study and Review of Further Education Colleges Development Plans
Coopers & Lybrand	Further Education Colleges Development Plans
Price Waterhouse	Further Education College Implementation Planning Phases 2 and 3
Newell & Budge	Service Level Management—Information Technology Services
LOGICA	Data Communications and Cabling Strategy
SPEC Systems	Scottish Teachers Superannuation Scheme Softwear for the Calculation of Transfer Values
Dun and Bradstreet	Purchasing software Modifications (2)
Castle Consultants	Information Systems—Policy Workshops
Peter Hyde	Consultancy Skills—Training
LOGICA	Information Systems Full Study
CCTA	Information Systems Strategy Study
LOGICA	Technical Support for the The Scottish Office Technical Strategy
PA Consultants Ltd	Information Systems Full Study
Office Futures	Preparation of Briefing for The Scottish Office Technical Strategy
SEMA	Quality Assurance of The Scottish Technical Strategy
CCTA	Support for Technical Strategy
Peter Hyde	Policy Implementation Review

Value of contracts awarded by The Scottish Office to certain management consultants

Year and consultant	*Total cost of all contracts £*
1991-92	
Price Waterhouse	119,000
Ernst and Young	49,800
Coopers and Lybrand	196,000
KPMG Management Consultants	92,500
1 April 1992-31 January 1993	
Price Waterhouse	464,400
Coopers and Lybrand	107,500
KPMG Management Consultants	134,000
Touche Ross	80,700

Community Transport Association

Sir David Steel: To ask the Secretary of State for Scotland if he will consider providing funding for the Community Transport Association's advice and information service to Scotland, to allow it to advertise its existence throughout Scotland.

Mr. Lang *[holding answer 4 March 1993]:* The Community Transport Association applied for funding from the Scottish Office Industry Department in January 1992 to extend their advice and information service to Scotland. The application was carefully considered but was not approved. While consideration was given to the possible scope for paying a grant, there are no grant schemes at present which would have been suitable for the purpose. While I am sympathetic to the association's wish to expand in Scotland, it cannot be a priority at the present time to provide new funds for new schemes of grant.

Any future application which the association may make to the Scottish Office under transport or social work legislation would be considered on its merits and would depend on the strength of the case and the level of funding sought. I hope that the Association will continue to monitor the level of inquiries for advice and information which it receives from Scotland against the possibility of any future application being made.

European Regional Development Fund

Mr. Morgan: To ask the Secretary of State for Scotland what consultations he has had with Scottish local authorities and other eligible infrastructure-providing bodies concerning the levels of *(a)* base and *(b)* supplementary credit approvals with a view to the provision of matching Government funding to maximise successful applications for European regional development fund assistance.

Mr. Stewart *[holding answer 2 March 1993]:* My right hon. Friend the Secretary of State for Scotland has discussed on three occasions with the Convention of Scottish Local Authorities the new arrangements for the treatment of grants from the European regional development fund. These come into effect on 1 April 1993 and fulfil the agreement reached with the European Commission for making it clear that ERDF grants confer additional spending power on Scottish local authorities. In common with all other bodies eligible to receive ERDF assistance. local authorities will continue to meet their contribution to approved expenditure from their own resources. In addition to the basic and supplementary allocations which the Secretary of State provides, authorities can enhance their spending by the use of capital receipts and by revenue and private sector contributions.

Dr. Godman: To ask the Secretary of State for Scotland what has been the total amount of money received for *(a)* Strathclyde and *(b)* Scotland from the European regional development fund in each year since1986-87; and what are the expected amounts for each year until 1995-96.

Mr. Stewart *[holding answer 15 March 1993]:* The European Commission allocates moneys on a calendar year basis. The Commission has not yet announced what funds will be made available for Scotland beyond 1993. It is not therefore possible to provide estimates for 1994-95 and beyond. the table sets out the information available on awards to Scotland and, of those, on awards to Strathclyde since 1986.

Total amount of awards for Strathclyde

Year	*£ million*
1986	9·4
1987	13·1
1988	42·0
1989	48·1
1990	50·6
1991	54·2
1992	49·4
1993	72·3

Total amount of awards for Scotland

Year	*£ million*
1986	84.0
1987	93.0
1988	95.0
1989	68.0
1990	84.0
1991	124·5
1992	86.5
1993	111.5

Note:

The authentic figures for allocations are expressed in Ecu. The totals expressed here in sterling are for illustrative purposes only. The final sterling sums available to the programmes will depend on the exchange rates at the time payments are received.

Ambulance Crews

Dr. Godman: To ask the Secretary of State for Scotland if he will take steps to ensure that all offers of voluntary overtime by ambulance crews aimed at filling gaps that would otherwise occur in scheduled duties are not constrained by budget considerations.

Mr. Stewart *[holding answer 15 March 1993]:* The scheduling of duties and overtime arrangements are operational matters to be decided by the general manager of the Scottish Ambulance Service.

Hospital Shops

Dr. Godman: To ask the Secretary of State for Scotland what surveys have been commissioned by the Home and Health Department into the number and estimated percentage of hospital shops which sell cigarettes and similar products.

Mr. Stewart *[holding answer 15 March 1993]:* No surveys of hospital shops have been commissioned, but all health boards are committed to having policies in place to create a virtually smoke-free national health service as from 31 May 1993 and progress will be monitored by the NHS management executive in Scotland.

Renaval Programme

Dr. Godman: To ask the Secretary of State for Scotland, pursuant to his answer of 16 February, *Official Report*, columns *168-69*, if he will indicate the amounts of money paid by *(a)* the Scottish Office, *(b)* Strathclyde regional council, *(c)* Inverclyde district council, *(d)* the European Community and *(e)* the Renfrewshire enterprise company to those projects in Inverclyde which received aid by way of the European Community's Renaval programme.

Mr. Stewart *[holding answer 15 March 1993]:* This information is not held centrally. My Department reimburses each project sponsor for that part of a project's defrayed expenditure eligible for European funds as awarded by the Renaval programme monitoring committee. The amount of EC funding paid out to date is given in the following table:

Project	*Sponsor*	*Total eligible expenditure* £	*EC allocation* £	*Total eligible expenditure to date* £	*Total EC grant paid to date* £
World Yachting Grand Prix	Inverclyde District Council	422,000	211,000	125,593	62,796
Property Improvement Grants	Inverclyde District Council	410,000	205,000	22,885	11,442
Industrial Units at Larkfield Industrial Estate	Inverclyde District Council	263,000	131,500	228,000	114,000
Small Business Assistance Scheme	Inverclyde District Council	188,000	94,000	81,743	40,871
Capping Blairmore Road Tip	Inverclyde District Council	69,000	34,500	67,000	33,500
Custom House Quay: Environmental Improvement Phase I	Renfrewshire Enterprise	425,000	212,500	425,000	—
East India Harbour: Improvement Phase I	Renfrewshire Enterprise	100,000	50,000	56,600	—
East India Harbour: Infrastructure Works Phase I	Renfrewshire Enterprise	940,000	470,000	853,000	—
Custom House Quay: Infrastructure Works Phase II	Renfrewshire Enterprise	648,000	324,000	370,700	—
Strathclyde Business Centre, Ladyburn	Strathclyde Regional Council	700,000	350,000	700,000	350,000

Tinnitus

Mr. Kirkwood: To ask the Secretary of State for Scotland what plans he has to fund medical research projects in Scotland specifically targeted at the relief of tinnitus; and if he will make a statement.

Mr. Stewart *[holding answer 15 March 1993]:* The leading centre for research into hearing disorders, including tinnitus, in the United Kingdom is the Medical Research Council Institute of Hearing Research which is based in Nottingham with clinical outstations in Glasgow and Southampton. The Chief Scientist Office of the Scottish Office participates in the forward planning processes of the institute and keeps in close contact with its work. In addition, the Chief Scientist Office itself is always prepared to consider applications for the funding of soundly-based research projects in this as in other health-related subjects.

Housing

Mr. Kirkwood: To ask the Secretary of State for Scotland what information he has on the number of four and five-apartment houses currently owned in Scotland by local authorities and tenanted by single people.

Lord James Douglas-Hamilton *[holding answer 15 March 1993]:* The available information on number of rooms by household size and tenure will be published in the 1991 census report for Scotland, part 1, in April 1993.

Mr. Kirkwood: To ask the Secretary of State for Scotland how many four and five-apartment houses were built by local authorities in Scotland for letting as general purpose houses for the last five years for which figures are available.

Lord James Douglas-Hamilton *[holding answer 15 March 1993]:* The information requested is not available.

Mr. Kirkwood: To ask the Secretary of State for Scotland if he will estimate the number of small houses for single parents or couples which were built by *(a)* local authorities and *(b)* housing associations in Scotland over the last five years for which figures are available.

Lord James Douglas-Hamilton *[holding answer 15 March 1993]:* The information requested is not available.

Mr. Kirkwood: To ask the Secretary of State for Scotland what incentives he plans to stimulate additional building of houses in the social rented sector suitable for single people or couples; and if he will make a statement.

Lord James Douglas-Hamilton *[holding answer 15 March 1993]:* Local authorities and new town development corporations have substantial resources exceeding £400 million in 1993-94 which can be used to fund the additional building of rented housing if this is regarded as a local priority. In addition, Scottish Homes plan to give a record £260 million in grant to housing associations in Scotland next year, the bulk of which will be for social rented housing.

Electronics and Offshore Oil and Gas

Dr. Godman: To ask the Secretary of State for Scotland how many *(a)* males and *(b)* females were employed full time in (i) the electronics industry and (ii) the offshore oil and gas industries and ancillary employment ashore in each of the past 10 years.

Mr. Stewart *[holding answer 15 March 1993]:* Total offshore employment in the northern North sea in each year since 1982 is detailed in terms of an estimated range in the table. Employment onshore and offshore in companies wholly involved in oil-related activities in Scotland is also shown, together with estimated employment in the electronics industry. There are no separate figures for males and females.

Year	*Total Offshore Employment in the Northern North Sea (Estimated range)*	*Employment in companies wholly related to the North Sea Oil Industry (thousands)*	*Employment in the electronics industry (thousands)*
1982	21,650-24,200	58·3	38·7
1983	26,350-28,650	63·3	41·5
1984	24,500-27,150	64·0	43·5
1985	23,000-25,250	63·8	42·8
1986	17,350-19,050	61·4	42·2
1987	22,500-24,800	50·8	43·6
1988	22,000-24,350	53·7	44·8
1989	24,050-26,250	59·6	46·6
1990	27,850-29,750	64·1	46·5
1991	26,400-27,950	[1]—	[2]45·3

[1]1991 Estimate not available
[2]Provisional

Employment Protection

Dr. Godman: To ask the Secretary of State for Scotland what guidelines and advice he has issued to regional, island and district councils concerning the implications of the Transfer of Undertakings (Protection of Employment) Regulations 1981 in relation to compulsory competitive tendering rules.

Mr. Stewart *[holding answer 15 March 1993]:* I refer the hon. Member to my right hon. Friend's statement of 11 March and the guidance on the implications for market testing of the Transfer of Undertakings (Protection of Employment) Regulations which my right hon. Friend the Chancellor of the Duchy of Lancaster has placed in the Library. The statement and guidance have been drawn to the attention of COSLA.

Botanic Gardens

Dr. Godman: To ask the Secretary of State for Scotland how many persons are employed in a full-time capacity in the Royal Botanic Garden, Edinburgh; and what is the range of occupations represented among them.

Sir Hector Monro *[holding answer 15 March 1993]:* A total of 207 staff are employed in full-time posts at the royal botanic garden, Edinburgh. The range of occupations covered includes: gardeners, scientists, administrators, curators, laboratory attendants, librarians, maintenance staff, and park constabulary.

Female Doctors

Dr. Godman: To ask the Secretary of State for Scotland what percentage of female medical practitioners were employed as *(a)* obstetricians, *(b)* gynaecologists, *(c)* neuro-surgeons, *(d)* other specialists in medical occupations and *(e)* general practitioners in each of the past seven years.

Mr. Stewart *[holding answer 15 March 1993]:* The numbers in the specialties and in general practice, expressed as percentages of all women doctors working in the NHS in Scotland, are shown in the table:

Distribution of women doctors in the NHS

	1986	*1987*	*1988*	*1989*	*1990*	*1991*	*[3]1992*
Obstetrics and gynaecology[1]	5·5	5·3	5·0	4·9	5·5	[2]5·5	[2]5·6
Neuro-surgery	0·2	0·2	0·1	0·1	0·1	0·2	0·1
Other medical specialties	65·0	64·7	64·6	64·2	63·8	63·0	62·5
General medical practice	29·3	29·9	30·3	30·9	30·6	31·3	31·8

[1]Information is available for the specialty of obstetrics and gynaecology, but not for each separately.
[2]1991 and 1992 data exclude community doctors in family planning services.
[3]The 1992 data are provisional.

Dental Services

Dr. Godman: To ask the Secretary of State for Scotland if he will list *(a)* the number and amount of dental payments made and *(b)* the number of registered dental patients in each of the past five years.

Mr. Stewart *[holding answer 15 March 1993]:* The number of claims made by dentists and the remuneration received by dentists in Scotland for the provision of NHS services as reflected in the total gross fees authorised for payments to dentists, which include the value of charges paid by patients, is shown in table 1 for the last five financial years. From October 1990 child patients could be registered with a dentist under capitation arrangements which cover most care and treatment. The figures for claims for dentists therefore exclude all treatment to children under capitation from October 1990 onwards. The figures for gross payments, however, include the cost of capitation patients. Formal arrangements for patients to be registered with a specific dentist were introduced under the new contract for general dental services on 1 October 1990. No information about registration is therefore available prior to October 1990. The number of adult and child patients registered since October 1990 is contained in table 2.

TABLE 1

Claims by and payments to dentists in Scotland

Year	*Number of Claims made by Dentists*	*Gross Payments to Dentists £ million*
1987-88	3,005,659	74·659
1988-89	3,105,882	85·352
1989-90	3,080,703	94·393
1990-91	2,725,812	111·463
1991-92	2,484,539	132·822

TABLE 2

Number of Patients registered with a dentist in Scotland

	December 1990	*December 1991*	*December 1992*
Children	292,769	662,809	732,605
Adults	819,906	1,802,135	1,996,171
Total	1,112,675	2,464,944	2,728,776

Dr. Godman: To ask the Secretary of State for Scotland what was the average cost of dental treatment in *(a)* Strathclyde and *(b)* Scotland as a whole for the latest year for which figures are accessible.

Mr. Stewart *[holding answer 15 March 1993]:* The average cost of a course of dental treatment in each of the health board areas within Strathclyde region and the average cost in Scotland as a whole for 1991-92 is contained in the table. The average cost is based on the cost of all adult treatments and certain treatments provided for children outside capitation arrangements, and includes the value of charges paid by patients. The cost of the majority of treatment provided to children which is under capitation arrangements is not included in the table as under capitation children do not have individual courses of treatment but receive all care and treatment needed on a continuing basis, for which dentists are paid regular standard payments. Information for individual local government regions is not available.

Average cost per course of dental treatment in Scotland: 1991-92

Health Board	*Average cost per course of dental treatment 1991-92 (£)*
Argyll and Clyde	43
Ayrshire and Arran	40
Greater Glasgow	49
Lanarkshire	44
All Scotland	40

Written Answers to Questions

Wednesday 17 March 1993

NATIONAL HERITAGE

Fire Precautions

Mr. Mackinlay: To ask the Secretary of State for National Heritage if he will make a statement on the powers of the London Fire Brigade to inspect *(a)* the Tower of London, *(b)* Hampton Court and *(c)* Buckingham palace; when was the last inspection in each case; and if copies of each such inspection will be placed in the Library.

Mr. Brooke: As these are Crown properties, the London Fire Brigade has no power to inspect them. The properties are nevertheless required to comply with the provisions of the Fire Precautions Act 1971, with certification as appropriate by the Home Office fire service inspectorate.

The management of each of these properties consults the London Fire Brigade on specific issues. The fire brigade undertakes joint exercises in each property and makes familiarisation visits several times a year.

Mr. Mackinlay: To ask the Secretary of State for National Heritage what action he has taken this year to safeguard visitors to the White Tower at the Tower of London and to maximise precautions against fire.

Mr. Brooke: Following the fire at Windsor in November, I set up an inquiry under Sir Alan Bailey to review fire precautions in the royal palaces, including the Tower of London.

I have asked the Master of the Armouries to write to the hon. Member about measures specific to the White Tower, for which the Royal Armouries has responsibility.

Mr. Mackinlay: To ask the Secretary of State for National Heritage what action he has taken since April 1992 to examine fire precautions and the safety of visitors at Hampton Court palace.

Mr. Brooke: Following the fire at Windsor in November, I set up an inquiry under Sir Alan Bailey to review fire precautions in the royal palaces, including Hampton Court palace.

I have asked the chief executive of the Historic Royal Palaces Agency to write to the hon. Member about measures specific to Hampton Court palace, for which the agency has responsibility.

Television Licences

Mr. Gordon Prentice: To ask the Secretary of State for National Heritage how many prosecutions took place in Pendle for television licence evasion for the latest year for which figures are available.

Mr. Brooke: Separate statistics for Pendle, which falls within the area administered by the Preston TV licensing inquiry office are not available. In 1992, there were 6,238 prosecutions for television licence evasion in the Preston TVLEO area.

Concessionary Television Licences

Mr. Cousins: To ask the Secretary of State for National Heritage what guidance was issued to local authorities and others about the change in entitlement to concessionary television licences; when the guidance was issued; and if he will place a copy of such guidance in the Library.

Mr. Brooke: No guidance was issued to local authorities at the time about the effect of the Wireless Telegraphy (Broadcast Licence Charges and Exemption) (Amendment No. 2) Regulations 1988. But the changes to the concessionary television licence scheme which these regulations introduced were explained to the House by the then Home Secretary on 18 May 1988 and a press release was issued on the same day by the Home Office.

Museums (Security Vetting)

Mr. McAllion: To ask the Secretary of State for National Heritage if he will estimate the costs of security vetting *(a)* one museums support grade member of staff and *(b)* one member of staff employed by a contract security firm; and what ongoing non-security costs are borne in relation to the latter.

Mr. Key: The security arrangements at the National Museums and Galleries are the responsibility of the trustees, who have a statutory responsibility for managing their particular institution. They may consult the security advisor at the Museums and Galleries Commission.

Television Programmes

Mr. Stephen: To ask the Secretary of State for National Heritage what action he is taking within the institutions of the European Community and the Council of Europe to prevent the transmission of violent or pornographic television programmes into British homes.

Mr. Brooke: We are exploring with the European Commission the scope for United Kingdom action under the EC broadcasting directive (89/552/EEC) against pornographic satellite channels based in another EC member state. No action is possible under the Council of Europe convention on transfrontier television as it is not yet in force. The convention, which the United Kingdom and seven other states have ratified, will come into force on 1 May 1993.

Departmental Spending

Dr. Wright: To ask the Secretary of State for National Heritage what percentage share of total departmental spending was accounted for by non-departmental public bodies in each year since 1979.

Mr. Key: The information requested is shown in the table. Figures for the years prior to 1987-88 are not available.

	Per cent.
1987-88	87·88
1988-89	85·36
1989-90	88·02

	Per cent.
1990-91	89·65
1991-92	89·40
1992-93	82·86
1993-94	81·55

Local Authority Services

Dr. Godman: To ask the Secretary of State for National Heritage, pursuant to his answer to the hon. Member for South Hams (Mr. Steen) on 10 November 1992, *Official Report*, columns *687-89*, if he will include Scottish local authorities in the examination of local provision of arts, theatres and library facilities which is being carried out by a firm of consultants; and if he will make a statement.

Mr. Brooke *[holding answer 16 March 1993]:* On libraries, the Scottish Office will be involved with the work of the steering committee overseeing the exercise. Whether any Scottish local authorities will be among the pilot projects themselves has yet to be determined. The possibility that Scottish local authorities might be included with English ones in a single consultancy study of local authority management of arts facilities is under consideration.

Dr. Godman: To ask the Secretary of State for National Heritage, pursuant to the answer to the hon. Member for South Hams (Mr. Steen) of 10 November 1992, *Official Report*, columns *687-89*, if he will make a further statement concerning *(a)* the remit of the consultants who are to examine the local authority provision of library services, arts and theatre facilities, *(b)* the choice of consultants, *(c)* the expected cost of the investigation and *(d)* when he expects to receive the final report from the said consultants.

Mr. Brooke *[holding answer 16 March 1993]:* The steering committee which will oversee the pilot projects on libraries will begin work soon. One of its first tasks will be to decide the remit of any associated consultancy work and a procedure for appointment.

Broadly, the remit for the consultants who will be undertaking the study of local authority arts facilities will be to make recommendations on how efficiency in this area of local authority management might best be improved through the introduction of increased competition. I expect to make further announcements in due course concerning both libraries and arts facilities; these will also cover the costs and timetables for consultancy work involved.

NATIONAL FINANCE

BCCI

Mr. Vaz: To ask the Chancellor of the Exchequer what discussions he has had concerning the content of the second report of the Treasury and Civil Service Select Committee, Session 1992-93, on "Banking Supervision and BCCI: The Implications of the Bingham Report".

Mr. Nelson: My right hon. Friend the Chancellor of the Exchequer has discussed the report with colleagues and officials. I have also met the hon. Member and a delegation of BCCI depositors.

Insider Dealing

Mr. Redmond: To ask the Chancellor of the Exchequer what representations he has received from the City Group of Smaller Companies in respect of changes to insider dealing in the Criminal Justice Bill [Lords]; what reply he has sent; what action he will be taking; and if he will make a statement.

Mr. Nelson: The City Group of Smaller Companies has written to the Treasury setting out some suggested amendments to the proposed insider dealing legislation contained in the Criminal Justice Bill. Representatives of the group met Treasury officials on 15 March to discuss the suggestions in greater detail.

The Government are grateful for the representations made by the group and will give them careful consideration in readiness for the Criminal Justice Bill's remaining parliamentary stages.

Trade Gap

Mr. David Nicholson: To ask the Chancellor of the Exchequer if he will make a statement on how Government policies are promoting the closing of the United Kingdom's trade gap.

Mr. Portillo: I refer my hon. Friend to the answer I gave him on 17 February 1993, *Official Report*, column *210*.

Motor Cars

Mr. Hunter: To ask the Chancellor of the Exchequer what is his assessment of the implications of the Budget statement for the United Kingdom motor car industry.

Mr. Dorrell: The Budget will benefit industry, including the motor industry, by ensuring that the recovery is sustainable. The motor industry is already playing an important part in the recovery and has benefited significantly from the abolition of car tax. Yesterday's Budget completed the switch in taxation from car purchase to car use which the Chancellor announced in his autumn statement.

Yesterday's Budget also included two proposals of particular importance to the motor industry: a clear indication of the Government's intentions on fuel taxation and a new structure for the taxation of company cars from April 1994. Both changes will provide the industry with a stable background against which to plan future investment.

IMF

Mr. Denham: To ask the Chancellor of the Exchequer if he will make a statement on the progress of the International Monetary Fund's visit to Brazil to discuss a new accord.

Mr. Nelson *[holding answer 16 March 1993]:* It is not for a United Kingdom Minister to comment on the status of negotiations between fund staff and third countries.

Companies

Mr. Nicholas Winterton: To ask the Chancellor of the Exchequer what percentage of the United Kingdom's gross domestic product is generated by *(a)* publicly quoted companies and *(b)* private companies.

Mr. Nelson *[holding answer 16 March 1993]:* The latest estimate of the proportion of the United Kingdom's gross domestic product that is generated by companies is for 1991, when it was 53·7 per cent. A split between publicly quoted and private companies is not available centrally and could be obtained only at disproportionate cost.

Mortgage Tax Relief

Mr. Alan Milburn: To ask the Chancellor of the Exchequer (1) if he will provide a table showing the number of recipients of higher rate mortgage interest tax relief for each year since 1979-80 in the United Kingdom by region;

(2) if he will provide a table showing the number of recipients of mortgage interest tax relief for each year since 1979-80 in the United Kingdom by region;

(3) what was the total value of providing higher rate mortgage interest tax relief for each year since 1979-80 in the United Kingdom by region *(a)* at current prices and *(b)* at 1979-80 prices;

(4) pursuant to his answer of 17 June 1992, *Official Report*, columns *537-38*, to the hon. Member for Angus, East (Mr. Welsh), if he will *(a)* update the table with the latest information he has available on mortgage interest tax relief and *(b)* provide the information at both 1979-80 prices and cash prices.

Mr. Dorrell *[pursuant to his answer, 25 February 1993, c. 686-88]:* I regret that three figures in the first two tables were printed incorrectly. For completeness the corrected answer is restated in full as follows:

Information for the total of mortgage interest relief is in the tables. The regional distributions for 1979-80 to 1982-83 have been derived from the relevant surveys of personal incomes. However, following the introduction of mortgage interest relief at source in April 1983, regional information cannot be extracted from Inland Revenue records. Broad estimates for the years 1983-84 to 1991-92 have accordingly been based on analyses of the family expenditure surveys for the years concerned.

Reliable estimates of the value of and the number of recipients of higher rate mortgage interest tax relief by region are not readily available and could be produced only at disproportionate cost.

Cost of mortgage interest relief[1]

£ million

	1979-80	*1980-81*	*1981-82*	*1982-83*	*1983-84*	*1984-85*	*1985-86*	*1986-87*	*1987-88*	*1988-89*	*1989-90*	*1990-91*	*1991-92*[2,3]	*1992-93*[2]
Northern	60	80	70	95	100	140	180	200	210	250	310	350	310	230
Yorkshire	110	155	150	160	210	260	340	350	360	370	460	510	450	340
North West	135	200	180	215	260	330	440	490	510	530	690	770	640	500
East Midlands	85	115	110	130	180	230	300	320	330	340	430	480	410	340
West Midlands	145	160	190	170	230	280	370	350	360	430	550	620	510	400
East Anglia	45	50	60	75	90	130	170	170	180	220	270	300	250	180
Greater London	235	280	290	260	400	500	670	620	650	780	980	1,100	710	740
Other South East	375	555	600	650	740	950	1,270	1,220	1,260	1,350	1,750	1,940	1,510	1,390
South West	110	140	170	140	230	300	400	380	400	520	660	730	570	480
England	1,300	1,735	1,820	1,900	2,440	3,120	4,140	4,100	4,260	4,790	6,100	6,800	5,360	4,600
Wales	45	65	80	80	110	150	200	210	220	180	240	270	230	190
Scotland	85	125	120	140	190	260	350	300	310	370	470	530	420	340
Northern Ireland	20	35	30	30	40	50	60	60	60	60	90	100	90	70
United Kingdom	1,450	1,960	2,050	2,150	2,780	3,580	4,750	4,670	4,850	5,400	6,900	7,700	6,100	5,200

[1] Excludes option mortgage scheme (1979-80 to 1983-84).
[2] Provisional.
[3] Higher rate relief was abolished in 1991-92.

Cost of mortgage interest relief at 1979-80 prices[1]

£ million

	1979-80	*1980-81*	*1981-82*	*1982-83*	*1983-84*	*1984-85*	*1985-86*	*1986-87*	*1987-88*	*1988-89*	*1989-90*	*1990-91*	*1991-92*[2,3]	*1992-93*[2]
Northern	60	70	50	60	60	70	100	110	110	120	150	150	120	90
Yorkshire	110	130	110	110	130	140	200	190	190	190	220	220	180	130
North West	135	170	130	140	160	180	250	260	260	270	320	340	260	190
East Midlands	85	100	80	90	110	120	170	170	170	170	200	210	160	130
West Midlands	145	140	140	110	140	150	210	190	190	220	260	270	200	150
East Anglia	45	40	40	50	60	70	100	90	90	110	130	130	100	70
Greater London	235	240	220	170	250	270	380	340	340	390	460	480	280	280
Other South East	375	470	450	430	470	510	720	660	660	680	820	850	600	530
South West	110	120	130	100	150	160	230	210	210	260	310	320	230	190
England	1,300	1,480	1,350	1,260	1,530	1,670	2,360	2,220	2,220	2,410	2,870	2,970	2,130	1,760
Wales	45	60	60	50	70	80	110	120	120	90	110	120	90	70
Scotland	85	110	90	90	120	140	200	160	160	180	220	230	170	130
Northern Ireland	20	30	20	20	20	20	40	30	30	30	40	40	40	30
United Kingdom	1,450	1,680	1,520	1,420	1,740	1,910	2,710	2,530	2,530	2,710	3,240	3,360	2,430	1,990

[1] Excludes option mortgage scheme (1979-80 to 1983-94).
[2] Provisional.
[3] Higher rate relief was abolished in 1991-92.

Number of mortgagors (thousands)[1]

	1979-80	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92[2,3]	1992-93[2]
Northern	280	280	290	310	380	390	410	420	440	520	540	550	560	560
Yorkshire	580	570	560	560	680	700	730	740	770	770	780	800	800	780
North West	730	730	720	750	900	940	970	1,000	1,040	1,110	1,140	1,160	1,180	1,130
East Midlands	380	380	420	450	560	590	610	650	680	660	670	680	690	750
West Midlands	610	540	530	510	630	660	690	730	750	860	870	890	890	870
East Anglia	190	160	180	210	260	270	280	310	320	350	360	370	370	370
Greater London	750	720	660	620	770	800	840	900	930	1,010	1,020	1,040	1,050	1,020
Other South East	1,320	1,410	1,420	1,560	1,850	1,870	1,910	1,910	1,980	1,930	1,970	2,020	2,040	2,130
South West	410	400	420	440	560	610	650	730	750	840	850	870	880	870
England	5,250	5,190	5,200	5,410	6,590	6,830	7,090	7,390	7,660	8,050	8,200	8,380	8,460	8,480
Wales	230	230	240	270	350	370	390	420	430	390	400	410	410	440
Scotland	320	340	320	360	450	480	500	520	540	640	660	670	680	700
Northern Ireland	90	100	90	90	110	120	120	120	120	120	140	140	150	180
United Kingdom	5,890	5,860	5,850	6,130	7,500	7,800	8,100	8,450	8,750	9,200	9,400	9,600	9,700	9,800

[1] Excludes option mortgage scheme (1979-80 to 1983-84).
[2] Provisional.
[3] Higher rate relief was abolished in 1991-92.

ATTORNEY-GENERAL

Sentencing

Mr. Stephen: To ask the Attorney-General if he will ensure that upon the conviction of any person of a crime to which section 36 of the Criminal Justice Act 1988 applies, written notice is given to the victim of that crime or his or her relatives that the Attorney-General has a right of appeal, with leave of the Court of Appeal, if the sentence passed for that crime is unduly lenient.

The Attorney-General: There are well-established procedures within the Crown prosecution service and other prosecuting authorities for drawing to my attention cases where a reference to the Court of Appeal under section 36 of the Criminal Justice Act 1988 might be appropriate. My power to seek leave under the Act applies to all offences triable only upon indictment. There does not appear to be any lack of public awareness of the availability of the reference procedure.

Northumberland Beagling Festival

Mr. Cousins: To ask the Attorney-General how many persons were charged with offences alleged to have been committed at the Northumberland beagling festival, Forestburngate, in September 1991; how many prosecutions were brought; and what were the results of the prosecutions.

The Attorney-General: Thirteen people were charged with offences alleged to have been committed at the national beagle festival held in Northumberland during September 1991 and all were prosecuted. The results were that four were fined and ordered to pay prosecution costs, four were bound over to keep the peace, the charges against two were dismissed after full trial and the charges against three were not ultimately proceeded with.

LORD CHANCELLOR'S DEPARTMENT

Child Abduction

Mr. Olner: To ask the Parliamentary Secretary, Lord Chancellor's Department if he will make a statement about the future of court mediation services in respect of referrals of child abduction cases.

Mr. John M. Taylor: The future role, organisation and funding of mediation services is being reviewed, within the context of divorce law reform, as part of the Government's rolling programme for the reform of family law. The Government have no immediate plans to introduce special arrangements for mediation in child abduction cases.

OVERSEAS DEVELOPMENT

Poverty Alleviation

Mr. Denham: To ask the Secretary of State for Foreign and Commonwealth Affairs what steps the World bank is taking to evaluate the effectiveness of its poverty alleviation activities; when this evaluation is expected to be concluded; and if he will make a statement.

Mr. Lennox-Boyd: I refer the hon. Member to the reply I gave to the hon. Member for Leeds, West (Mr. Battle) on 1 March, at column *21*.

Developing Countries

Mr. Denham: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the dates of forthcoming consultative group meetings for developing countries convened by the World bank or the United Nations Development Programme and the countries which will be discussed at each meeting.

Mr. Lennox-Boyd: The latest information we have on aid co-ordination meetings planned for the rest of 1993 is as follows:

March:	Laos, Philippines, Romania
April:	Senegal, Zambia, Pakistan, Bangladesh, Bulgaria, Kyrgyzstan, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua

May:	Cote d'Ivoire, Guinea, Uganda, Papua New Guinea, Egypt, Armenia, Georgia, Moldova, Mongolia
June:	Guinea Bissau, Mauritania, Tanzania, India, Indonesia, Azerbaijan, Uzbekistan, Tajikstan
July:	Sri Lanka
Autumn:	Ethiopia, Mozambique, Zimbabwe, Nepal

Dates to be determined: Nigeria, Vietnam, Lebanon, Russia, Ukraine, Bolivia.

The timing is subject to agreement in all cases with the Government concerned and slippage may occur because of unforeseen political or economic developments.

Mr. Denham: To ask the Secretary of State for Foreign and Commonwealth Affairs what actions the United Kingdom executive director of the World bank has taken to ensure that developing country non-governmental organisations are fully consulted on the environmental and social impact of World bank projects and structural adjustment loans.

Mr. Lennox-Boyd: We have consistently supported the World bank's policy of encouraging greater openness and consultation by its borrowers with local non-governmental organisations—NGOs. The bank requires prospective borrowers to make an environmental assessment, which is carried out at an early stage of project design, available to affected groups and local NGOs and to carry out meaningful consultations with them.

International Development Association

Mr. Denham: To ask the Secretary of State for Foreign and Commonwealth Affairs what evaluation his Department has made of the effectiveness of the ninth replenishment of the International Develoment Association; what were the conclusions of this evaluation; and if he will make a statement.

Mr. Lennox-Boyd: Commitments to specific projects and programmes under the ninth replenishment of IDA are still being made. Disbursements of funds to implement them will continue for some years. They will be subject to ex-post evaluation by the operations evaluation department of the World bank. I also refer the hon. Member to the reply I gave him on 24 February at column *601*.

Peru

Mr. Carrington: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on aid relations between the United Kingdom and the Government of Peru.

Mr. Lennox-Boyd: Given recent steps to restore democratic government in Peru, we have decided to resume those bilateral aid activities which were suspended in April 1992. Work will resume shortly on our offer of £3 million of programme aid and on new technical co-operation activities.

HOME DEPARTMENT

Medomsley Detention Centre

Mr. Redmond: To ask the Secretary of State for the Home Department, pursuant to his answer to the hon. Member for Durham, North-West (Ms Armstrong) of 4 March, *Official Report*, column *287*, why the former HM detention centre at Medomsley, County Durham, cannot be converted into an institution for young offenders instead of being put on the property market; and if he will make a statement.

Mr. Peter Lloyd: Medomsley is in a part of the country where there is already enough Prison Service accommodation. Resources would be required to replace dormitories with secure cells for it to meet present-day requirements. In the circumstances, its retention in the Prison Service estate cannot be justified.

Child Pornography

Mr. Ronnie Campbell: To ask the Secretary of State for the Home Department (1) what measures are being taken to prevent the production and distribution of child pornography in Britain; and if he will make a statement;

(2) what measures are being taken to prevent the flow of child pornography into Northumbria;

(3) what representations he has received on the issue of child pornography in recent months.

Mr. Jack: The Government take the problem of child pornography extremely seriously, not least because we recognise that the production of such material often involves the commission of sexual offences against children. The criminal law already contains stringent provisions directed against those who seek to profit from this abhorrent trade. Thus, it is a criminal offence under the Protection of Children Act 1978 to take, distribute, show, advertise or possess with a view to distribution any indecent photograph, film or video recording of a child under the age of 16. The maximum penalty on conviction on indictment of these offences is a prison sentence of three years, an unlimited fine, or both.

In the Criminal Justice Act 1988, the law was further strengthened by the introduction of a new offence of possessing child pornography. For this offence, the maximum penalty on summary conviction is a level 5 fine —currently £5,000. The criminal law also contains severe penalties for those convicted of the sexual abuse of children, including life imprisonment for those convicted of rape or buggery.

The deployment of police resources in Northumbria against child pornography or any other unlawful activity is an operational matter for the chief constable, in the light of his assessment of the needs of his area. At present, however, we have no reason to believe that child pornography is a greater problem in Northumbria than elsewhere in the United Kingdom.

As I indicated in my reply to my hon. Friend the Member for Castle Point (Dr. Spink) on 5 February, *Official Report*, column *350*, we are currently considering what improvements can be made in the enforcement of obscenity legislation. We have received a number of representations on this subject, including some which have been specifically concerned with child pornography, and we will announce our conclusions in due course.

Immigration Appeals

Mr. Vaz: To ask the Secretary of State for the Home Department how many appeals are outstanding at the Immigration and Nationality Department for *(a)* naturalisation, *(b)* registration, *(c)* political asylum and *(d)* general immigration casework.

Mr. Charles Wardle: There is no right of appeal under nationality legislation. The available information on immigration cases is that the asylum and special cases division has about 1,550 outstanding cases and the after-entry casework division about 2,800 outstanding cases where an appeal has been lodged and an explanatory statement is awaiting preparation. Comparable figures for appeals casework at ports of entry are not held centrally.

Entry Refusals

Mr. Vaz: To ask the Secretary of State for the Home Department how many passengers arriving in Great Britain were refused entry at each port in the last year for which figures are available.

Mr. Charles Wardle: The information requested is given in the table.

Passengers refused leave to enter the United Kingdom and removed, 1992

Number of persons

Port	*All nationalities*
Aberdeen	24
Belfast	9
Birmingham	54
Bournemouth	2
Bristol	13
Cardiff	6
Dover East	2,292
Dover Hoverport	76
Dover West	428
East Midlands	6
Edinburgh	23
Felixstowe	147
Folkstone	51
Gatwick North	1,786
Gatwich South	1,505
Glasgow	106
Harwich	512
Heathrow 1	1,001
Heathrow 2	1,700
Heathrow 3	2,711
Heathrow 4	1,397
Hull	56
Liverpool	43
Luton	29
Manchester	229
Newcastle	1
Newhaven	177
Norwich	10
Plymouth	40
Portsmouth	64
Prestwick	6
Ramsgate	54
Southampton	21
Stansted	104
Thames/Medway	212
Tyne	56
Total	14,951

John Ryan

Mr. Kilfoyle: To ask the Secretary of State for the Home Department what inquiries have been made into the death of John Ryan in Winson Green prison in 1987; and if he will make a statement.

Mr. Peter Lloyd: Immediately following John Ryan's death in the hospital unit at Birmingham prison in 1987, an inquiry was undertaken by the regional principal medical officer. In addition the senior medical officer at the prison, at the time, sent a report to the coroner.

The inquest verdict was that Mr. Ryan died from electrolyte imbalance due to water depletion and to bronchopneumonia due to lack of care.

Mr. Ryan's family sued the Department and at the Birmingham county court judgment was found against the Home Office. Negotiations are under way about the terms of a settlement with Mr. Ryan's family.

Mr. Ryan's death in custody was a matter of great regret. The inquiries carried out in 1987 resulted in a number of changes in procedures for monitoring prisoners in the hospital unit.

The director of health care services for prisoners is satisfied that the procedures which now operate at Birmingham should prevent the recurrence of such a tragedy.

Immigration Officers

Mr. Vaz: To ask the Secretary of State for the Home Department how many immigration officers are currently employed at the immigration and nationality department in each division and at each port of entry.

Mr. Charles Wardle: The number of immigration officers, chief immigration officers and immigration inspectors in post on 28 February is set out in the table.

Immigration and Nationality Department

	IO	*CIO*	*Inspector*
IS (Ports Directorate)	7	10	6
IS (Enforcement Directorate)	120	28·5	11
Personnel Management Unit	18·5	11	5
Ports of Entry			
Gatwick North	118·5	19	4
Gatwick South	161·5	26	5
Heathrow – Terminal 1	111	18·5	4
Terminal 2	189	28	5
Terminal 3	244·5	33·5	5
Terminal 4	161·5	24	4
Aberdeen	5	1	—
Belfast	6	1	—
Edinburgh	5	1	—
Glasgow	18	3	1
Prestwick	3	1	—
Hull	11	2	—
Immingham	4	—	—
Leeds/Bradford	9	2	1
Newcastle	8	1	—
North Shields	8	1	—
Stockton	5	—	—
Liverpool	9	2	—
Manchester	62	8	2
Preston	1	—	—
Birmingham	31	5	1·5
East Midlands	13	3	—
Midlands Enquiry Unit	12	3	0·5
Luton	17	3	—
Felixstowe	11	2	—
Harwich	35	8	1
Gravesend	10	—	—
Norwich	5	—	—
Southend	4	—	—
Stansted	58·5	7·5	3
London City	8	1	—
Folkestone	19	2	—
Dover East	160·5	22	7
Dover Hoverport	15	4	—
Dover West	22	3	—
Ramsgate	15	2	—
Sheerness	12	2	—
Bournemouth	4	—	—
Poole	3	—	—
Portsmouth	24	4	—
Southampton	12	2	1

	IO	CIO	Inspector
Avonmouth	5	1	—
Bristol	4	—	—
Cardiff Airport	4	—	—
Cardiff Docks	5	1	1
Plymouth	8	1	—
Swansea	2	—	7
Newhaven	16	4	—
Brize Norton	3	—	—
Total	1,678	252·5	46
Grand Total	1,823·5	302	68

Firearms

Mr. Nigel Evans: To ask the Secretary of State for the Home Department how many new firearm licences were issued in each year since 1979; and what is the total number of licences currently in force.

Mr. Charles Wardle: Statistics on the number of new firearm certificates issued since 1983 and the number in force at 31 December 1991 were published in Home Office statistical bulletin "Firearms Certificates Statistics, England and Wales, 1991"—issue 19/92. A copy of this bulletin is in the Library. Statistics on new firearm certificates issued prior to 1983 were not collected centrally.

Mr. Nigel Evans: To ask the Secretary of State for the Home Department what is the total number of firearm licences that have been withdrawn in each year since 1987.

Mr. Charles Wardle: The total number of firearm licences which were either revoked or had an application for renewal refused in England and Wales since 1987 is given in the table.

Year	Revocations	Applications for renewal refused
1987	170	276
1988	239	406
1989	224	309
1990	192	239
1991	210	173

Mr. Nigel Evans: To ask the Secretary of State for the Home Department what was the total number of unlicensed guns seized in each police authority area for each year since 1979.

Mr. Charles Wardle: This information is not collected centrally.

Castington Young Offenders Institution

Mr. Beith: To ask the Secretary of State for the Home Department how many vacant places there are at the Castington young offenders institution; and if he will make a statement.

Mr. Peter Lloyd: On Friday, 12 March 1993, there were 45 unfilled places at Castington young offender institution. The establishment has a capacity of 300 places, but this has been reduced temporarily to 240 because some staff have had to be deployed on duty elsewhere in the Prison Service estate.

Market Testing

Mr. Hall: To ask the Secretary of State for the Home Department what assessment he has made of the effect of the Transfer of Undertakings (Protection of Employment) Regulations 1981 and the EC acquired rights directive on his market testing of establishments division 5 information systems and pay services.

Mr. Kenneth Clarke: The matter is under consideration. The effect of these provisions will depend on decisions regarding the sectors of business to be subject to competitive tendering and the terms on which tenders are to be invited.

Mr. Hall: To ask the Secretary of State for the Home Department what plans he has made, in his market testing of establishment division 5 information systems and pay services (ED5) for the return of work in-house from contractors where this becomes necessary.

Mr. Kenneth Clarke: Risks will be thoroughly assessed during the market-testing process and contingency plans will be developed as appropriate.

Secure Training Units

Mr. Michael: To ask the Secretary of State for the Home Department if he will list the individuals and organisations he consulted in the process of deciding his policy of building secure training units for the 11 to 15 years age group announced on 2 March.

Mr. Jack: Before my right hon. and learned Friend made his statement on 2 March at columns 139-42, Ministers and officials considered representations and views about the problem of persistent juvenile offenders from a wide range of individuals and organisations.

Young Offenders

Mr. Burns: To ask the Secretary of State for the Home Department how many younger offenders in the Chelmsford and Mid Essex police division were *(a)* cautioned by the police and *(b)* prosecuted; of those prosecuted, how many were convicted; and what orders were made in respect of them in the last three available years.

Mr. Jack: The information readily available centrally is given in the table. The police force area is the smallest geographical unit for which information on cautioning is available centrally.

Defendants prosecuted and sentenced[2] by type of sentence or order for all offences, excluding summary motoring in Essex Police Force Area and in Petty Sessional Divisions (PSD) in Chelmsford and Mid Essex[1] 1989 to 1991

	Essex Police Force Area			PSD's in Chelmsford and Mid Essex[1]		
	1989	1990	1991	1989	1990	1991
Cautioned						
10-13	697	839	774	..	..	..
14-16	1,892	2,160	2,129	..	..	..
17-20	485	938	1,075	..	..	..
Prosecuted						
10-13	71	59	80	8	5	13
14-16	811	715	797	136	43	53
17-20	4,625	4,266	4,490	788	700	730
SENTENCED[2] BY TYPE OF SENTENCE OR ORDER						
Discharge						
10-13	20	12	23	1	—	5
14-16	172	157	168	25	8	8
17-20	434	494	585	74	81	121
Fine						
10-13	3	10	26	—	1	5
14-16	140	112	94	29	7	11
17-20	1,761	1,488	1,172	295	208	165
Community penalty[3]						
10-13	17	12	6	—	2	1
14-16	172	153	162	27	10	11
17-20	701	700	768	124	144	131
Detention in a young offender institution						
10-13	—	—	—	—	—	—
14-16	25	22	16	—	3	3
17-20	348	271	333	45	42	52
Otherwise dealt with						
10-13	2	3	2	—	—	—
14-16	21	17	16	5	2	3
17-20	101	100	79	12	14	5
All sentences or orders						
10-13	42	37	57	1	3	11
14-16	530	461	456	86	30	36
17-20	3,345	3,053	2,937	550	489	474

.. = Not available.

[1] Chelmsford, Witham (up to February 1991), Dengie and Maldon (up to February 1991), Maldon and Witham (from February 1991), Freshwell and South Hinckford, and Halstead and Hedingham.

[2] Includes persons sentenced at the Crown Court, following committal for trial or sentence by the PSD's listed in footnote[1].

[3] Attendance centre orders, community service orders, probation orders or supervision order.

Child Abduction

Mr. Olner: To ask the Secretary of State for the Home Department (1) what assessment he has made as to the adequacy of records kept in respect of prosecutions for child abduction;

(2) how many prosecutions relating to child abduction offences there have been in England and Wales in each of the last five years.

Mr. Jack: Details of prosecutions for child abduction under sections 1 and 2 of the Child Abduction Act 1984 are contained in the annual publication "Criminal Statistics England and Wales". They include both prosecutions undertaken by the Director of Public Prosecutios and prosecutions instigated by individuals. As explained in appendix 2 to "Criminal Statistics England and Wales 1991", Cm 2134, statistics about court proceedings include some in which there has been no police involvement at the prosecution stage, for example in cases where the prosecution has been brought by a private individual, but the reporting of private prosecutions is known to be incomplete.

The available information about the number of prosecutions for offences relating to child abduction under sections 1 and 2 of the Child Abduction Act 1984 for 1987 to 1991 is given in the table. 1992 data are not expected to be available until autumn 1993.

England and Wales—Offence [1]Child Abduction

	Number
1987	52
1988	56
1989	67
1990	66
1991	89

[1] Child Abduction Act, 1984, Sections 1 and 2.

Regulations

Mr. Sproat: To ask the Secretary of State for the Home Department, pursuant to his answer of 10 February, *Official Report*, column *624*, if he has now finished

compiling and checked for accuracy and consistency of definition the comprehensive, provisional list of regulations for which his Department is responsible; and when he intends to place this list in the Library.

Mr. Kenneth Clarke *[holding answer 16 March 1993]:* As I explained in my reply to my hon. Friend on 10 February, a list of regulations that impact on business has been put together by my Department. Work on this has now been completed and it is being placed in the Library.

Immigration

Mr. Madden: To ask the Secretary of State for the Home Department when the entry clearance applications of Mrs. Khadija Bibi—Ref.: IMM/78676—and her children were referred to his Department by the United Kingdom post in Islamabad; when a decision will be taken on these applications; and if he will make a statement.

Mr. Charles Wardle *[holding answer 11 March 1993]:* Mrs. Khadija Bibi and seven children were refused entry clearances by the entry clearance officer in Islamabad on 4 October 1990. They appealed against the decision. The appeal hearing was listed for 18 September 1992 but was adjourned by the immigration appellate authority. In February 1993 Mrs. Bibi's representative sent the immigration department further evidence about the relationship between Mrs. Bibi and four of the children. This has now been considered and the entry clearance officer is being authorised to issue entry clearance to these applicants.

Entry Visas

Mr. Llew Smith: To ask the Secretary of State for the Home Department on how many occasions his Department has given entry visas to the Iraqi citizens Amir Al-Saadi, Safa Al-Habobi, Sadik Taha, Raja Hassawali and Hussein Kamil since 1985.

Mr. Lennox-Boyd: I have been asked to reply.

A visa was issued to Safa Al-Habobi in 1988. There is no record of visas being issued to the others listed.

FOREIGN AND COMMONWEALTH AFFAIRS

European Armaments Agency

Sir John Hunt: To ask the Secretary of State for Foreign and Commonwealth Affairs what plans he has to associate the countries of central Europe with the European armaments agency to be established by the Western European Union; and if he will make a statement.

Mr. Garel-Jones: The Western European Union is continuing to examine the possibilities of enhanced co-operation in the field of armaments with the aim of creating a European armaments agency, in line with the declaration by WEU Heads of State and Government at Maastricht on 10 December 1991 and the declaration by the WEU Council of Ministers at the Petersberg on 19 June 1992. There has been no discussion to date of the possibility of associating the countries of central Europe with the eventual agency.

Kosovo

Sir John Hunt: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will agree to extend the UNPROFOR mission to Kosovo.

Mr. Lennox-Boyd: Decisions on the deployment of United Nations peacekeeping operations are a matter for the United Nations Security Council. There is already a CSCE mission in Kosovo whose aims are to monitor the human rights situation, promote dialogue between the communities and act as intermediary in disputes between the Serbian and local communities.

Yugoslavia

Sir John Hunt: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make it his policy to strengthen the present embargo against Serbia and Montenegro to the level recommended in recommendation 530 of the assembly of the Western European Union; and if he will make a statement.

Mr. Goodlad: We would support introduction of more rigorous sanctions against Serbia and Montenegro should the Serbs seek to block a settlement. In the meantime we are actively supporting international efforts to ensure existing sanctions are enforced more rigorously. We welcome the efforts of the Western European Union assembly to identify measures that could improve sanctions enforcement.

Sir John Hunt: To ask the Secretary of State for Foreign and Commonwealth Affairs what is his policy towards bringing to trial before the appropriate judicial bodies those responsible for war crimes committed during the present conflicts in the former Yugoslavia.

Mr. Lennox-Boyd: We fully supported the adoption of United Nations Security Council resolution 808 which decides, in principle, to establish an ad hoc war crimes tribunal to bring those accused of war crimes in the former Yugoslavia to justice.

Sir John Hunt: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make it his policy to support the imposition of sanctions against sea or air transport operators in Western European Union member states found guilty of violating the United Nations embargo against Serbia and Montenegro; and if he will make a statement.

Mr. Goodlad: It is the responsibility of each individual state to enforce sanctions within its own territory and according to its own legislation. We are determined to ensure that sanctions are enforced rigorously; there are severe penalties for those convicted of committing breaches. We have no legal powers to take punitive action against companies operating outside the United Kingdom involved in breaches of United Nations sanctions.

Sir John Hunt: To ask the Secretary of State for Foreign and Commonwealth Affairs what assistance he has offered in response to the request by Romania for help in policing the embargo against Serbia and Montenegro.

Mr. Goodlad: The United Kingdom contributes personnel and equipment to the sanctions assistance missions, now operating in a number of states including

Romania. We are also making available £100,000 in practical sanctions enforcement to help states on the Danube. This will consist of communications and other equipment for customs authorities. Earlier today my right hon. Friend the Secretary of State for Foreign and Commonwealth Affairs discussed ways to tighten enforcement with the Romanian Foreign Minister.

Child Abduction

Mr. Olner: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will seek a meeting with the Spanish ambassador regarding the position of British children abducted to Spain.

Mr. Lennox-Boyd: As Spain is signatory to both the Hague and European conventions on child abduction, cases of British children abducted to Spain are dealt with by the Lord Chancellor's Department.

Mr. Olner: To ask the Secretary of State for Foreign and Commonwealth Affairs when measures to prevent child abduction were last discussed at the level of the United Nations.

Mr. Lennox-Boyd: Article 11 of the United Nations convention on the rights of the child calls upon states to take measures to combat
"the illicit transfer and non-return of children abroad".
The convention was adopted by the General Assembly on 20 November 1989 after many years of detailed discussions.

Mr. Olner: To ask the Secretary of State for Foreign and Commonwealth Affairs what data his Department has on cases of British children being abducted and taken abroad in the last three years.

Mr. Lennox-Boyd: Cases of children abducted to countries which are signatory to either or both of the Hague and European conventions are dealt with by the Lord Chancellor's Department, which is the central authority within the United Kingdom under the conventions. No data are available in my Department on such cases.

Statistics involving children taken to non-convention countries which were brought to the attention of the Foreign and Commonwealth Office are as follows:

	Children
1990	149
1991	108
1992	98

There may have been others of which we were not made aware.

Mr. Olner: To ask the Secretary of State for Foreign and Commonwealth Affairs what discussions he has had with other Commonwealth countries on the ratification of international conventions and bilateral agreements for the return of abducted children.

Mr. Lennox-Boyd: It is our policy to encourage all countries, including Commonwealth countries, to adhere to the Hague convention. The Commonwealth Secretariat is hoping to put his subject on the agenda for the Commonwealth Law Ministers' meeting in November this year.

Mr. Olner: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will meet the National Council for Abducted Children to consider the appointment of a senior diplomat to mediate and negotiate for the return of abducted children.

Mr. Lennox-Boyd: This proposal was one of the recommendations in the report of the Parliamentary working party on child abduction, published on 9 March 1993. I wish to study the report before considering such a meeting.

Mr. Olner: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make representations to *(a)* Italy and *(b)* Greece regarding signature and ratification of the Hague convention on child abduction.

Mr. Lennox-Boyd: No. Both countries have signed the convention; Italy is in the process of ratifying; Greece has ratified but has not yet deposited instruments of ratification at the Hague.

Mr. Olner: To ask the Secretary of State for Foreign and Commonwealth Affairs what initiatives he will recommend to his European Community partners to prevent child abduction in the European Community.

Mr. Lennox-Boyd: None: the resolution on custody and abduction of children across national borders was adopted by the European Parliament in March 1984. It stated that the Council of Europe and Hague conventions were the appropriate means of protecting children and called on member states to ratify the conventions as soon as possible.

Western European Union

Sir John Hunt: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make it his policy to support the proposal in recommendation 528 of the assembly of the Western European Union to invite the central European countries to observe exercises co-ordinated by the Western European Union planning cell.

Mr. Garel-Jones: We note the suggestion made by the assembly of the Western European Union, and will consider it in due course. There is some way to go before the WEU is ready to conduct exercises.

Sir John Hunt: To ask the Secretary of State for Foreign and Commonwealth Affairs what proposals he has to ensure that an agreement between NATO and the Western European Union is so framed as to avoid duplication.

Mr. Garel-Jones: The modalities of the relationship between the Western European Union and the Atlantic alliance were set out in the declaration by WEU Heads of State and Government at Maastricht on 10 December 1991. Both NATO and the WEU have since agreed documents proposing guidelines for the practical working relations between the two organisations. The arrangements aim to ensure complementarity and transparency, not duplication, between the organisations.

Sir John Hunt: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make it his policy to support recommendation 532 of the Assembly of Western European Union on the need for member states

of the Western European Union to co-ordinate policy on export of military equipment, end-distination controls on exports of jointly-produced equipment and the requirement to notify such exports to the United Nations register of international arms transfers; and if he will make a statement.

Mr. Garel-Jones: We are already working with our Western European Union partners, in the context of European political co-operation, for greater harmonisation and information exchange in national procedures on arms exports, including licensing procedures and procedures to ensure control of end use. We intend to notify the United Nations of all imports and exports covered by the United Nations register.

Sir John Hunt: To ask the Secretary of state for Foreign and Commonwealth Affairs if he will make it his policy to support recommendation 531 of the Assembly of Western European Union for the Western European Union Council to draw up plans for military operations in Bosnia-Herzegovina.

Mr. Garel-Jones: We share the Western European Union assembly's concern at the crisis in the former Yugoslavia. We have supported WEU actions and contingency planning on Yugoslavia on the basis that it takes account of the requirements of the situation, the availability of resources, and planning in other organisations such as NATO.

Nuclear Defence

Sir John Hunt: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the adoption of a joint European position towards the American programme for global protection against limited strikes.

Mr. Garel-Jones: The new United States administration will wish to consult European allies on ballistic missile defences. NATO provides the natural forum for such discussion. The WEU may also have a role to play in defining European ballistic missile defence interests.

Palestine Liberation Organisation

Mr. Ronnie Campbell: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on Her Majesty's Government's relations with the Palestine Liberation Organisation and the Government's policy on the implementation of United Nations Security Council resolution 799.

Mr. Lennox-Boyd: On 9 March my right hon. and learned Friend the Minister of State, Foreign and Commonwealth Office met Faisal Husseini, leader of the Palestinian negotiating team in the middle east peace process and two representatives of the Palestinian Liberation Organisation. He stressed the importance of an early resumption of peace talks, and urged the Palestinians to accept the invitations to the next round. We continue to seek a solution to the deportations problem on the basis of Security Council resolution 799.

Israel

Mr. Ronnie Campbell: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on Her Majesty's Government's policy on economic sanctions against the state of Israel.

Mr. Lennox-Boyd: We do not think economic sanctions against the state of Israel would be helpful.

River Danube

Sir John Hunt: To ask the Secretary of State for Foreign and Commonwealth Affairs what offers of expertise, technical assistance or equipment have been made to the Danube riparian states to prevent the use of the River Danube in avoiding the sanctions imposed by UN Security Council resolutions 713 and 757.

Mr. Goodlad: The United Kingdom took the lead in setting up EC/CSCE sanctions assistance missions to advise the Governments on the enforcement of sanctions. The United Kingdom has contributed both personnel and equipment to these missions. They are now in place in Romania, Bulgaria, Hungary, Croatia, Ukraine and Macedonia. We have also offered £100,000 to enable states on the Danube to procure communications and other equipment for use by local customs authorities.

Arms Limitation Agreements

Sir John Hunt: To ask the Secretary of State for Foreign and Commonwealth Affairs what technical assistance is being offered to the countries of central Europe to enable them to participate in operations to verify disarmament or arms limitation agreements to which they may be party.

Mr. Garel-Jones: The joint arms control implementation group has a programme of training exchanges with verification agencies in the former Warsaw pact states and recently hosted a highly successful seminar on the practical implementation of arms control agreements. The United Kingdom is also offering places to inspectors from former Warsaw pact states on forthcoming national inspections under the treaty on conventional armed forces in Europe.

Macedonia

Sir John Hunt: To ask the Secretary of State for Foreign and Commonwealth Affairs what is his policy on the recognition of the independence of the Republic of Macedonia with a name acceptable to its population; and if he will make a statement.

Mr. Goodlad: The Edinburgh European Council decided to set aside the recognition of Macedonia to concentrate on issues that would be of practical assistance, including UN membership. The question of recognition is, therefore, still under consideration.

Greece and Turkey

Sir John Hunt: To ask the Secretary of State for Foreign and Commonwealth Affairs what efforts Her Majesty's Government have made in resolving the differences which exist between Greece and Turkey.

Mr. Garel-Jones: Where we have a direct interest in issues of difficulty between Greece and Turkey, such as Cyprus, we continue our efforts to help find a lasting solution acceptable to all sides.

Serbia and Montenegro

Sir John Hunt: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make it his policy to publish evidence of any breach of the embargo imposed against Serbia and Montenegro.

Mr. Goodlad: It would not be proper for us to publish any allegations of sanctions breaches in advance of any prosecution that may take place and indeed to do so may prejudice the chances of a successful prosecution.

The United Nations sanctions committee investigates allegations of sanctions breaches and brings them to the attention of those responsible. It is not, however, the practice of the committee to publish its discussions.

Brussels Treaty

Sir John Hunt: To ask the Secretary of State for Foreign and Commonwealth Affairs, what plans he has to refer the dispute on the expiry of the period of 50 years laid down in article XII of the modified Brussels treaty to a group of independent legal experts.

Mr. Garel-Jones: We have no plans to do so.

Overseas Missions

Mr. Steen: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his answer of 12 February, *Official Report*, column *842*, at how many missions there is more than one swimming pool; and for what reason.

Mr. Goodlad: Swimming pools are officially provided for two reasons: for the representational use of the head of post and/or for amenity use by the staff at post, especially where staff live in a compound, or where such facilities are not locally available, accessible or suitable. Of the 135 swimming pools at posts overseas, about 80 are primarily representational and about 55 primarily for amenity use.

In the 26 FCO posts at which there are two swimming pools, one in each post is solely for representational use and the other solely for amenity use by the staff at post.

Mr. Steen: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his answer of 12 February, *Official Report*, column *842*, at how many missions there is more than one tennis court; and for what reason.

Mr. Goodlad: Tennis courts are officially provided for two reasons: for the representational use of the head of post and/or for amenity use by the staff at post, especially where staff live in a compound, or where such facilities are not locally available, accessible, or suitable. Of the 81 tennis courts at posts overseas, about 24 are primarily representational and about 57 primarily for amenity use.

In the 10 FCO posts at which there are two tennis courts, one in each post is solely for representational use and the other solely for amenity use by the staff at post.

Departmental Officers (Travel)

Mr. Steen: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his answer of 2 March, *Official Report*, column *62*, of the families accompanying the nine officers in first class, how many were dependent children.

Mr. Goodlad: Included in the families accompanying the nine officers in first class were two dependent children.

Mr. Steen: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his answer of 2 March, *Official Report*, column *62*, what was the cost in the last year for which figures are available for officials and advisers travelling first class on duty journeys in the company of Ministers.

Mr. Goodlad: For the diplomatic wing, in the 12 months to 31 January 1993, the cost of first-class air travel for officials and advisers accompanying Ministers was £98,763, less rebates which the FCO will receive as part of its travel management contract.

For the overseas development wing, in the 12 months to 31 January 1993, the cost of first-class air travel for officials and advisers accompanying Ministers was £39,805, less rebates which the ODA will receive as part of its travel management contract.

Mr. Steen: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his answer of 2 March, *Official Report*, column *62*, what were the operational reasons which required 12 officers to travel first class to their posts abroad in the last year; and what was the grade of the officer who travelled first class by virtue of his grade.

Mr. Goodlad: It is policy that ambassadors and high commissioners should fly first class on first arrival at and on final departure from the country to which they are accredited. It is expected that they will have to meet high-ranking members of the host Government and that they may have to give a statement to the press immediately before or after their journeys. They should not, therefore, travel below the status expected of them. They are also usually travelling at the end of hectic periods of briefing or debriefing. These were the operational reasons in the 12 cases cited. The other officer, also being appointed as ambassador, who travelled first class by virtue of his grade, was graded at salary point 1 of the senior grade.

Mr. Steen: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his answer of 2 March, *Official Report*, column *62*, how many private secretaries and officers travelled first class in the 12 months to January.

Mr. Goodlad: For the diplomatic wing, in the 12 months to 31 January 1993, 36 private secretaries and officers travelled in first class on duty journeys overseas.

For the overseas development wing, in the 12 months to 31 January 1993, 55 private secretaries and officers travelled first class on duty journeys overseas.

WALES

Empty Properties

Mr. Wigley: To ask the Secretary of State for Wales how many houses owned by the Mid Wales Development Agency, the Welsh Development Agency and local authorities are presently standing empty; what is the amount of rent thereby lost; and what plans he has to reduce the number of empty properties.

Mr. Gwilym Jones: No dwellings owned by the Welsh Development Agency are currently vacant. The number of

vacant dwellings owned by local authorities and the Mid Wales Development Agency are given in the following table:

	Vacant dwellings
Local authorities[1]	2,034
Development board for rural Wales[2]	50

[1] At 1 April 1992.
[2] At 28 February 1993.

The rent lost by local authorities through void dwellings in the week ending 4 April 1992 was £60,000. Plans to reduce the number of local authorities' vacant dwellings are outlined in the "Agenda for Action for Housing in Wales". The document specifies a target that, for each local authority, the number of vacant dwellings should represent no more than 2 per cent. of its stock by 1993-94, and by 1996-97 it should be no higher than the figure achieved by the upper quartile of authorities in 1992-93.

Food Poisoning

Mr. Ieuan Wyn Jones: To ask the Secretary of State for Wales if he will publish figures showing the number of reported cases of *(a)* campylobacter, *(b)* salmonella, *(c)* salmonella enteritidis PT4, *(d)* listeria and *(e)* general food poisonings in Wales in both 1990 and 1991.

Mr. Gwilym Jones: The number of notifications of food poisoning in Wales in 1990 and 1991 are shown in the table. Cases of campylobacter, salmonella, salmonella enteritidis PT4 and listeria are not separately notifiable.

	Formally notified	*Ascertained by other means*
1990	2,528	495
[1]1991	2,715	670

[1] 1991 data are provisional.

Source: Office of Population Censuses and Surveys.

ReChem International Ltd.

Mr. Llew Smith: To ask the Secretary of State for Wales what representations he has received in regard to the plans by ReChem to import dioxin-contaminated wastes from Hamburg for incineration at Pontypool, Gwent; and what communications he has had with his German counterpart on the subject.

Mr. Gwilym Jones: The Welsh Office has received four letters relating to imports of waste from Germany. The German Government have been made aware of the United Kingdom's policy of self-sufficiency in final disposal for developed countries.

Heads of the Valleys Authority

Mr. Rowlands: To ask the Secretary of State for Wales whether he will list the wards in the proposed Heads of the Valleys unitary authority which have been defined by his Department as deprived.

Mr. David Hunt: The list of wards recognised as deprived for urban programme purposes which was published in Welsh Office circular No. 25/91 includes all the wards in the proposed Heads of the Valleys unitary authority.

Mental Hospitals

Mr. Wigley: To ask the Secretary of State for Wales how many mental hospital beds have been available in Wales in each year since 1985; and how many of these beds were located in old-style mental hospitals in each year.

Mr. Gwilym Jones: The requested information is given in the table.

Number of beds[1]

	All hospitals	*[2]Nine largest mental illness hospitals*
1985-86	4,804·7	4,030·9
1986-87	4,693·4	3,900·1
1987-88	4,493·0	3,641·5
1988-89	4,358·4	3,503·3
1989-90	4,144·0	3,227·7
1990-91	3,973·4	2,959·0
1991-92	3,726·8	2,700·5

[1] Average daily available in the specialties of mental illness, child and adolescent psychiatry, old age psychiatry and forensic psychiatry.
[2] The hospitals included are North Wales, St. David's (Carmarthen), Pen Y Fal, St. Cadocs, Glanrhyd, Parc, Mid Wales, Whitchurch and Cefn Coed.

Capital City Status Study (South Glamorgan)

Mr. Morgan: To ask the Secretary of State for Wales if he will make a financial contribution towards the cost of the enhanced capital city status study carried out for the South Glamorgan county council by the town and regional planning department, University of Wales, college of Cardiff.

Mr. David Hunt: No.

Public Bodies

Dr. Wright: To ask the Secretary of State for Wales how many appointments to the public bodies listed in "Public Bodies" for his Department were made from names supplied by the public appointments unit; and if he will list them.

Mr. David Hunt: This information is not held centrally and could not be identified.

Regional Assistance

Mr. Barry Jones: To ask the Secretary of State for Wales if he will set out by travel-to-work area the total amount of money received since 1984 in *(a)* regional assistance and *(b)* from the European rural development fund.

Mr. David Hunt: Information about European regional development fund allocations are not available on a travel-to-work area basis; regional assistance payments since 1984 are as follows:

Regional assistance 1984 to 1992

Travel to Work Area	*Expenditure (£000)*
Aberdare	12,227
Aberystwyth[1]	25
Bangor and Caernarfon	1,365

Travel to Work Area	Expenditure (£000)
Blaenau Gwent Abergavenny	30,602
Brecon[1]	42
Bridgend	36,805
Cardiff	28,874
Cardigan	2,746
Carmarthen[1]	645
Conwy and Colwyn[1]	550
Denbigh[1]	27
Dolgellau and Barmouth[1]	30
Fishguard	65
Haverfordwest	1,003
Holyhead	3,074
Lampeter and Aberaeron	2,307
Llandeilo[1]	43
Llandrindod Wells[1]	71
Llanelli	6,354
Merthyr and Rhymney	41,201
Monmouth[1]	125
Neath and Port Talbot	27,947
Newport	32,042
Newtown[1]	147
Pontypool and Cwmbran	19,352
Pontypridd and Rhondda	67,820
Porthmadog and Ffestiniog	586
Pwllheli	40
Shotton, Flint & Rhyl	71,422
South Pembrokeshire	2,473
Swansea	16,139
Welshpool[1]	52
Wrexham	60,371

[1] Areas which lost Assisted Area status as a result of changes to the Assisted Areas map in 1979, 1982 and 1984.

Table includes expenditure relating to regional selective assistance, regional development grant II, and regional enterprise grants.

Mr. Barry Jones: To ask the Secretary of State for Wales if he will make a statement concerning development area status in Wales.

Mr. David Hunt: The representations received about the review of assisted areas are currently being considered. The Government hope to be able to make an announcement on the outcome of the review as soon as possible.

Mr. Barry Jones: To ask the Secretary of State for Wales what has been the amount of money made available to each travel-to-work area in Clwyd under objective 2 status; and if he will make a statement.

Mr. David Hunt: The resources which have been made available to provide European regional development fund —ERDF—and European social fund—ESF—grant assistance relate to the whole of this objective 2 area and are not allocated to any specific travel-to-work area.

The funding allocations agreed with the European Community for the Clwyd objective 2 programmes are shown in the table:

£ million

Programme	ERDF funding[1]	ESF funding[1]
(a) 1989-91 Integrated Development Operational Programme	20·9	2·58
(b) 1992-93 Operational Programme	19·5	2·26

[1] Assumes an exchange rate of £1 = 1·435 ecu.

TRANSPORT

Tankers

Mr. Clifton-Brown: To ask the Secretary of State for Transport what consideration has been given to compulsory pilotage for laden oil tankers in the Minches and other sensitive waters.

Mr. Norris: Compulsory pilotage has been considered for waters such as the Minch but has not been introduced for various legal and practical reasons. It would represent an infringement of the right of innocent passage. Further, pilotage can be required only where there is a competent harbour authority and, even then, masters using a route regularly are entitled to a pilotage exemption certificate. The voluntary code recently agreed with the industry therefore concentrates on other measures to reduce risks to sensitive areas. I understand that Lord Donaldson is covering this question in the work of his inquiry.

Railway Investment

Mr. Wilson: To ask the Secretary of State for Transport if he will list all the railway investment projects which have received grant aid from the European regional development fund for each of the last 10 years; and the amount of grant received in each case.

Mr. Freeman: I have written to the hon. Gentleman and placed a copy of my reply in the Library of the House.

Mr. Wilson: To ask the Secretary of State for Transport by what criteria railway investment projects are considered for eligibility for grant aid from the European regional development fund.

Mr. Freeman: The eligibility of programmes for grant aid from the European regional development fund is determined by regulation 4254/88—EC Official Journal 374/1988. Individual investment programmes are considered against these criteria by the relevant programme committees for the areas concerned.

Mr. Wilson: To ask the Secretary of State for Transport if he will list all the current and pending railway investment projects for which applications for grant aid from the European regional development fund have been made; and the amount of grant aid being sought in each case.

Mr. Freeman: Following is a list of British Rail projects for which full or outline applications have been made for aid from the fund.

	Grant sought £
Swansea industrial access road	97,500
Pontypool road environmental improvements	18,750
Cardiff central station new public access	240,000
Machynlleth station environment improvements	128,000
Tywyn station platform extension	53,200
Cambrian lines infrastructure improvements phase II	278,200
Cambrian lines station lighting schemes	32,000
Cambrian lines level crossing modernisation	136,000
Follingsby access & drainage for industry	1,299,000
Durham & Cleveland stations environmental works	500,000
Chester station environmental improvements	521,000
Wrexham general station environmental imps	45,000
Plymouth 1 Aira depot new facilities for CT trains	1,400,000
Trafford park channel tunnel freight terminal	4,200,000

	Grant sought £
Total	8,948,650

Note: This is not an exhaustive list as some applications are still being developed.

Public Bodies

Dr. Wright: To ask the Secretary of State for Transport how many appointments to the public bodies listed in "Public Bodies" for his Department were made from names supplied by the public appointments unit; and if he will list them.

Mr. Steven Norris: A total of 12 of the appointments to the public bodies listed in "Public Bodies" for the Department of Transport were made from names supplied by the public appointments unit. These are as follows:

Body and Member
British Railways Board
Miss K. Kantor
London Transport
Mr. O. Roith
Landscape Advisory Committee
Professor M. MacKeith
Professor M. Benwell
Mr. H. Geddes
Mrs. P. Lunn
Sir H. Aubrey-Fletcher
Street Works Advisory Committee
Mr. S. W. Mustow *(Chairman)*
Mrs. M. J. Bloom
Mrs. S. May
Miss P. A. Steel
Mrs. J. Venables

My right hon. Friend also appoints lay members of the transport tribunal, although responsibility for the tribunal rests with the Lord Chancellor's Department and is listed accordingly in "Public Bodies". Such appointments made from names supplied by the unit are Mr. J. Whitworth and Mr. G. Simms.

The Department may also check with the unit whether it has additional information on names from other sources, such as professional bodies, representative organisations, chairmen, or responses to advertisements.

Dr. Wright: To ask the Secretary of State for Transport what percentage share of total departmental spending was accounted for by non-departmental public bodies in each year since 1979.

Mr. Steven Norris: Details of expenditure on non-departmental public bodies by individual departments from 1981-82 may be found in the annual publication "Public Bodies". Expenditure by the Department of Transport on NDPBs as a percentage of the Department's cash planning total since 1981-82 was as follows:

Year	Percentage
1981-82	0·2
1982-83	0·2
1983-84	0·6
1984-85	0·6
1985-86	0·7
1986-87	0·7
1987-88	0·7
1988-89	0·6
1989-90	0·3
1990-91	0·2
1991-92	0·2

Plutonium

Mr. Macdonald: To ask the Secretary of State for Transport if he will place in the Library the safety studies relating to the movement of plutonium nitrate solution from Dounreay to Sellafield via sea.

Mr. Norris: A copy is already in the Library.

Shipping (Sewage)

Ms Walley: To ask the Secretary of State for Transport, pursuant to his answer of 9 March, *Official Report*, column *474*, when he expects to be able to introduce appropriate merchant shipping legislation to give full effect to the provision for requirements for sewage systems; and when he expects these requirements to become operational.

Mr. Norris: Standards for the design and construction of ship's sewage systems are being developed in the International Maritime Organisation's ship design and equipment sub-committee with a target date for completion of 1995. Merchant shipping legislation will be introduced to give effect to international requirements as soon as they are made.

Channel Tunnel Rail Link

Mrs. Helen Jackson: To ask the Secretary of State for Transport what is the current estimated cost of *(a)* the King's Cross terminal development and *(b)* the crossrail link line.

Mr. Freeman: The estimates that we have indicate that the cost of the King's Cross terminal would be of the order of £1.4 billion and the crossrail project of the order of £1.7 billion.

Sir Keith Speed: To ask the Secretary of State for Transport what proportion of funding for the channel tunnel rail link construction he is planning should come from the private sector.

Mr. Freeman: It is too early to say. The Government are committed to taking the project forward as a joint venture, and we shall now discuss the proposals with the private sector.

Swanage Railway

Mr. Ian Bruce: To ask the Secretary of State for Transport what decision his Department has made on the application for a light railway order on the Swanage railway.

Mr. Freeman: Following a local public inquiry and consideration of the inspector's report, I have today determined that this order should be made. I shall be sending my hon. Friend a copy of the decision letter and the inspector's report for information.

Heathrow Airport

Mr. Luff: To ask the Secretary of State for Transport what additions or improvements to the motorway system will be needed to cater for traffic using the proposed fifth terminal at Heathrow.

Mr. MacGregor: A number of schemes to improve the M25 and M4 in the vicinity of Heathrow are already in the national road programme and these will be needed whether or not a fifth terminal is to be built at Heathrow. In addition road access to the proposed fifth terminal would require a dedicated spur from the M25, and widening and junction improvements on the M4 between its junction 3 and the M25. I am adding schemes for these improvements to the programme so that the details of the road and traffic implications of a new terminal at Heathrow can be developed and considered alongside the planning application. I must stress that most of these further improvements will be needed only if the proposal for terminal 5 receives consent. We have reached agreement with the British Airports Authority on appropriate funding arrangements.

Motorways

Mr. James Hill: To ask the Secretary of State for Transport when he now expects the M3 extension between Bar End and Compton to be completed.

Mr. Kenneth Carlisle: The M3 motorway between Bar End and Compton is expected to be completed in autumn 1994.

Mr. James Hill: To ask the Secretary of State for Transport what consideration his Department is giving to the upgrading of the M27 at Chilworth into a four-lane motorway; and on what time scale.

Mr. Kenneth Carlisle: There is a scheme in the road programme for widening the motorway between junctions 4 and 12. The next stage would be to conduct a fee competition for the engineering consultancy. No date has yet been fixed for this.

Hazchem Warning System

Ms Walley: To ask the Secretary of State for Transport what progress has been made on incorporationg the hazchem warning system into proposed European legislation; and if he will make a statement.

Mr. Kenneth Carlisle: My Department is working closely with the Home Office to promote the benefits of Hazchem's emergency action codes in Europe with a view to incorporating them in the United Nations road transport agreement, ADR, which is likely to form the basis of future European Commission proposals concerning the transport of dangerous goods. An ADR working group will meet at the United Kingdom fire service college in mid-April to consider our proposals.

Channel Tunnel Rail Link

Mr. William O'Brien: To ask the Secretary of State for Transport (1) if it remains his policy that the rail link between 16 northern regions and the channel tunnel should be via King's Cross; and if he will make a statement;

(2) if he will publish the latest information available to his Department on plans for the British Rail high-speed rail link through London.

Mr. Freeman: I refer the hon. Member to my right hon. Friend the Chancellor of the Exchequer's statement to the House on 16 March, column 194. My right hon. Friend the Secretary of State will make a full statement very soon.

SOCIAL SECURITY

Child Support Agency

Mr. Hall: To ask the Secretary of State for Social Security what assessment he has made of the effect of the work of the Child Support Agency on the work of the courts in Warrington South.

Mr. Burt: Implementation of the Child Support Act will mean that assessment, collection and enforcement of child maintenance in the majority of cases will be for the Child Support Agency and not for the courts. However, the courts will retain responsibility in certain areas, such as the arrangement of spousal maintenance, in handling property settlements, and in matters deciding contact with children.

The Child Support Agency will not be fully operational until 1997. Offsetting the transfer of functions from the courts during the period to 1997 will be additional work involving the variation of existing court orders.

An assessment of the impact on the work of the courts in Warrington, South is not separately available.

Unemployed Claimants

Mr. Knox: To ask the Secretary of State for Social Security if he will update the figures in table 5.10 of "Social Trends 1992," showing the percentages of unemployed claimants in 1991 receiving *(a)* unemployment benefit only, *(b)* unemployment benefit plus supplementary benefit and/or income support and *(c)* neither.

Mr. Burt: The information in the form requested for both 1991 and 1992 is in the table.

Unemployed male claimants receiving each benefit (percentage)	*November 1991 (per cent.)*	*November 1992 (per cent.)*
Unemployment Benefit only	20·0	17·8
Unemployment Benefit and Income Support	6·1	5·2
Income Support only	62·5	64·8
Neither Unemployment Benefit or Income Support	11·4	12·2
Total unemployed claimants (= 100 per cent.) (thousands)	1,773	2,073
Unemployed female claimants receiving each benefit (percentage)		
Unemployment Benefit only	28·4	26·7
Unemployment Benefit and Income Support	2·1	2·1
Income Support only	51·3	52·3
Neither Unemployment Benefit or Income Support	18·2	18·9
Total unemployed claimants (= 100 per cent.) (thousands)	540	614

Note:
Figures are for Great Britain.
Source: Quarterly Analysis of Unemployed Claimants.

Local Offices

Dr. Godman: To ask the Secretary of State for Social Security what plans he has to increase the number of those employed in the Benefits Agency offices in Greenock and Port Glasgow; and if he will make a statement.

Mr. Burt: The administration of the Benefits Agency is a matter for Mr. Michael Bichard, the chief executive. He will reply to the hon. Member with such information as is available and a copy will be placed in the Library.

Letter from Michael Bichard to Dr. Norman Godman, dated 15 March 1993:

As Chief Executive of the Benefits Agency, it is my responsibility to answer questions about relevant operational matters. I am therefore replying to your recent Parliamentary Question to the Secretary of State for Social Security asking what plans he has to increase the number of those employed in the Benefits Agency offices in Greenock and Port Glasgow.

Resource allocations for the next financial year for Greenock and Port Glasgow, which form the district of Clyde Coast and Cowal, have not been decided and so it is not yet possible to indicate whether staffing levels are likely to increase in these offices. It may prove helpful if I outline the timetable for allocating resources and give a broad indication of when the information you have asked for will be available.

Indicative allocations were issued to District Managers and Area Directors in February and final allocations will be made before the end of March. Part of all districts' allocations are made to Area Directors who are responsible for agreeing with District Managers how these resources should be distributed. Decisions will be made during April/May on the Area Director's allocation to districts. It will then be for District Managers to decide on staffing levels for the different offices within their district.

The level of resources allocated to districts is subject to continuous review throughout the year as workloads or other factors change. This can result in adjustments being made to staffing levels after initial allocations have been agreed.

I have asked the manager of Clyde Coast and Cowal district to write to you with planned staffing levels, for the next financial year, as soon as decisions have been reached.

I hope you find this reply helpful. A copy of this letter will appear in the *Official Report* and a copy will also appear in the Library.

Family Size

Mr. Knox: To ask the Secretary of State for Social Security if he will publish the latest figures available showing families with four or more children *(a)* as a percentage of all families with children and *(b)* as a percentage of unemployed families with children.

Mr. McLoughlin: I have been asked to reply.

Information for Great Britain from the summer (June to August) 1992 "Labour Force Survey" shows that;

(a) 5 per cent. of all one plus child families included four or more children;

(b) 10 per cent. of heads of one plus child families who were unemployed on the ILO definition had four or more children in their family.

Note: Children are only included if aged under 17 or aged 17 or 18 in full-time education.

DUCHY OF LANCASTER

Lay Adjudicator Scheme

Dr. Wright: To ask the Chancellor of the Duchy of Lancaster what is the present status of the lay adjudicator scheme outlined in the citizens charter White Paper.

Mr. Waldegrave: Having considered how the lay adjudicator scheme might work in practice, the Government have decided that the first step must be to make sure that public services' own complaints systems are effective and operate in line with citizens charter principles. As announced in the "Citizen's Charter First Report: 1992" (Cm 2101), this will be achieved through two initiatives. One is Charterline, a telephone helpline to provide information about the citizens charter and individual charters; and about whom to contact for more information about public services or to make a complaint. Charterline will be piloted in May 1993 in the east midlands.

The second is a review of public service complaints systems by a review team of people with relevant experience and expertise drawn from a variety of backgrounds. The team will encourage public services to operate in line with citizens charter principles and will offer advice on setting up and improving complaints systems. The team will operate for a period of two years, at the end of which it will recommend any further measures that may be needed to address the issues identified in the citizens charter White Paper (Cm 1599).

Work is in hand on the setting up of the team and I hope to make a formal announcement before the end of the month.

ENVIRONMENT

Environmental Protection

Mr. Henderson: To ask the Secretary of State for the Environment what are the amounts of central Government support for local authorities under his Department's environmental protection programme for each of the last five years for each standard region of England and in total.

Mr. Maclean: The information is not held in the form requested. I will write to the hon. Member.

Animal Imports

Mr. Llwyd: To ask the Secretary of State for the Environment if he will make representations to his EC colleagues for the amendment of CITES to secure improved enforcement of provisions under article 111 relating to the import of animals for use by souvenir photographers.

Mr. Maclean: Application of article III of CITES is already mandatory throughout the European Community under the provisions of EC Council regulation 3626/82. I shall be happy to investigate, or to pass to the European Commission or CITES secretariat, as appropriate, any evidence of failure to implement or enforce the convention.

Water Abstraction Charges

Mr. Llew Smith: To ask the Secretary of State for the Environment if he will make a statement on the forthcoming changes in water abstraction charges.

Mr. Maclean: I have recently approved the National Rivers Authority's new national abstraction charging scheme for 1993-94.

The adoption of the new scheme does not affect the amount to be raised within each region. The national

average increase in bills is some 1·7 per cent., but the increase varies between regions according to the need for spending on water resource management and movements in balances.

Zoo Licensing Act 1981

Mr. Llwyd: To ask the Secretary of State for the Environment what plans he has to review the implementation of the Zoo Licensing Act 1981.

Mr. Maclean: None at present.

Drinking Water

Mr. Cousins: To ask the Secretary of State for the Environment what are the current regulations about the content of lead in drinking water in force in the United Kingdom; and what assessment he has made of the effect on them of World Health Organisation guidelines.

Mr. Maclean: The Water Supply (Water Quality) Regulations 1989 prescribe a maximum concentration at the point where water is supplied by the undertaker of 50 micrograms of lead per litre of water in any sample of drinking water. This is more stringent than the requirements of the EC drinking water directive. We are considering whether any changes are needed in the light of the revised guidelines which the World Health Organisation is expected to publish later in the year.

House Prices, Warrington

Mr. Hall: To ask the Secretary of State for the Environment what was the average price of houses in Warrington, South in each year since 1984-85.

Mr. Baldry: Information on dwelling prices at regional level is published in "*Housing and Construction Statistics*", but figures are not available at constituency level.

Landfill Sites

Mr. Llew Smith: To ask the Secretary of State for the Environment if he will make a statement on progress made in meeting the targets set in the EC framework waste directive to establish the licensing of landfill sites by 1 April.

Mr. Maclean: The licensing of waste landfill sites is already required under part I of the Control of Pollution Act 1974. These will be replaced by new waste licensing provisions under part II of the Environmental Protection Act 1990, which I now propose to bring into force on 1 June this year. Some further amendments to United Kingdom legislation will also be required to implement the directive in full and appropriate regulations will be laid in due course, after relevant interests have been consulted.

Toxic Emissions

Mr. Loyden: To ask the Secretary of State for the Environment what new initiatives he has taken to reduce the effects of toxic emissions and pollution by petrochemical industries on Merseyside.

Mr. Maclean: Under part I of the Environmental Protection Act 1990, prescribed processes require authorisation by Her Majesty's inspectorate of pollution, and chemical plants fall into this category. In granting authorisation, the enforcing authority must seek to ensure that the best available techniques not entailing excessive cost, are employed to prevent or minimise the release of any substance prescribed for any medium.

HMIP has prepared guidance, in the form of process guidance notes for inspectors, on the standards to be applied to the processes it controls. The first nine notes in the chemicals sector which cover organic chemical processes were published on 27 January in preparation for the processes coming under integrated pollution control from 1 May 1993. These notes are publicly available for the benefit of operators and other interested parties. Further guidance notes for the chemicals sector will be published during 1993.

Copies of the guidance notes have been placed in the Library.

Food Availability

Mrs. Wise: To ask the Secretary of State for the Environment what studies he has made of the effect of the loss of local fresh food shops and the growth of out-of-town superstores on food availability and prices for non-car owners.

Mr. Baldry: None. But more general research led to the report "The Effects of Major Out-of-Town Retail Development", published by HMSO last year. That research informed the draft revised planning policy guidance note 6 "Town Centres and Retail Development" which we published for public consultation last October.

Ozone Levels

Mr. Alfred Morris: To ask the Secretary of State for the Environment what have been the levels of high-level ozone over the United Kingdom for the last three dates for which figures have been recorded; and what were the figures for equivalent dates in each of the last 10 years.

Mr. Maclean: The most recent three days for which total column ozone measurements are available from Lerwick, Scotland and Camborne, Cornwall are 13, 14 and 15 March. The measurements, together with measurements on the same dates for the past 10 years are as follows:

Dobson Spectrophotometer Ozone Measurement in Dobson Units (DU)

	Lerwick, Scotland			*Camborne, Cornwall*		
	13 March	*14 March*	*15 March*	*13 March*	*14 March*	*15 March*
1993	330	360	342	331	324	
1992	360	330	303	447	440	331
1991	350	339				336
1990	337	334	313	328		393
1989	385	321	352	433	502	475
1988	391	392	357	456	464	444
1987	403		385	360		387
1986	359	341	316	342	375	314
1985	358	409	427			
1984	378	370	414	391	360	373
1983	322	353	345	506	457	408

Blanks in the table indicate where measurements could not be made, due to certain conditions of wind, rain and cloud. Data for 1990-1993 are provisional pending final calibration in the summer.

Residential Property (Businesses)

Mr. William O'Brien: To ask the Secretary of State for the Environment (1) what guidance he issues on the car parking provisions which should be provided by planning authorities when considering planning applications for the operation of a taxi business from a residential property; and if he will make a statement;

(2) if he will consider giving further guidelines in planning policy guidance 4 to the hours that any business may be conducted from a terraced house when the neighbouring properties are occupied as domestic living quarters; and if he will make a statement;

(3) if he will give further consideration to improving the guidelines in planning policy guidance 4 concerning the establishing of taxi businesses from terraced houses; and if he will make a statement.

Mr. Baldry: The revised planning policy guidance note No. 4 "Industrial and Commercial Development and Small Firms" was published in November 1992. It explains that planning permission will normally be required for any use of a dwelling house for business purposes which changes materially the overall character of the property's use as a dwelling house. Such a change may be indicated where the non-residential use generates visitors, traffic, noise or fumes over and above what might be expected if the property were in use as a single dwelling without any ancillary use.

It is for local planning authorities to decide whether the use of residential properties for business purposes is appropriate and acceptable development given the circumstances of each case, or whether such uses could be made acceptable by the imposition of conditions, such as those limiting working hours. The provision of adequate car-parking facilities can be material in deciding individual applications for planning permission. Guidance on the reasonableness of car-parking requirements is given in appendix D of planning policy guidance note No. 13.

Plant and Machinery (Rating)

Mr. David Evans: To ask the Secretary of State for the Environment if he will publish the report of the expert advisory committee chaired by Mr. Derek Wood QC which has reviewed the rating of plant and machinery.

Mr. Redwood: The Secretary of State has, together with my right hon. Friends the Secretaries of State for Scotland, Wales and Northern Ireland, published the Wood committee report as a command paper and placed copies in the Library of the House. We are grateful to the chairman and members of the Committee for the thorough way in which they have investigated the rating of plant and machinery. They invited written evidence from a wide range of interested bodies and business ratepayers and received responses from 71 of them, some of whom also gave oral evidence. Members of the Committee also undertook a series of visits to different types of industrial plants.

The report is the first comprehensive review of the subject to be undertaken for over 30 years. The recommendations deal with how the rating of plant and machinery can be made more consistent with the rating valuation hypothesis and on the means to achieve harmonisation of the rating of plant and machinery throughout the United Kingdom. Specific recommendations remove anomalies and delete obsolete and tautologous references in the current rules. The report also suggests that valuations of plant and machinery using the contractor's basis should employ the unit cost method currently adopted in England, Wales and Northern Ireland.

The Government would welcome views on the report by 12 May before considering the extent to which its conclusions should be implemented for the 1995 revaluation of non-domestic property. In due course, we will undertake full consultation on the necessary implementing legislation.

Environmental Assessment

Mr. Peter Atkinson: To ask the Secretary of State for the Environment when the consultation paper reviewing permitted development rights granted in the Town and Country General Development Order 1988 in relation to environmental assessment will be issued; and if he will make a statement.

Sir George Young: I am pleased to announce the issue of the consultation paper today. It endorses the Government's commitment to ensuring that all projects which could have significant effects are thoroughly assessed before being allowed to go forward. The consultation paper invites comments on proposals to withdraw permitted development rights for projects listed in schedule 2 to the Town and Country Planning (Assessment of Environmental Effects) Regulations 1988 where they are likely to have such effects.

The consultation paper will also invite views on the Government's intention to withdraw permitted development rights where a proposed development is likely to have a significant effect on a special protection area designated under the birds directive (EC directive 79/409), or a special area of conservation designated under the habitats directive (EC directive 92/43).

Housing Associations

Mr. Sims: To ask the Secretary of State for the Environment what assistance he proposes to offer to housing associations in the transition to community care; and if he will make a statement.

Sir George Young: Overall responsibility for policy on community care and monitoring its detailed implementation at local level rests with the Department of Health. Recognising the role housing associations can play in community care, I am asking the Housing Corporation to relax its rules so that, as a transitional measure in 1993-94, housing associations will continue to be eligible for special needs management allowance support for people placed in residential homes by local authorities.

I am aware that particular concern has been expressed about the future of care homes for those with an unsettled lifestyle, which may include people who misuse alcohol and drugs and people who are mentally ill. I am therefore asking the Housing Corporation to liaise closely with housing associations operating schemes for such people.

Waste Management

Mr. Congdon: To ask the Secretary of State for the Environment what plans he has to implement the waste management licensing system under part II of the Environmental Protection Act 1990; and if he will make a statement.

Mr. Maclean: Since August 1992 the Government have been consulting on the measures needed to implement the enhanced system of waste management licensing under part II of the Environmental Protection Act 1990. These consultations have been complex and detailed because of the need to strike the right balance between regulations, exemptions from licensing and guidance; the need to take account of European Community measures dealing with waste management; and the need to keep the burden of regulation to a minimum consistent with achieving our environmental protection objectives.

Given the range and weight of the comments raised, it has not been possible to conclude considering them by the Government's previous target date for implementation of licensing of 1 April 1993. I therefore propose to bring the waste management licensing system into force on 1 June 1993; regulations will be laid before the House in good time before then.

Sellafield

Mr. Beggs: To ask the Secretary of State for the Environment what emergency plans there are for Northern Ireland following an accident at the Sellafield reprocessing plant.

Mr. Atkins: I have been asked to reply.

The operators of the Sellafield plant, as with all operators of nuclear installations, are required as a condition of their site licence, to prepare emergency plans which are subject to approval by the Health and Safety Executive's nuclear installations inspectorate. These plans include a detailed planning zone around each installation and in the case of Sellafied this is 2 km. The boundary of this zone is defined in relation to the accident with the greatest off-site consequences which can reasonably be predicted given the design of the plant, its protective systems and operating limits. These plans also form the basis for an extended response in the very unlikely event that a more severe accident should occur. In the unlikely event of an accident at Sellafield the emergency arrangements detailed in existing plans would be invoked to respond to any off-site consequences. The response would be handled locally and, under existing arrangements, the Department of the Environment for Northern Ireland would be notified.

Well-established procedures for dealing with nuclear emergencies were put in place following the Chernobyl accident in 1986. Northern Ireland is included in the radioactive incident monitoring response network established under the national response for the United Kingdom.

Benzene

Mr. Hall: To ask the Secretary of State for the Environment what is the benzene content of *(a)* standard unleaded motor fuel and *(b)* super unleaded motor spirit; and at what stage additional benzene is added to *(a)* or *(b)*.

Mr. Kenneth Carlisle: As the question falls to the Department of Transport, I have been asked to reply. There is no correlation between benzene content and the grade of petrol. The benzene content of leaded, unleaded and super unleaded petrol is controlled in each case at a maximum of 5 per cent. by volume under EC Directive 85/210. Market surveys show that, in practice, petrol typically contains 2 to 4 per cent. of benzene by volume. Within the European Community the limit of 5 per cent. is being reviewed. Benzene is not added to petrol at any stage during refining, but is produced during the process called reforming, which is used to make high-octane petrol.

HOUSE OF COMMONS

Rabbit Phone Points

Mr. Mackinlay: To ask the Chairman of the Administration Committee if Rabbit phone points will be installed on the parliamentary estate.

Mr. Michael J. Martin: I shall arrange for this matter to be considered by the Administration Committee.

Terrace Refreshment Points

Mr. Mackinlay: To ask the Chairman of the Catering Committee what discussions have taken place with the City of Westminster planning authorities about the demountable refreshment points reconstructed each year on the terrace of the Palace of Westminster.

Mr. Colin Shepherd: None.

Fire Brigade Inspections

Mr. Mackinlay: To ask the Chairman of the Accommodation and Works Committee if he will make a statement on the powers of the London Fire Brigade to inspect the Palace of Westminster; when the last inspection was; and if he will place a copy of the report in the Library.

Mr. Ray Powell: The London Fire Brigade has no powers to inspect the Palace of Westminster, nor has it done so. It is, however, invited to the Palace to carry out periodic familiarisation visits and training. The latest of these visits took place on 19 January. Responsibility for fire safety lies with the Crown premises inspection group of the Home Office fire inspectorate, which maintains close contact with the fire safety manager of the Parliamentary Works Directorate.

Lloyd's

Mr. Viggers: To ask the Chairman of the Administration Committee if he has considered an application for an exhibition relating to Lloyd's, "The Heart of the London Market", to be displayed in the Upper Waiting Hall.

Mr. Michael J. Martin: I understand that, under procedures agreed by the Administration Committee, arrangements have been made for the exhibition to be held in the Upper Waiting Hall from 4 to 11 May 1993.

Worldwide Engineering

Dr. Michael Clark: To ask the Chairman of the Administration Committee if he has considered an application for an exhibition relating to worldwide engineering to be displayed in the Upper Waiting Hall.

Mr. Michael J. Martin: I understand that, under procedures agreed by the Administration Committee, arrangements have been made for the exhibition to be held in the Upper Waiting Hall from 10 to 17 May 1993.

Environmental Engineering

Mr. Shersby: To ask the Chairman of the Administration Committee if he has considered an application for an exhibition relating to environmental engineering to be displayed in the Upper Waiting Hall.

Mr. Michael J. Martin: I understand that, under procedures agreed by the Administration Committee, arrangements have been made for the exhibition to be held in the Upper Waiting Hall from 21 to 28 June 1993.

SCOTLAND

999 Calls, Dunbar

Mr. Home Robertson: To ask the Secretary of State for Scotland what is the average time taken between a 999 telephone call from the Dunbar area and the arrival of the patient by ambulance at the accident and emergency department at the Royal infirmary in Edinburgh.

Mr. Stewart: We estimate that on receipt of a 999 call it takes three minutes to activate an ambulance and 13 minutes to travel to the scene. This compares favourably with the national target response time of 18 minutes. Ambulance crews usually spend about 10 minutes at the scene and the average journey time from Dunbar to the accident and emergency department at Edinburgh royal infirmary is 39 minutes. The average total time taken is therefore 1 hour 5 minutes.

Community Care

Mrs. Fyfe: To ask the Secretary of State for Scotland what advice has been given to primary care and hospital staff about the joint discharge arrangements between social work departments and health boards.

Mr. Stewart: The management executive of the national health service in Scotland is in the process of producing a guide on the principles of good practice on discharge procedures in hospital. A small multi-disciplinary team has prepared this guidance in a form in which it can be used through the service. The aim is to publish the guidance by week commencing 22 March and for it to be widely distributed to health boards and social work departments.

Committee of the Regions

Dr. Godman: To ask the Secretary of State for Scotland what discussions he has held with the Scottish National party concerning the number of Scottish representatives in the United Kingdom delegation to the Committee of the Regions; what undertakings he has offered in relation to separate party political affiliation in its Scottish representation; what criteria he intends to employ in the selection of such representation; and if he will make a statement.

Mr. Stewart: My right hon. Friend has listened with interest to the views expressed by the Opposition parties about Scotland's representation on the Committee of the Regions, including the question of how best to ensure that such representation reflects the diversity of Scottish political opinion.

Community Hospitals

Mr. Welsh: To ask the Secretary of State for Scotland what finance and other resources are made available to general practitioner-run community hospitals by hospital in each health board.

Mr. Stewart *[holding answer 4 March 1993]:* The information is not held centrally.

Rule 43 Prisoners

Mr. Hood: To ask the Secretary of State for Scotland how many *(a)* men and *(b)* women were on rule 43 in Scottish prisons in each of the last five years.

Lord James Douglas-Hamilton *[holding answer 2 March 1993]:* The rule 43 referred to is used only in prisons in England and Wales. The nearest equivalent rule in Scottish prisons is rule 36 of the Prisons (Scotland) Rules 1952. The information is not recorded in the form requested. However, as at 2 March 1993 there were 19 male prisoners and one female prisoner held under the conditions of rule 36.

Pupils' Faiths

Lady Olga Maitland: To ask the Secretary of State for Scotland if he will give a breakdown by region of the faith allegiance of pupils in maintained schools and the percentage of pupils not educated in the maintained sector.

Lord James Douglas-Hamilton *[holding answer 10 March 1993]:* Regional figures on the religious affiliation of pupils in education authority schools in Scotland are not judged to be sufficiently reliable for publication because of substantial survey non-response. I will write separately to my hon. Friend on this matter.

Shetland Oil Spillage

Mr. Norman Hogg: To ask the Secretary of State for Scotland how and when the results of early monitoring undertaken to assess the immediate impacts of the oil spillage in the Shetland Islands on fish and shellfish will be made available.

Sir Hector Monro *[holding answer 5 March 1993]:* Detailed weekly bulletins are being issued to fishing interests and others giving the results of monitoring in the waters around Shetland following the oil spill.

Forestry Commission

Mr. Morley: To ask the Secretary of State for Scotland if he will list by county the names of and size of all Forestry Commission holdings.

Sir Hector Monro *[holding answer 10 March 1993]:* The area of land currently managed by the Forestry Commission in each county or region is given in the table. The names and size of each individual Forestry Commission holding could be provided only at disproportionate cost.

County or Region	*Area (hectares)*
England	
Avon	352
Bedfordshire	821

County or Region	Area (hectares)
Berkshire	517
Buckinghamshire	2,038
Cambridgeshire	682
Cheshire	950
Cleveland	493
Cornwall	3,378
Cumbria	26,508
Derbyshire	3,323
Devon	10,182
Dorset	7,042
Durham	3,340
East Sussex	2,965
Essex	797
Gloucestershire	10,405
Hampshire	34,311
Hereford and Worcester	5,052
Hertfordshire	621
Humberside	360
Isle of Wight	1,531
Kent	3,639
Lancashire	1,819
Leicestershire	669
Lincolnshire	5,634
Norfolk	14,325
Northamptonshire	4,097
Northumberland	59,336
North Yorkshire	23,058
Nottinghamshire	5,644
Oxfordshire	632
Shropshire	4,699
Somerset	4,455
South Yorkshire	1,154
Staffordshire	4,495
Suffolk	9,823
Surrey	1,636
Tyne and Wear	732
Warwickshire	639
West Midlands	84
West Sussex	4,021
West Yorkshire	112
Wiltshire	3,922
Scotland	
Borders	30,862
Central	29,861
Dumfries and Galloway	101,071
Fife	4,866
Grampian	62,031
Highland	244,164
Lothian	1,635
Orkney and Shetland	9
Strathclyde	193,339
Tayside	40,403
Western Isles	867
Wales	
Clwyd	9,560
Dyfed	31,628
Gwent	8,897
Gwynedd	28,144
Mid Glamorgan	13,663
Powys	31,354
South Glamorgan	518
West Glamorgan	14,534

Secure Units

Dr. Godman: To ask the Secretary of State for Scotland (1) how much capital money has *(a)* been made available and *(b)* spent on the provision of secure units for young people in each of the past five years; and if he will make a statement;

(2) how much capital money has *(a)* been made available and *(b)* allocated for the provision of secure units in 1992-93; and if he will publish a list of the institutions concerned and the amount of money allocated in each instance.

Mr. Stewart *[holding answer 15 March 1993]:* My right hon. Friend is empowered under the Social Work (Scotland) Act 1968 to pay capital grants to local authorities and voluntary organisations for provision of secure accommodation, taking account of the need for such accommodation over Scotland. Grants made available and spent on the provision of secure accommodation for young people in each of the last five years are given in the table.

	Budget allocation £	Actual expenditure £	
1987-88			
Voluntary sector	350,000	71,500	Rossie School
		165,000	St. Mary's School
		237,000	
1988-89			
Voluntary sector	69,000	69,770	Rossie
1989-90			
Voluntary sector	73,000	36,600	Rossie
		21,200	St. Mary's
		57,800	
1990-91			
Voluntary sector	77,000	41,300	Rossie
		37,100	St. Mary's
		78,400	
Local authorities	400,000	63,000	Brodie Unit (Central)
1991-92			
Voluntary sector	79,000	59,100	Rossie
		60,100	St. Mary's

	Budget allocation £	Actual expenditure £	
		119,200	
Local authorities	500,000	—	
1992-93			
Voluntary sector	181,000	[1]67,400	Rossie
		[1]113,600	St. Mary's
Local authorities	150,000	[1]140,000	Howdenhall Centre (Lothian)

[1] Estimate.

Caledonian MacBrayne

Dr. Godman: To ask the Secretary of State for Scotland what grant in aid has been provided in each of the past 10 years by way of *(a)* the Scottish Office and *(b)* the European Community (i) for the maintenance of the Caledonian MacBrayne passenger ferry fleet and (ii) to provide assistance in relation to the purchase of replacement vessels.

Lord James Douglas-Hamilton *[holding answer 16 March 1993]:* The operating deficit which Caledonian MacBrayne incurs in providing a network of approved services is funded by the Scottish Office by means of an annual revenue deficit grant. CalMac has not to date received central Government grant towards the cost of new vessels although the company has received assistance from the European regional development fund for this purpose. The information requested is set out in the table:

	Revenue deficit grant £ million		ERDF grant £
1983-84	6·650	1984	2,280,000
1984-85	6·987	1985	850,000
1985-86	7·500	1986	425,000
1986-87	7·400	1987	6,270,500
1987-88	6·900	—	—
1988-89	6·540	—	—
1989-90	6·280	—	—
1990-91	5·722	—	—
1991-92	5·800	—	—
1992-93	6·050	—	—

Dysentery

Mr. Chisholm: To ask the Secretary of State for Scotland how many instances of dysentery have been reported in Scotland in each year since 1988.

Mr. Stewart *[holding answer 8 March 1993]:* The number of cases of bacillary dysentery notified in Scotland since 1988 is as follows:

Year	Notifications
1988	196
1989	154
1990	235
1991	1,526
1992	[1]3,506

[1] Provisional.

Supervisory Orders

Mr. Darling: To ask the Secretary of State for Scotland what is his estimate of the cost of operating a supervisory order made by a court in Scotland.

Mr. Stewart *[holding answer 15 March 1993]:* Under the 100 per cent. funding arrangements the average cost of providing a community service order which involves supervised work in the community was approximately £1,150 for 1991. This is the most recent year for which information is available. Similar figures are not yet available for the cost of a supervised attendance order.

EDUCATION

Animal Schemes

Mr. Llwyd: To ask the Secretary of State for Education if he will make it his policy to establish a licensing scheme for all visiting animal scheme organisers.

Mr. Forth: No.

Public Bodies

Dr. Wright: To ask the Secretary of State for Education how many appointments to the public bodies listed in "Public Bodies" for his Department were made from names supplied by the public appointments unit; and if he will list them.

Mr. Boswell: It is difficult to ascribe every appointment made to this Department's public bodies to a single source. Members are appointed by the Secretary of State on the basis of their personal qualities in the light of advice from various quarters. The public appointments unit provides names of suitably qualified candidates for consideration for a wide range of appointments and is used to provide information about names suggested by others. Six appointments to this Department's public bodies which are listed in "Public Bodies" are known to have been suggested by the public appointments unit. They are:

Education Assets Board
Mr. K. Bridge
Miss A. Lees

National Youth Agency
Mrs. S. Joiner (nee Gardner)

National Curriculum Council and Schools Examination and Assessment Council
Mr. J. P. Whitehouse

Schools Examination and Assessment Council
Mr. J. Day

Visiting Committee for the Royal College of Art
Mr. D. Nicholls

Learning Disabilities

Mrs. Dunwoody: To ask the Secretary of State for Education how many facilities are available in Crewe and Nantwich for the education of children with learning disabilities.

Mr. Forth: Within the area in question Cheshire local education authority maintains one special school and 13 special units, all making provision for children with special educational needs.

Learning Disabilities

Mrs. Dunwoody: To ask the Secretary of State for Education how many facilities are available in Cheshire for the education of children with learning disabilities.

Mr. Forth: Cheshire local education authority maintains 21 special schools and 107 special units for children with special educational needs. In addition there are six non-maintained special schools in the county.

Key Stage 1 Tests

Dr. Wright: To ask the Secretary of State for Education what account will be taken in assessing and reporting the results of the key stage 1 tests for seven-year-olds of the different ages of those taking the tests.

Mr. Forth: All pupils taking the key stage 1 tests this summer should have completed the statutory programmes of study associated with the key stage. The main purpose of testing and assessment is not to rank or label children, but to identify what each child has learnt as a result of following the programmes of study in order to plan future teaching.

The achievements of children who are in the final year of key stage 1 are assessed against the criteria laid down in the national curriculum and the results are reported to parents. The precise age of the child is not a factor in making the assessment, nor are results adjusted to take account of age. The Government have, however, proposed that where test results are included in school performance tables, the accompanying background information about each school should include an indication of the proportion of pupils tested who have been enrolled in primary school for fewer than six full terms.

Dr. Wright: To ask the Secretary of State for Education what percentage of children who began the key stage 1 tests for seven-year-olds when these tests commenced in February were aged six at that time.

Mr. Forth: This information is not available centrally.

Schools (VAT)

Mr. Morgan: To ask the Secretary of State for Education if he will make a statement on the effect of *(a)* opting out and *(b)* local management of schools on the ability of individual schools to reclaim value added tax.

Mr. Forth: When schools achieve self-governing status they become liable for VAT on supplies and services. They receive a special purpose grant in recognition of this new liability. Local management of schools does not affect the VAT position of those schools maintained by the LEA, which may reclaim any payment of VAT through the LEA.

Teachers' Pay

Mr. Dunn: To ask the Secretary of State for Education what was the average pay of *(a)* primary school teachers, *(b)* secondary school teachers and *(c)* all teachers in the last year for which figures are available; and if he will make a statement.

Mr. Boswell: In April 1992, the most recent date for which figures are available, average earnings of primary school teachers were £19,339, of secondary teachers £21,221, and of all teachers £20,498.

Schools, Penrith

Mr. Don Foster: To ask the Secretary of State for Education (1) how many individual written responses he has received *(a)* for and *(b)* against the selection on ability of pupils at age 11 years for entry to either of the secondary schools in Penrith; and if he will make a statement;

(2) what evidence he has of backing from the governors and the local community for his policy in respect of Queen Elizabeth school, Penrith.

Mr. Forth: The Education Reform Act 1988 makes provision for any 10 or more local government electors, the governing body of any school affected by the proposals and any local education authority to submit objections to my right hon. Friend to proposals such as those published by the governors of Queen Elizabeth grammar school to introduce selective admission arrangements.

My right hon. Friend received 71 written responses to the proposals published by the governors of Queen Elizabeth grammar school. One of these supported the proposals; the remainder were opposed to them. No proposals concerning selection by reference to ability were published in respect of the other secondary school in Penrith.

I understand that there are over 37,000 local government electors in the district of Cumbria largely served by the Penrith schools, of whom less than 3 per cent. submitted objections to the Queen Elizabeth school proposals. Of the 23 primary schools and one secondary school affected by the proposals, the governing bodies of only eight schools submitted objections.

Mr. Don Foster: To ask the Secretary of State for Education what reports he received of the open consultation meeting held at Queen Elizabeth school, Penrith, on 29 April 1992, and of the subsequent consultation meetings with parents, staff and governors of feeder primary schools to Queen Elizabeth school; and if he will make a statement.

Mr. Forth: The governors of Queen Elizabeth grammar school submitted to my right hon. Friend two reports on the findings of their consultation exercise conducted prior to the publication of proposals to change the character of the school.

PRIME MINISTER

EC Directives

Dr. Godman: To ask the Prime Minister how many times the United Kingdom Government have appeared at the European Court of Justice in each of the past seven years in order to defend themselves against allegations concerning breaches of EC directives; which Departments of state were directly involved; in which of these cases the decision went against the United Kingdom; and if he will make a statement.

The Prime Minister: Since 1986, 10 direct actions against the United Kingdom have been brought before the European Court of Justice by the Commission, in accordance with article 169 of the treaty of Rome, involving allegations that the United Kingdom was in breach of its obligations under EC directives. Such actions are addressed to Her Majesty's Government and not to any individual Department, but the Departments with the leading interest in the cases were:

	Number of cases
Ministry of Agriculture, Fisheries and Food	1
Her Majesty's Customs and Excise	2
Department of Employment	3
Department of the Environment	2
Department of Trade and Industry	1
Department of Transport	1

Two of the cases were withdrawn before reaching judgment; in three cases the judgment has not yet been delivered. In one of the remaining cases, the court dismissed the application; in the other four the United Kingdom was held to be in breach of the relevant directives.

Further details of cases brought against the United Kingdom are contained in the six-monthly White Papers on developments in the European Community, which also contain details of references to the European Court of Justice from United Kingdom courts under article 177 of the treaty.

Chessington Computer Centre

Mr. Knox: To ask the Prime Minister which Government Minister has responsibility for Chessington computer centre.

The Prime Minister: The Chancellor of the Duchy of Lancaster, the Minister of Public Service and Science, is the Government Minister with responsibility for Chessington computer centre.

Maastricht Treaty

Mr. Austin Mitchell: To ask the Prime Minister, pursuant to his oral answer to the hon. Member for Faversham (Sir R. Moate) of 9 March, *Official Report*, column 782 (1) if he will list the provisions of the Maastricht treaty, as it applies to the United Kingdom delay in the implementation of which would lead to loss of foreign investment and jobs;

(2) what estimate he has made of the numbers and categories of jobs which would be lost *(a)* if ratification of the Maastricht treaty is delayed or *(b)* if the treaty is not ratified.

The Prime Minister: Various estimates have been made by and for industry of the adverse effect on our economy, inward investment and on jobs if the United Kingdom alone were to fail to ratify the treaty. Most recently the Association of British Chambers of Commerce, which represents more than 240,000 businesses, has made clear that the impact of continuing uncertainty or delay to United Kingdom ratification could only undermine business confidence, which would in turn endanger economic recovery not just here but in the rest of Europe.

The treaty is an important building block of the single market. Among its provisions, early implementation of which has been welcomed by industry, are those giving tougher powers to ensure that other member states stick to their obligations, those strengthening capital liberalisation, and those reversing centralisation by introducing the concept of "subsidiarity" or national preference.

AGRICULTURE, FISHERIES AND FOOD

Set-aside Land

Sir Patrick McNair-Wilson: To ask the Minister of Agriculture, Fisheries and Food if he will allow the grazing of sheep on set-aside land; and if he will make a statement.

Mr. Curry: Limited grazing of sheep is allowed under the grazed fallow option of the five-year set-aside scheme. The Commission implementing regulations prohibit all agricultural production, including grazing, on land set aside under the arable area payments scheme.

Sir Patrick McNair-Wilson: To ask the Minister of Agriculture, Fisheries and Food if he will allow the use of herbicides on set-aside land; and if he will make a statement.

Mr. Curry: The management rules for 1992-93 allow the application of non-residual herbicides by spot treatment or with a wick applicator on land set aside under the arable area payments scheme. It is also open to any grower to ask for a derogation to apply such herbicides by other methods where necessary. We intend to issue a consultation document on the management rules for future years very shortly.

DEFENCE

Secondary Medical Care

Mr. Menzies Campbell: To ask the Secretary of State for Defence if he will publish the review of medical care needs for the armed forces.

Mr. Archie Hamilton: I will write to the hon. Member shortly.

TRIGAT Programme

Mr. Menzies Campbell: To ask the Secretary of State for Defence if he will make a statement on the progress of the TRIGAT—third-generation anti-tank guided weapons system programme.

Mr. Aitken: Development of both the medium-range and long-range TRIGAT are continuing to make good progress. A reduced-cost development programme has been implemented for the long-range TRIGAT.

Harrier GR7

Mr. Menzies Campbell: To ask the Secretary of State for Defence when he expects that the Royal Air Force will take delivery of the advanced mission planning aid for the Harrier GR7.

Mr. Aitken: Towards the end of 1994.

Territorial Army

Mr. Redmond: To ask the Secretary of State for Defence what is the cost of the current series of television advertisements for the Territorial Army.

Mr. Archie Hamilton: A total of £807,000 in financial year 1992-93.

Service Bands

Mr. Colvin: To ask the Secretary of State for Defence, pursuant to his answer of 5 March, *Official Report*, column *342*, what are the percentages used to calculate the contribution to public funds by service bands in relation to net earnings; how income is apportioned between performers and individual band funds; and if he will make a statement.

Mr. Archie Hamilton: The percentage of net earnings which service bands contribute to public funds from fee-paying engagements normally ranges from 5 to 10 per cent. Individual band funds receive between 5 to 20 per cent, and the musicians 65 to 75 per cent. The balance is due to the director of music and/or conductor.

Southampton University Air Squadron

Mr. Viggers: To ask the Secretary of State for Defence what calculations he has made of the cost of moving the flying operations of Southampton University Air Squadron from HMS Daedalus, Lee on Solent, to another location; and if he will give details.

Mr. Archie Hamilton: I will write to the hon. Member shortly.

Royal Naval Engineering College

Mr. Steen: To ask the Secretary of State for Defence what plans he has regarding the Royal Naval Engineering College at Manadon in Plymouth.

Mr. Archie Hamilton: Our review of the future arrangements for training the services' engineer officers is continuing. The review is primarily concerned with the training currently provided at the Royal Naval Engineering College at Manadon and the Royal Military College of Science at Shrivenham. I hope to be able to announce the outcome shortly.

Belize

Dr. Godman: To ask the Secretary of State for Defence, pursuant to his answer to the hon. Member for Greenock and Port Glasgow on Wednesday 10 March, *Official Report*, column *572*, if a board inquiry is to be convened in relation to a traffic accident in Belize in December 1992, which caused the deaths of several British soldiers; and if he will make a statement.

Mr. Archie Hamilton: The circumstances of the road traffic accident referred to were investigated by the service police and considered by the Commander British Forces in Belize, who decided that a board of inquiry was not necessary.

Recruitment

Mrs. Ewing: To ask the Secretary of State for Defence (1) if he will provide a breakdown by individual Army recruiting office in the United Kingdom of (i) expenditure and (ii) the number of Army personnel recruited; and if he will make a statement;

(2) what is the total expenditure on Army recruiting offices in the United Kingdom; how many Army personnel are recruited from each Army personnel centre in the United Kingdom; and if he will make a statement.

Mr. Archie Hamilton: The available information requested is set out in the table:

Year up to 4 April 1992

Main Army Careers Information Office	*Enlistments*	*Expenditure in financial year 1991-92 £ million*
Middlesbrough	736	
Newcastle	602	
Hull	348	
Bradford	227	
Leeds	451	
Sheffield	392	
North East Total	2,756	3·6
Birmingham	639	
Coventry	143	
Shrewsbury	252	
Stoke	256	
Western Total	1,290	1·89
Leicester	208	
Lincoln	217	
Nottingham	532	
Norwich	333	
Cambridge	424	
Southend	285	
Eastern Total	1,999	2·6
Brighton	327	
Canterbury	427	
Reading	312	
Southampton	398	
South East Total	1,464	2·18
Central London	85	
BAOR	123	
Forest Gate	246	
Surbiton	131	
Wembley	121	
London Total	706	1·94
Bristol	378	
Bournemouth	359	
Exeter	713	
South West Total	1,450	1·86
Carlisle	234	
Chester	304	
Liverpool	560	
Manchester	631	

Main Army Careers Information Office	Enlistments	Expenditure in financial year 1991-92 £ million
Preston	539	
North West Total	2,268	2·37
Aberdeen	122	
Dundee	246	
Rutland	421	
Glasgow	964	
Inverness	120	
Scotland Total	1,873	2·67
Cardiff	448	
Swansea	224	
Wrexham	347	
Wales Total	1,019	1·14
Belfast	411	
Northern Ireland Total	411	0·53
TOTALS	15,236	20·78

Redundancies

Mrs. Ewing: To ask the Secretary of State for Defence what specific action he intends to take in those communities to which redundant personnel will return to assist with *(a)* housing, *(b)* employment and *(c)* education.

Mr. Archie Hamilton: Service personnel selected for redundancy are invited to say where they intend to settle when they leave. The replies from those considered for redundancy in phase 1 indicated that resettlement will be widespread across the country and that there should be no significant additional demands on local community resources. Our resettlement services provide service personnel with a wide range of advice and support on housing, employment and education matters.

Mrs. Ewing: To ask the Secretary of State for Defence what information he has on the number of Army personnel made redundant due to "Options for Change" who have been unemployed for *(a)* three months or more, *(b)* six months or more, *(c)* nine months or more, *(d)* one year or more and *(e)* two years or more.

Mr. Archie Hamilton: No one left the Army on redundancy before April 1992; but over 70 per cent. of those made redundant during 1992-93 have found jobs or moved overseas.

Mrs. Ewing: To ask the Secretary of State for Defence what is his latest estimate of the number of service men who will be made unemployed as a result of "Options for Change".

Mr. Archie Hamilton: It is not possible to estimate the number of service personnel who may become unemployed as a result of "Options for Change". Over 70 per cent. of Army personnel who have left on redundancy terms during 1992-93 have found jobs or moved overseas. To date, few naval and RAF personnel selected for redundancy have left the services and it is not yet known whether they have obtained civilian employment.

Mrs. Ewing: To ask the Secretary of State for Defence what is *(a)* the model age and *(b)* the average age of redundant Army personnel who are currently serving on retraining schemes; and if he will make a statement.

Mr. Archie Hamilton: Information is not available in the form requested.

Mrs. Ewing: To ask the Secretary of State for Defence what is *(a)* the model age and *(b)* the average age of those who are to be made redundant due to "Options for Change"; and if he will make a statement.

Mr. Archie Hamilton: The model and average age of personnel who have left or who are leaving the armed forces on redundancy in phases 1 and 2 under "Options for Change" are as follows:

	Model	Average
Officers	50	45
Other ranks	36	35
Total	36	38

Similar information in respect of civilian personnel is not held centrally and could be provided only at disproportionate cost.

Mrs. Ewing: To ask the Secretary of State for Defence what are the costs of retraining schemes offered to service men made redundant due to "Options for Change".

Mr. Archie Hamilton: Resettlement training is provided on a tri-service basis for all those being discharged from the services and makes no distinction between redundees and those who have completed their full engagement. An extensive range of training courses is available and the courses are either conducted in-house at MOD training centres, for which no charge is made, or are run externally on a fee-paying basis by educational and training institutions throughout the United Kingdom.

Mrs. Ewing: To ask the Secretary of State for Defence what assistance his Department provides to assist Army personnel in making the transition to civilian life, what special assistance is provided to personnel made redundant; and if he will make a statement.

Mr. Archie Hamilton: Throughout their service life personnel are trained in skills which are directly transferable to civilian employment and receive further education leading to recognised qualifications. Prior to discharge, extensive counselling, outplacement services and retraining are provided, along with job-finding support through the services employment network. In addition to receiving enhanced financial settlement terms, redundees are eligible for the full package of resettlement briefing and training measures.

Mrs. Ewing: To ask the Secretary of State for Defence what is the average time period between Army personnel being made redundant and securing a place on a retraining scheme.

Mr. Archie Hamilton: Resettlement training is provided to service personnel during the last six months of service. Once a date of discharge has been set—those made compulsorily redundant are given one year's notice—

personnel can apply immediately for training courses. All personnel can apply for briefings in the last two years of service. In the case of redundees applications are accepted as soon as volunteers have come forward and those made compulsorily redundant are eligible to apply as soon as they have been notified.

Places on briefings or training courses are allocated eight weeks before the start date. Where applications are made at shorter notice they are accepted up to three weeks beforehand where places are available.

There are currently no waiting lists for career briefings or training courses. Following a higher than expected demand for job search briefings additional briefings are being provided.

Mrs. Ewing: To ask the Secretary of State for Defence what is the retraining budget for Army personnel made redundant due to "Options for Change"; and if he will make a statement.

Mr. Archie Hamilton: Resettlement training is provided on a tri-service basis to all eligible personnel being discharged from the services. It is not possible to identify separately the costs of retraining Army personnel made redundant.

EMPLOYMENT

Workplace Injuries

Mr. Clifton-Brown: To ask the Secretary of State for Employment how many *(a)* fatal and *(b)* serious injuries were caused by the use of electrical equipment in the workplace in the last 10 years.

Mr. McLoughlin: Statistics of accidents caused by use of electrical equipment in the workplace during the last 10 years are not available in the form requested. The Health and Safety Executive (HSE) has extracted from the available statistics those which are most likely to refer to the use of electrical equipment; these are as follows:

Year	*Fatal injuries*	*Serious injuries*
1986-87	16	160
1987-88	17	187
1988-89	17	166
1989-90	11	178
1990-91	11	201
1991-92	14	171

Notes:

1. The table provided in this answer provides details of selected types of accidents resulting in fatal and major injuries occurring during the years 1986-87 and 1990-91 and provisional figures for 1991-92 as reported to the Health and Safety Executive's Factory and Agricultural Inspectorates, and to local authorities when they are the enforcing authority. Figures for 1991-92 also include details of reports made to the Health and Safety Executive's Quarries Inspectorate. Detailed analysis is not readily available for those injuries occurring in industries covered by other enforcing authorities or Inspectorates. The selected injuries are those where the agent of the accident is recorded as having been some kind of electrical equipment.
2. The Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1985 (RIDDOR) which govern the collection of such statistics were not introduced until 1985. Statistics for earlier years would be difficult to retrieve, and would in any case not be on a comparable basis.
3. The figures in the second column refer to major injuries requiring immediate medical treatment or causing loss of consciousness.

Mr. Clifton-Brown: To ask the Secretary of State for Employment how many *(a)* fatal and *(b)* serious injuries have been caused by fires occurring in the workplace in the last 10 years.

Mr. McLoughlin: The number of fatal and serious injuries caused by fires reported to the Health and Safety Executive's (HSE) factory and agricultural inspectorates and local authorities are as follows:

Year[2]	*Fatal*	*Major*[3]
1986-87	6	142
1987-88	14	149
1988-89	10	134
1989-90	11	135
[4]1990-91	10	121
[1][4]1991-92	9	97

[1] Provisional.
[2] Years commencing 1 April.
[3] As defined under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations, 1985.
[4] Includes reports made to HSE's Quarries Inspectorate.
Note: Injuries caused by fires were not separately identified from those involving explosions prior to 1986-87.

Smoking

Mr. Redmond: To ask the Secretary of State for Employment if she will list, for each of her Department's offices, the cost of counselling provided by her Department for employees who smoke and who wish to give up the habit.

Mr. McLoughlin: The Employment Department group has over 66,000 staff employed in a diversity of workplaces. Information on the cost of counselling for each departmental office is not held and could not be obtained without incurring a disproportionate cost. The group encourages managers to offer help to smokers who want to give up, including self-help smoking groups, organised smoking withdrawal courses, health education material, videos and audio-cassettes and cigarette substitutes.

Departmental Spending

Dr. Wright: To ask the Secretary of State for Employment what share of total departmental spending was accounted for by non-departmental public bodies in each year since 1979.

Mr. Michael Forsyth: Information is not available in the form requested and could be provided only at disproportionate cost. Information on the spending of non-Departmental public bodies is contained in "Public Bodies" published each year by the Cabinet Office and in the annual appropriation accounts for the Department. Copies of these documents for each year are available in the Library.

Mr. Leighton: To ask the Secretary of State for Employment what steps she took to reduce the production costs of her Department's expenditure plans, Cm 2205; and what steps she is taking to increase sales.

Mr. Michael Forsyth: Production costs were kept to the minimum necessary to publish a document which is

business like in its format and presentation, but provides the information in a way which is accessible to readers. The cost of printing, publishing and distributing the report was borne by HMSO, which aims to recover their costs from sales revenue.

HMSO, as publisher, is mailing a leaflet to potential customers which will promote both individual departmental reports. The Government's expenditure plans 1993-94 to 1995-96—including Cm 2205, and the full set of reports at a special discounted price.

Mr. Leighton: To ask the Secretary of State for Employment what changes to the aims and objectives of her Department have been made in the past year; and what effect she expects them to have on future spending plans.

Mr. Michael Forsyth: The aim of the Department remains the same, but the objectives have been amended. Both can be found in the latest departmental report, a copy of which is in the Library. The report sets out how the Department's spending plans reflect the new objectives.

Mr. Leighton: To ask the Secretary of State for Employment what assumptions she has made in her Department's expenditure plans, Cm 2205, on the implementation of the public sector pay ceiling.

Mr. Michael Forsyth: The Department's expenditure on pay will be constrained in accordance with the approach to public sector pay restraint announced by my right hon. Friend the Chancellor of the Exchequer in his autumn statement and contained within the public expenditure provision already published.

Labour Statistics

Mrs. Dunwoody: To ask the Secretary of State for Employment what percentage of *(a)* 30 to 40-year-olds, *(b)* 40 to 50-year-olds and *(c)* 50 to 60-year-olds apply for employment for (i) skilled and (ii) unskilled positions, but are not hired.

Mr. McLoughlin: This information is not collected centrally.

Mrs. Dunwoody: To ask the Secretary of State for Employment how many people aged *(a)* 30 to 40 years, *(b)* 40 to 50 years and *(c)* 50 to 60 years old were dismissed in the past financial year from a job they had held for more than five years.

Mr. McLoughlin: Information regarding those dismissed within the past financial year from a job held for more than five years is not available. The most recent available estimates relating to dismissals are given in the following table.

Labour Force Survey Summer (June to August) 1992
Great Britain (not seasonally adjusted).
Persons not currently in employment
who were dismissed from their last job

Age	Number
30-39	37,000
40-49	26,000
50-60	17,000

Mrs. Dunwoody: To ask the Secretary of State for Employment what percentage of skilled workers aged *(a)* 30 to 40 years, *(b)* 40 to 50 years and *(c)* 50 to 60 years were made redundant in the last financial year.

Mr. McLoughlin: Information relating to skilled workers by age group is not available. Total numbers made redundant by age groups in Great Britain are available from the quarterly "Labour Force Survey" which has been undertaken quarterly from spring 1992. The latest information available is from the spring and summer 1992 surveys and is as follows:

Persons made redundant

Age	Spring 1992	Summer 1992
31-40	64,974	48,121
41-50	65,194	57,726
51-60	49,816	48,710

Labour Statistics

Mr. Hain: To ask the Secretary of State for Employment what are the latest figures for the actual and percentage rates of economically inactive adult males for each district in England and Wales; and what was the percentage change in each case since 1979.

Mr. McLoughlin: The information requested is only available from the 1981 and 1991 censuses of population which can be obtained from the NOMIS database in the Library. Comparisons between the 1981 and 1991 censuses of population are not exact because of definitional and boundary changes.

Jobcentre, Liverpool

Mr. Kilfoyle: To ask the Secretary of State for Employment how many job inquiries are allowed per applicant at the Liverpool, Williamson square, jobcentre; and if she will make a statement.

Mr. McLoughlin: Responsibility for the subject of the question has been delegated to the Employment Service Agency under its chief executive. I have asked him to arrange for a reply to be given.

Letter from M. E. G. Fogden to Mr. Peter Kilfoyle, dated 17 March 1993.

As the Employment Service is an Executive Agency, the Secretary of State has asked me to write to you direct to respond to your Parliamentary Question to her about how many job enquiries are allowed per applicant at Liverpool, Williamson Square, Jobcentre. This is something which falls within the responsibilities she has delegated to me as Chief Executive of the Agency.

Between 11.30 am and 2.30 pm we arrange up to two job interviews for each jobseeker at Williamson Square Jobcentre. Outside those hours, we will arrange three or even more job interviews if the jobseeker wants us to.

These different approaches reflect the variations in the number of callers over the course of the day at Williamson Square. The office is open Monday to Thursday 9.00 am to 5.00 pm and Friday 10.00 am to 5.00 pm but it gets an unusually high concentration of callers between 11.30 am and 2.30 pm. We aim to give a good service to everyone we see and we also aim to meet the commitment under our Job Seekers Charter that no one should have to wait for more than 10 minutes before they are seen. We achieve that at Williamson Square Jobcentre by using the approach I have described.

As decided by the Administration Committee of the House of Commons, Chief Executive replies to written Parliamentary Questions will now be published in the Official Report. I will also place a copy of this letter in the Library of the House.

Public Bodies

Dr. Wright: To ask the Secretary of State for Employment how many appointments to the public bodies listed in "Public Bodies" for her Department were made from names supplied by the public appointments unit; and if she will list them.

Mr. McLoughlin: Since January 1991, the following 17 people have been appointed to public bodies listed in "Public Bodies" for the Employment Department from names supplied by the public appointments unit.

The 17 appointments are:

Mrs. Margaret Exley—Employer Member, Employment Appeal Tribunal (EAT)

Mrs. Teresa Marsland—Employee Member, Employment Appeal Tribunal (EAT)

Mr. Derek Gladwin—Employee Member, Employment Appeal Tribunal (EAT)

Ms Edwina Hart—Employee Member, Employment Appeal Tribunal (EAT)

Mr. John Hougham—Employer Member, Employment Appeal Tribunal (EAT)

Mr. Edward Fuller—Chairman: Committee for the Employment of People with Disabilities (CEPD) (Cleveland)

Mr. Paul Newton—Chairman: Committee for the Employment of People with Disabilities (CEPD) (Nottinghamshire)

Mr. Tim Pape—Chairman: Committee for the Employment of People with Disabilities (CEPD) (Wiltshire)

Mrs. Susan Marshfield—Chairman: Committee for the Employment of People with Disabilities (CEPD) (Avon)

Mr. Martyn Long—Chairman: Committee for the Employment of People with Disabilities (CEPD) (Sussex)

Mr. Alan Malcolm—Chairman: Committee for the Employment of People with Disabilities (CEPD) (Glasgow, Renfrew and Dunbarton)

Mr. Bernard Day—Chairman: Committee for the Employment of People with Disabilities (CEPD) (Gloucester)

Dr. Ann Fingret—National Advisory Council on Employment of People with Disabilities (NACEPD)

Ms Susan Scott-Parker—National Advisory Council on Employment of People with Disabilities (NACEPD)

Dr. Clive Morton—National Advisory Council on Employment of People with Disabilities (NACEPD)

Ms Cathy Ashton—National Advisory Council on Employment of People with Disabilities (NACEPD)

Mrs. Gill Rowlands—Commissioner for the Rights of Trade Union Members (CROTUM)

Departmental Costs

Mr. Leighton: To ask the Secretary of State for Employment what is the percentage planned increase in the running costs of her Department between 1992-93 and 1995-96; and what efficiency gains these plans assume.

Mr. Michael Forsyth: The percentage planned increase in the Department's running costs is shown in the following table:

Year(s)	*Percentage increase*
1992-93—1993-94	7·4
1993-94—1994-95	−0·5
1994-95—1995-96	0·8

The percentage planned increase over the period 1992-93—1995-96 is 7·7 per cent. The minimum efficiency savings for the Department is at least 1·5 per cent. for each financial year.

Mr. Leighton: To ask the Secretary of State for Employment if she will set out the information in table 1 of her Department's expenditure plans, Cm. 2205, in real terms, and make a statement on the changes made since the previous year's plans.

Mr. Michael Forsyth: The following table shows table 1 of the Department's expenditure plans, CM. 2205, in real terms. Changes made to the previous year's plans include the machinery of Government changes made last April; the introduction of departmental responsibility for accruing superannuation liability payments formerly carried out on an allied service basis by the Paymaster General's Office—figures have been adjusted for all years to show comparative provision; increased receipts from the Department of Social Security to offset costs of higher numbers of unemployed people; the transfer to the Welsh Office of responsibility for delivering main training and enterprise programmes in Wales, for years 1992-93 onwards; and the 1992 public expenditure survey settlement for 1993-94 onwards as announced in the autumn statement.

Summary Cash Plans—Real Terms (Base year 1991-92)

£'million

	1987-88 outturn	*1988-89 outturn*	*1989-90 outturn*	*1990-91 outturn*	*1991-92 outturn*	*1992-93 estimate outturn*	*1993-94 plans*	*1994-95 plans*	*1995-96 plans*
Training									
Central government's own expenditure	1,755·5	2,172·8	2,572·1	2,252·6	1,632·0	1,446·5	1,514·2	1,526·2	1,518·0
Central government support for local authorities	297·0	286·7	372·9	374·2	381·0	324·2	256·7	200·7	169·8
Total	2,053·8	2,459·4	2,945·0	2,625·7	2,012·0	1,771·7	1,771·0	1,727·0	1,687·8
Enterprise	227·0	211·6	203·2	177·5	177·0	159·2	165·2	155·5	147·0
Help for unemployed people									
Central government's own expenditure	2,107·9	1,378·0	424·8	429·8	505·0	658·0	695·5	623·9	620·4
Central government support for local authorities	43·6	39·4	41·6	43·8	45·0	48·0	44·8	43·4	43·1
Total	2,150·1	1,417·3	467·5	473·6	550·0	706·0	740·3	667·3	664·4
A fair and safe environment for work	199·3	190·7	193·9	167·8	191·0	201·4	209·1	225·1	231·4
Other employment services	504·2	429·4	511·4	603·0	704·0	589·0	611·5	573·2	552·6
Credit approvals[1]	1·3	1·2	1·2	1·1	1·0	1·0	·9	·9	·9
Grand total[2 3]	5,135·8	4,709·7	4,322·2	4,048·7	3,636·0	3,428·3	3,498·0	3,350·0	3,284·9
Of which:									
Central government's own expenditure	4,788·6	4,380·0	3,904·3	3,630·6	3,209·0	3,055·2	3,195·6	3,104·0	3,071·1

	1987-88 outturn	1988-89 outturn	1989-90 outturn	1990-91 outturn	1991-92 outturn	1992-93 estimate outturn	1993-94 plans	1994-95 plans	1995-96 plans
Financing requirements of public corporations	5·3	2·5	·0	·0	·0	·0	·0	·0	·0
Central government support for local authorities	341·9	327·3	416·8	419·1	427·0	373·1	302·5	245·9	213·8

Notes:
[1] Provision for credit approvals/net capital allocations for Wales and Scotland only. The corresponding provision for England is included within the "other services" credit approvals block which is managed by the Department of Environment.
[2] Excludes the amounts transferred to the Scottish Office (mainly for Scottish Enterprise and Highlands and Islands Enterprise) which became responsible for delivering the main training and enterprise programmes in Scotland with effect from 1991-92, and to the Welsh which gained responsibility for delivering these programmes in Wales from 1992-93.
[3] The expenditure is partly financed by receipts from the European Social Fund.
Table prepared using Autumn Statement deflators published 12 November 1992.

Mr. Leighton: To ask the Secretary of State for Employment what price deflation her Department uses in planning public expenditure.

Mr. Michael Forsyth: When planning public expenditure the Department does so on a cash basis.

Performance Indicators

Mr. Leighton: To ask the Secretary of State for Employment to what extent the performance indicator and output measures in use in her Department take account of quality of output and services as distinct from quantity.

Mr. Michael Forsyth: The Department has a wide range of performance indicators and output measures to support the delivery of its programmes. These include quantitative measures; for example, numbers of people helped; and qualitative measures, for example, national vocational qualifications gained and delivery and speed of benefit payments.

Additionally, under the citizens charter, the Department has developed and published standards which the public can expect of its services. Performance data are already provided on many of the standards and targets set in the ED group's various charter documents.

The Department has also developed customer surveys to measure customer satisfaction levels the results of which are used wherever practicable to inform improvements to the way in which services are delivered.

High Technology Training

Ms Mowlam: To ask the Secretary of State for Employment what assessment she has made of the effect on new university graduates of the new six months' unemployment qualification for courses under the training for work scheme, with reference to the starting dates of high technology training courses.

Mr. McLoughlin: The new training for work arrangements are focused on longer-term unemployed people where the need for help is known to be greatest. Graduates who wish to take up further training before they have been unemployed for six months may wish to apply for a career development loan.

Overhead Railway Cables

Mr. Hinchliffe: To ask the Secretary of State for Employment how many deaths and serious injuries have resulted from electrical arcing from overhead railway cables in the United Kingdom in the last five years.

Mr. Freeman: I have been asked to reply.

The numbers of deaths and serious injuries resulting from contact with overhead line equipment is as follows:

	Fatalities	Serious injuries
Staff		
1991-92[1]	1	1
1990	—	3
1989	—	3
1988	1	—
1987	2	3
Trespassers		
1991-92[2]	1	14
1990	5	14
1989	7	10
1988	2	8
1987	4	10
Totals	23	66

[1] Covers period 1 April 1991 to 31 March 1992. Details for 1 January 1991 to 31 March 1991 have not been published.
[2] Covers period 1 January 1991 to 31 March 1992.

NORTHERN IRELAND

English Language

Mr. Beggs: To ask the Secretary of State for Northern Ireland in each of the last five years how many students at further education colleges in Northern Ireland have *(a)* sat for the Cambridge first certificate in English examination and how many achieved grade C or above, *(b)* sat for the Cambridge proficiency in English examination and how many achieved grade C or above and *(c)* sat for other examinations in English as a foreign language.

Mr. Hanley: Information is available only from 1989. The figures are as follows:

	1989	1990	1991	1992
(a) Cambridge first certificate in English examination				
Numbers sitting	45	24	29	30
Numbers achieving grade C or above	21	16	18	16
(b) Cambridge proficiency in English examination				
Numbers sitting	29	23	12	14
Numbers achieving grade C or above	20	15	8	7

	1989	1990	1991	1992
(c) Other Cambridge examinations in English as a foreign language				
Numbers sitting	41	65	82	41
Numbers achieving grade C or above	32	55	61	30

Information is not available for students who sat for examinations in English as a foreign language other than those set by Cambridge university.

Mr. Beggs: To ask the Secretary of State for Northern Ireland how many students have enrolled at colleges of further education in Northern Ireland for courses in English as a foreign language in each of the last five years; and how many students were male and how many were female.

Mr. Hanley: The information is as follows:

	Males	Females	Total
1988-89	79	94	173
1989-90	95	127	222
1990-91	58	97	155
1991-92	77	88	165
1992-93	61	104	165

Mr. Beggs: To ask the Secretary of State for Northern Ireland which further education colleges in Northern Ireland offer courses in English as a foreign language.

Mr. Hanley: Courses in English as a foreign language are currently being offered in Belfast, Omagh, Ballymena, Coleraine, Lisburn, Down, Newcastle, Castlereagh, North Down and Ards, Lurgan and Armagh colleges of further education.

Further Education

Mr. Beggs: To ask the Secretary of State for Northern Ireland what is the teacher-pupil ratio at further education colleges in Northern Ireland for *(a)* all courses and *(b)* courses in English as a foreign language.

Mr. Hanley: The student:staff ratio for further education colleges in Northern Ireland was 13.2:1 in the academic year 1991-92. This figure is provisional, pending audit. Information about the student:staff ratio for courses in English as a foreign language is not available.

Ethnic Minorities

Mr. Beggs: To ask the Secretary of State for Northern Ireland what is the ethnic minority population in Northern Ireland; how many of these are children of school age; and how many of these are children of pre-school age.

Mr. Hanley: There is no detailed information available on the ethnic population of Northern Ireland, though some studies have suggested a total in the region of 10,000. Information on the number of children is not available.

Department of Finance and Personnel

Mr. Dykes: To ask the Secretary of State for Northern Ireland if he will make a statement on the work of the Department of Finance and Personnel since 1979.

Mr. Mates: The Department of Finance and Personnel came into being in 1982 on the merger of functions of the former Departments of the Civil Service and Finance. The main aims of DFP are to deploy and manage the financial resources allocated to Northern Ireland; to give guidance and advice on personnel policy and practice within the Northern Ireland civil service; and to carry out the Government's public sector reform initiatives, in particular the citizens charter.

DFP is responsible for the presentation of Northern Ireland estimates to Parliament and monitoring public expenditure throughout the year. Public expenditure under the control of the Secretary of State for Northern Ireland has increased from £2,489 million in 1979-80 to £7,092 million in 1992-93, an increase in real terms of 18 per cent.

The Department is also responsible for the regional rate. DFP co-ordinates EC structural fund assistance to Northern Ireland. The region continues to be recognised as having objective 1 status within the European Community and DFP is currently preparing a submission for the use of structural funds for the period 1994-99.

In relation to Northern Ireland civil service personnel policy and practice, DFP continues to promote equality of opportunity in accordance with fair employment legislation and the 1984 Northern Ireland civil service equal opportunities policy statement. Goals for increasing the representation of Roman Catholics—25 per cent. by 1996—and women—10 per cent. by 1998—at grades 5 and above have recently been announced.

Following the Chancellor's statement in July 1991, new long-term pay agreements have been put in place for all non-industrial staff with increasing emphasis on performance pay. DFP has also prepared draft legislation corresponding to the Civil Service (Management Functions) Act 1992 which will allow greater delegation of personnel functions to NI Departments and agencies.

In 1991, a unit was set up in DFP to co-ordinate implementation of the citizens charter in NI. Apart from the main NI charter, eight other charters have been published and DFP has a continuing role to monitor performace against published standards.

DFP co-ordinates and takes forward the Government's market-testing programme and its plans for the establishment of executive agencies in Northern Ireland. In 1991, DFP market tested its mainframe computer bureau service and awarded a contract to a private sector facilities management company to which 110 civil servants transferred. Six executive agencies have already been created with a further three to be launched in April 1993. These account for some 9,000—30 per cent. of total—NI civil servants. DFP's first agency—the Valuation and Lands Agency—is due to be launched this year.

The Government Purchasing Service, formerly the Central Unit on Purchasing (NI), operates within DFP and performs a purchasing advisory and monitoring function. In 1991-92 the unit assisted Departments to achieve new value for money savings of £8·2 million on a total spend of £270 million. DFP maintains an up-to-date valuation list for Northern Ireland and provides a comprehensive property advice and agency service to the public sector.

Water

Mr. William O'Brien: To ask the Secretary of State for Northern Ireland what has been the full cost of the asset management plan for the water service in Northern Ireland; what has been the cost of the appointment of private consultants; and when the plan is expected to be completed.

Mr. Atkins: The full cost of the Water Executive's asset management plan to date has been £2·27 million. Of this, some £0·74 million has been paid to the AMP consultants. It is expected that the present phase of the asset management plan will be completed by March 1994.

Water Privatisation

Mr. McGrady: To ask the Secretary of State for Northern Ireland what level of cost benefit analysis has taken place in relation to the proposed privatisation of the water service; and if he will make a statement.

Mr. Atkins: None. The Government believe, however, that privatisation of water and sewerage services in Northern Ireland will provide substantial benefits to consumers and taxpayers in the form of increased efficiencies and improved standards. This will be achieved through the introduction of commercial discipline and private sector skills.

Mr. McGrady: To ask the Secretary of State for Northern Ireland what is the current timescale for the privatisation of the water service in Northern Ireland.

Mr. Atkins: I refer the hon. Gentleman to the statement made by my right hon. and learned Friend the Secretary of State on 15 July 1992, *Official Report*, col. *754*.

HEALTH

Human Fertilisation and Embryology Act

Mr. Jopling: To ask the Secretary of State for Health if she will list the orders arising from the Human Fertilisation and Embryology Act 1990 which have been laid, with dates, together with details of those orders which remain to be laid, with reasons for their delay in each case.

Mr. Sackville: The following orders have arisen from the Human Fertilisation and Embryology Act 1990 as amended by the Human Fertilisation and Embryology (Disclosure of Information) Act 1992:

The Human Fertilisation and Embryology Act 1990 (Commencement No. 1) Order 1990. Made 2 November 1990.

The Human Fertilisation and Embryology Act 1990 (Commencement No. 2 and Transitional Provision) Order 1991. Made 4 March 1991.

The Human Fertilisation and Embryology Act 1990 (Commencement No. 3 and Transitional Provision) Order 1991. Made 16 June 1991.

The Human Fertilisation and Embryology Act 1990 (Commencement No. 4 and Transitional Provision) Order 1991. Made 31 July 1991.

The Human Fertilisation and Embryology (Special Exemptions) Regulations 1991, in exercise of the powers conferred by Section 43(1) of the Act. Laid—9 July 1991; Came into force—1 August 1991.

The Human Fertilisation and Embryology (Statutory Storage Period) Regulations 1991, in exercise of the powers conferred by Section 14(5) of the Act. Laid—11 July 1991; Came into force—1 August 1991.

The Human Fertilisation and Embryology Authority (Licence Committee and Appeals) Regulations 1991, in exercise of the powers conferred by Sections 9(5) and 10 of the Act. Laid—21 July 1991; Came into force—29 August 1991.

Regulations under section 30 of the Act, relating to the granting of parental orders in surrogacy cases, will be laid as soon as possible. For a report on progress with these regulations I refer my hon. Friend to my reply to his question regarding this matter. There are no plans at this time to introduce regulations under section 31(4)(a) of the Act, which concerns information relating to gamete donors.

In addition, the 1990 Act provides for regulations to be made under sections 3(3)(c) and 4(2) of the Act, allowing for the prohibition of techniques; schedule 2, sections 1(1)(g) and 3(2), allowing for the licensing of techniques not previously covered by the Act; and also under section 1([illegible]G) of the Human Fertilisation and Embryology (Disclosure of Information) Act 1992, allowing for additional exceptions to the restrictions on the disclosure of information. These powers are available for use if changed circumstances make this desirable.

We have today laid before the House the Access to Health Records (Control of Access) Regulations 1993 which preclude access under the Access to Health Records Act 1990 to any part of a health record which would identify a person born as a result of "treatment services" under the Human Fertilisation and Embryology Act 1990.

Mr. Jopling: To ask the Secretary of State for Health what assessment she has made of the reasons for the delays in laying the parental orders arising from section 30 of the Human Fertilisation and Embryology Act 1990; and whether she will make it her policy that they are laid before Easter.

Mr. Sackville: The preparation of the regulations and rules of court required under section 30 of the Human Fertilisation and Embryology Act has proved to be a complex undertaking. Draft regulations should be ready for public consultation next month. Subject to the outcome of this consultation, the Government propose to lay regulations as soon as possible.

Cancer (Nuclear Industry)

Mr. Chris Smith: To ask the Secretary of State for Health what monitoring Her Majesty's Government are undertaking or funding as a follow-up to the findings of the Imperial Cancer Research Fund's cancer epidemiology unit's survey of the impact of parents' job histories in the nuclear industry on the health of children.

Mr. Sackville: The findings of the Imperial Cancer Research Fund study have been referred to the Committee on Medical Aspects of Radiation in the Environment (COMARE) for advice, which will be published when available. A major study investigating the occurrence of all cancers and the incidence of other illnesses and conditions that could have a genetic cause among children of workers in the nuclear industry is already under way. It is being jointly funded by the Health and Safety Executive and the Department of Health.

Health Authority Personnel

Mr. Redmond: To ask the Secretary of State for Health if she will make it her policy to restrict gifts which staff, directors and chairmen of health authorities and trusts are permitted to accept to diaries and calendars.

Dr. Mawhinney: The standards of business conduct expected from all national health service staff, including advice on the acceptance of gifts and hospitality, are set out in "Health Service Guidelines", HSG(93)5, a copy of which is available in the Library.

Fund Holders

Mrs. Helen Jackson: To ask the Secretary of State for Health what requirement there is for general practitioner fund holders to open their annual accounts to the public.

Dr. Mawhinney: General practitioner fund holder audited annual accounts are public documents.

Mrs. Helen Jackson: To ask the Secretary of State for Health, pursuant to her answer of 1 March, *Official Report*, column *32*, if she will now ensure that information is held centrally of general practitioner fund holders in each region which have exhausted their budgets.

Dr. Mawhinney: Regional health authorities have responsibility for managing the scheme and monitoring all fund holder budgets regularly. I have no plans to duplicate this responsibility centrally.

Drugs (Limited List)

Mrs. Lait: To ask the Secretary of State for Health how many new products have been developed in the therapeutic categories already on the limited list.

Dr. Mawhinney: I refer my hon. Friend to the reply I gave the hon. Member for Moray (Mrs. Ewing) on 9 February at column *617*.

Mrs. Lait: To ask the Secretary of State for Health if she will place in the Library a list of the names of each product in each of the 10 therapeutic categories to be included in the selected list.

Dr. Mawhinney: Decisions on which products are to be added to schedule 10 of the National Health Service (General Medical Services) Regulations 1992, which are no longer prescribable under the NHS, will be based on the recommendations of the Advisory Committee on NHS Drugs. I understand that the committee has not yet decided which products it will be formally considering in each of the ten new therapeutic categories.

Redbridge and Waltham Forest DHAs

Mr. Cohen: To ask the Secretary of State for Health what is the proposed timetable for the merger of the Redbridge and Waltham Forest district health authorities; and if she will outline the statutory procedure which such a merger is required to follow.

Mr. Sackville: The merger of the Redbridge and Waltham Forest district health authorities is included in the National Health Service (District Health Authorities) Order 1993 and the National Health Service (Determination of Districts) Order 1993 which were laid before the House on 11 March. Both orders are effective from 1 April 1993. No other statutory procedures are needed to effect the merger.

Formal consultation took place from 1 September to 30 November 1992 on the proposal to merge the authorities. On 3 March, I announced our decision to merge the two authorities and to appoint Ms Delva Patman as chairman of the new Redbridge and Waltham Forest district health authority.

Perioperative Deaths

Ms Primarolo: To ask the Secretary of State for Health what is the rate of perioperative deaths in respect of operations carried out by *(a)* junior doctors and *(b)* consultants in England.

Dr. Mawhinney: This information is not available centrally. In 1990 there were an estimated 3,112,396 episodes of in-patient care involving surgical procedures. Of these, an estimated 23,816 deaths occurred in hospital within 30 days of an operation.

Registration of Death

Mrs. Helen Jackson: To ask the Secretary of State for Health on what basis a medical practitioner may set the level of his charge for registering a person as dead, and giving the cause of death; and what is the maximum charge which may be levied.

Dr. Mawhinney: Medical practitioners are required by the Birth and Deaths Registration Act 1953 to supply a certificate free of charge to the registrar, giving notification of a person's death.

Drug Costs

Mrs. Lait: To ask the Secretary of State for Health how much of the increase in the drugs bill for 1992-93 relative to 1991-92 is due to *(a)* increased costs charged by the drugs companies, *(b)* increases in the numbers of prescriptions, *(c)* general practitioners prescribing different and more expensive drugs, *(d)* the cost of diphasics and triphasic drugs in fees paid to pharmacists or *(e)* drugs being used to replace surgery.

Dr. Mawhinney: Expenditure on drugs by the family health services in England is expected to increase by about 14 per cent. in cash terms in 1992-93. Whilst prescription numbers are likely to increase by more than 4 per cent. in 1992-93, no information is yet available on the other factors which contribute to the rise in the drugs bill.

The cost of pharmacists' dispensing fees does not form part of the drugs bill. Information on drugs being used to replace surgery is not available centrally.

Parental Leave Allowances

Ms Primarolo: To ask the Secretary of State for Health what are maternity and paternity leave allowances for NHS staff; and what are the maternity and paternity leave allowances for NHS staff who adopt children.

Dr. Mawhinney: Staff who satisfy certain qualifying criteria are entitled to a maximum of 52 weeks maternity leave. Staff may also be eligible for paternity and adoption leave in accordance with arrangements determined locally.

GP Patient Registration

Ms Primarolo: To ask the Secretary of State for Health (1) what guidelines are in force for the registration by general practitioners of people who have no fixed address;

(2) what plans she has to issue guidelines requiring general practitioners to take on any patient requesting registration and living in their practice area when the list is closed and notified as such to the family health service authority.

Dr. Mawhinney: We have no plans to issue such guidelines.

All patients, including people who have no fixed address, have the right to be registered with a general practitioner. This is reaffirmed in the patients charter.

Ms Primarolo: To ask the Secretary of State for Health what estimate she has of the total number of people by region who have not registered with a general practitioner.

Dr. Mawhinney: This information is not available centrally.

Health Care Spending

Mr. Clapham: To ask the Secretary of State for Health (1) what is the average amount spent on health care per person in each European Community country;

(2) what is the average amount spent on health care per person in each of the G7 countries.

Mr. Sackville: Total expenditure on the national health service in the United Kingdom is planned to be £37·6 billion in 1993-94, equivalent to £649 per head of population.

Figures for other EC and G7 countries are not available on a comparable basis.

Named Nurses

Dr. Wright: To ask the Secretary of State for Health what meaning is attached to the concept of the named nurse in the patients charter; and if it is permissible for hospitals to meet this charter standard by designating a ward sister as the named nurse.

Mr. Sackville: The named nurse standard is intended to ensure the continuity of and individual responsibility for patient care. It encourages partnership between the qualified nurse, or midwife or health visitor, and the patient so that care plans can be developed on a joint basis.

There are a variety of nursing methods in operation which can be adapted for use in applying the named nurse standard. In the small number of places where an appropriate scheme is not yet in use, ward sisters are allowed to operate as named nurses as an interim measure. The national health service management executive expects to publish a good practice guide to named nursing in June.

Mr. Milburn: To ask the Secretary of State for Health how many nurses who achieved their basic qualification before 30 September in each year since 1987 were *(a)* in post in the NHS, *(b)* undertaking further training in the NHS and *(c)* not employed in the NHS one year after qualification.

Mr. Sackville: This information is not available centrally.

TRADE AND INDUSTRY

GATT

11. **Mrs. Browning:** To ask the President of the Board of Trade if he will take steps to bring about a swift agreement to the GATT arrangements.

Mr. Heseltine: I am in regular contact with progress on the GATT Uruguay round. I assure my hon. Friend that this Government will continue to do everything possible to bring the round to a successful conclusion.

24. **Mr. Cryer:** To ask the President of the Board of Trade if he will make a statement on the current negotiations on the general agreement on tariffs and trade and the incorporation of the terms of the multi-fibre arrangement.

Mr. Needham: During his visit to Washington, the Prime Minister had very positive discussions with President Clinton on the Uruguay round. The President confirmed his support for a successful conclusion to the Uruguay round and that he will be seeking a renewal of the fast-track authority. This is to be welcomed and we hope that negotiations will resume in Geneva. A successful conclusion to the round would include an agreement on international trade in textiles and clothing which would result in a 10-year phase-out of quantitative restrictions maintained under the multi-fibre arrangement.

Sir Michael Neubert: To ask the President of the Board of Trade when he next expects to meet his United States counterpart to discuss issues of world trade and the conclusions of the GATT round.

Mr. Needham: My right hon. Friend the President of the Board of Trade expects to meet Mr. Kantor, the United States trade representative, when he visits London at the end of this month.

North America

15. **Mr. Elletson:** To ask the President of the Board of Trade how much of British overseas trade is with North America.

Mr. Needham: Around 13 per cent. of United Kingdom visible exports go to north America. A similar proportion of our imports come from north America. My Department has recently launched a campaign aimed at increasing the United Kingdom's share of imports by north American markets.

Industrial Competitiveness Division

21. **Mr. Page:** To ask the President of the Board of Trade what steps he is taking to spread the information gathered by the industrial competitiveness division through the sectors of industry.

Mr. Heseltine: The industrial competitiveness division advises me on ways in which Government policies generally can promote the competitiveness of British industry.

The DTI's regional offices, sector divisions, and—once they are established—the one-stop shops, have a vital role in communicating these policies to industry, and in listening to industry's views.

Lorry and Van Production

22. **Mr. Cann:** To ask the President of the Board of Trade if he will make a statement on the prospects for lorry and van production in the United Kingdom.

Mr. Sainsbury: Future prospects are excellent as a result of the Government's long-term commitment to helping United Kingdom manfucturing companies succeed in world markets by creating the domestic climate within which the commercial vehicle and other industries can thrive.

European Structural Fund

23. **Mrs. Jane Kennedy:** To ask the President of the Board of Trade what steps he is taking to introduce transparency of accounting measures in relation to receipts from the European structural fund.

Mr. Sainsbury: From 1 April the Government will be implementing new arrangements to make available automatically public expenditure cover to account in full for forecast receipts from the European regional development fund.

Travel Companies (Liabilities)

25. **Mr. Gordon Prentice:** To ask the President of the Board of Trade what steps he is taking to ensure that all travel companies have sufficient bonds to cover their liabilities to package holidaymakers.

Mr. Leigh: The Package Travel Regulations 1992 require all operators of packages to be able to provide sufficient evidence of security for the protection of money paid over in the event of insolvency. The enforcement of the regulations is the responsibility of local authority trading standards departments.

One-stop Shops

26. **Mr. Bates:** To ask the President of the Board of Trade what progress has been made in the proposal to establish one-stop shops for the co-ordination of business support and enterprise.

Mr. Heseltine: A total of 57 partnerships have submitted bids for funding pilot one-stop shops. A shortlist of 20 have been interviewed by an assessment panel of business men and representatives of TECs, chambers of commerce and other small firms organisations. I intend to announce the winning bids as soon as possible.

Manufacturing Industry

27. **Mr. Eastham:** To ask the President of the Board of Trade when he last met representatives of the Engineering Employers Federation to discuss DTI assistance for manufacturing industry.

Mr. Sainsbury: My right hon. Friend the President of the Board of Trade met representatives of the Engineering Employers Federation on 16 February to discuss the federation's proposals for industrial strategy, which include recommendations to improve the competitive performance of British firms.

Aerospace Industries

28. **Mr. David Evans:** To ask the President of the Board of Trade what discussions he has had with his American counterpart about the aerospace industries.

Mr. Sainsbury: My right hon. Friend has had no direct discussions on this subject with his counterparts in the new United States Administration. However, contacts have continued at official level and through the European Commission on matters of mutual interest.

Miners (Wages)

29. **Mr. William O'Brien:** To ask the President of the Board of Trade how much British Coal has paid in wages to miners who have attended collieries and been refused work since 13 October 1992; and if he will make a statement.

Mr. Eggar: This is a matter for British Coal.

Manufactured Goods

30. **Dr. Wright:** To ask the President of the Board of Trade if he will make a statement on Britain's trade in manufactured goods.

Mr. Needham: The volume of United Kingdom exports of manufactures in 1992 was 69 per cent. higher than a decade earlier. Detailed statistics on United Kingdom trade in manufactures are regularly published in the "Monthly Review of External Trade Statistics", which is available in the Library of the House.

Industrial Trends (Europe)

31. **Mr. Riddick:** To ask the President of the Board of Trade when he last attended a Council of Ministers meeting to discuss industrial trends within Europe.

Mr. Heseltine: I chaired the meeting of the Council of Industry Ministers during the UK Presidency of the EC on 24 November 1992. The meeting discussed a wide range of industrial issues, including Commission ideas on restructuring the Community steel industry and Community policy on small and medium-sized enterprises.

Whale Products

32. **Mr. Tony Banks:** To ask the President of the Board of Trade what whale products have been imported into the United Kingdom during the past 12 months.

Mr. Needham: Information on whale imports is not available. The United Kingdom trade classification does not separately indentify whale products from products derived from other mammals.

Railway Rolling Stock

33. **Mr. Bayley:** To ask the President of the Board of Trade what steps his Department is taking to promote the export of British-built railway rolling stock.

Mr. Needham: The full range of export services provided by my Department is available to British rolling stock manufacturers. For example, we have supported British bids for the Canton metro by providing substantial financial assistance with bidding costs, have an official working full time on the project and are supporting a very attractive financing offer.

Coal Industry

34. **Mr. Mullin:** To ask the President of the Board of Trade when he expects to make a statement on the future of the coal industry.

Mr. Heseltine: I refer the hon. Gentleman to my earlier answer to the hon. Gentleman for Rother Valley (Mr. Barron).

36. **Mr. Canavan:** To ask the President of the Board of Trade what recent discussions he has had with British Coal about the impact of the Government's energy policy review on the coal industry.

Mr. Heseltine: Since establishing the coal review, I have held a number of discussions with British Coal about the issues under consideration.

Torture and Execution Equipment

35. **Mr. Bellingham:** To ask the President of the Board of Trade when he next plans to meet representatives of Amnesty International to discuss the export of equipment used for torture and execution.

Mr. Needham: I have no plans to meet Amnesty International. When he was Minister for Trade, my right hon. Friend the current Minister for Industry gave the organisation a very full reply to its report on this matter.

Exporters

37. **Mr. Jacques Arnold:** To ask the President of the Board of Trade if he will make a statement on support given to British exporters.

Mr. Needham: The Government are wholly committed to helping more United Kingdom firms to compete effectively in international markets. This is demonstrated by the broad package of advice, information and assistance available to exporters from the Government.

European Steel Industry

Mr. Boyce: To ask the President of the Board of Trade if he will make a statement on the restructuring of the European steel industry.

Mr. Sainsbury: EC Ministers have agreed a package of measures to assist restructuring based on a voluntary programme of capacity reductions.

Since the United Kingdom industry has already undergone substantial restructuring and rationalisation, I would expect future capacity reductions predominantly in other EC countries.

Relocation

Rev. Martin Smyth: To ask the President of the Board of Trade what information he has on the number of companies which have relocated from Great Britain to the Republic of Ireland in the last three years.

Mr. Sainsbury: Information about the number of companies which have relocated from Great Britain to the Republic of Ireland in the last three years is not readily available.

Import Substitution

Mr. Austin Mitchell: To ask the President of the Board of Trade if he will make a statement on his strategy for encouraging import substitution.

Mr. Sainsbury: I refer the hon. Gentleman to the answer I gave him on 5 March, *Official Report*, column *350*.

Nuclear Industry

Mr. Simon Hughes: To ask the President of the Board of Trade what consideration in respect of his competition responsibilities he has given to BNFL's position in the market for Magnox nuclear fuel services in relation to its ability to secure contracts for reprocessing Nuclear Electric's AGR spent fuel.

Mr. Neil Hamilton: I have not specifically considered this. Under competition legislation, the Director General of Fair Trading is responsible for investigating possible monopoly situations and anti-competitive practices.

Working Practices

Mr. Butterfill: To ask the President of the Board of Trade what assessment he has made of the impact of United Kingdom working practices on the competitiveness of British industry.

Mr. Sainsbury: Many factors affect the competitiveness of British industry, including working practices. In order to be competitive, industry needs a labour market which is flexible. One of the key aims of this Government is therefore to encourage greater flexibility in the labour market, for example by lifting the burdens on employers who wish to take on labour and encouraging the abolition of restrictive labour practices. Reforms of industrial relations and trade union law have helped to correct previous imbalances of power between unions and employers and to introduce more democratic procedures into unions. Greater flexibility has been introduced into pay bargaining arrangements. The unemployed are being helped to compete effectively in the labour market and to provide industry with the skills it needs. My Department will continue to work closely with the Department of Employment to ensure that British industry continues to benefit from these reforms.

European Coal and Steel Community Reserves

Mr. Morgan: To ask the President of the Board of Trade what discussions he has had with the member of the European Commission responsible for regional affairs concerning the utilisation of European Coal and Steel Community reserves when the ECSC is wound up; and if he will make a statement.

Mr. Sainsbury: None, but the future of ECSC financing activities, including use of the reserves, was among subjects discussed at the November 1992 Industry Council attended by Vice President Bangemann and chaired by my right hon. Friend the President of the Board of Trade at which I represented the United Kingdom.

Electronic Equipment Recycling

Mr. Llew Smith: To ask the President of the Board of Trade what recent meetings he has had with the Industry Council for Electronic Equipment Recycling; and what recent representations he has received from it.

Mr. Eggar: A director of my Department's environment division spoke at the launch of ICER in October last

year, and has since corresponded with the organisation's chairman. Before that, officials in the division were closely involved in the CEST study which preceded the setting up of ICER, and also commissioned from the Department's Warren Spring laboratory a major study of electronic scrap recycling.

Iraq and Iran (Export Controls)

Mr. Llew Smith: To ask the President of the Board of Trade what recent communication he or officials of his Department have had with the United States department of commerce's bureau of export administration in regard to implementation of export controls to *(a)* Iraq and *(b)* Iran.

Mr. Needham: None so far this year relating specifically to these destinations.

Mr. Llew Smith: To ask the President of the Board of Trade what meetings Ministers or officials of his Department have had with the subgroup of nuclear export co-ordination of the United States bureau of oceans and international environmental and scientific affairs in regard to export control policy for *(a)* Iraq and *(b)* Iran.

Mr. Needham: None.

Uranium

Mr. Llew Smith: To ask the President of the Board of Trade if he will request the United Kingdom Permanent Representative to the International Atomic Energy Agency in Vienna to seek to obtain documentation produced by the agency on the levels of safety applied to the Rössing uranium mine in Namibia in the production of uranium exported to the United Kingdom.

Mr. Eggar: No. The final report of the expert mission to the Rössing uranium mine is in confidence between the International Atomic Energy Agency and the Government of Namibia.

Departmental Spending

Dr. Wright: To ask the President of the Board of Trade what percentage share of total departmental spending was accounted for by non-departmental public bodies in each year since 1979.

Mr. Eggar: The percentage share of total departmental expenditure accounted for by grants to executive non-departmental public bodies by the DTI and the Department of Energy was as follows:

	Per cent.
1982-83	9·6
1983-84	9·5
1984-85	5·8
1985-86	11·4
1986-87	2·2
1987-88	4·6
1988-89	3·9
1989-90	1·1
1990-91	1·6
1991-92	1·2

Figures for earlier years are not available.

Silk Textiles

Mr. Evennett: To ask the President of the Board of Trade what progress has been made in agreeing harmonised European Community rules on imports of silk textiles from state trading countries under autonomous arrangements; what interim measures he has taken in the meantime; and what representations he has received about the need for rapid agreement on a definitive solution.

Mr. Needham: The European Community has not yet managed to agree harmonised rules for imports of silk textiles from state-trading countries for 1993 and onwards. In the interim, and following representations from a number of trade associations and commercial interests, the United Kingdom has provisionally rolled over into 1993 the national arrangements that were in force in 1992 but has applied them on a quarterly basis.

Wave Energy

Mr. Spellar: To ask the President of the Board of Trade when he expects to publish the final report of the review of wave energy.

Mr. Eggar: The report "A Review of Wave Energy" —ETSU-R-72, was published on 17 December 1992 and copies placed in the Library of the House.

Car Dealership Franchises

Mr. Cousins: To ask the President of the Board of Trade what action he has taken to implement the recommendations of the Monopolies and Mergers Commission on ending trade restraints built into car dealership franchises.

Mr. Neil Hamilton: In May 1992, my right hon. Friend invited the Director General of Fair Trading to negotiate with the car suppliers with a view to obtaining undertakings to implement the recommendations contained in the Monopolies and Mergers Commission's report on the supply of new motor cars in the United Kingdom. The Director General has concluded that satisfactory undertaking on all of the Commission's recommendations could not be obtained from all the suppliers. My right hon. Friend is currently considering options for taking further action on this report.

Business Names Act

Mr. Bayley: To ask the President of the Board of Trade, pursuant to his answer of 26 February, *Official Report*, column *776*, with which *(a)* educational bodies and *(b)* other bodies he corresponded before approving the use of the name Somerset University under the Business Names Act 1985.

Mr. Neil Hamilton: There was no correspondence between the Secretary of State and any educational or other bodies before the name was approved. The name was approved on the basis that there was evidence that it had been in use prior to 1 January 1983 when the regulations controlling the use of the word university came into force. Consequently there was no requirement to consult any other bodies before approving the name.

Manufacturing Exports

Mr. Milburn: To ask the President of the Board of Trade which five manufacturing industries have been the largest exporters in each United Kingdom region in each year since 1985.

Mr. Needham: Analysis of export statistics by United Kingdom region are not available.

Assisted Areas

Mr. Hain: To ask the President of the Board of Trade if he will take account of the level of economically inactive adult males when determining assisted area status; and if he will make a statement.

Mr. Sainsbury: The consultation paper for the assisted areas map review jointly issued by the Welsh and Scottish Offices and my Department in June last year set out the criteria for designation. This stated that statistical measures of unemployment would be the major components in the review. A number of other factors to be taken into account was also listed in the paper. These included activity rates.

Coal Imports

Mr. Hardy: To ask the President of the Board of Trade what is his estimate of the price paid during the last quarter of 1992 for steam coal imported into the United Kingdom from *(a)* Colombia, *(b)* Poland, *(c)* Germany, *(d)* the CIS, *(e)* South Africa and *(f)* the United States of America; and what was the cost of similar coal produced by British Coal deep mines.

Mr. Eggar: The average price paid for steam coal imported into the United Kingdom during the last quarter of 1992 was as follows.

Country of origin	*Cost per tonne*[1] £
Colombia	31
Poland	54
Germany	46
Former USSR	28
South Africa	32
United States of America	36

Source: HM Customs and Excise.
[1] Includes the cost of insurance and freight.

Comparable information for steam coal produced in the United Kingdom is not held centrally.

EC Funds

Mr. Dalyell: To ask the President of the Board of Trade if he will make a statement on his discussions with Commissioner Millan on additionality and bringing matching European funds to the United Kingdom.

Mr. Sainsbury: As agreed with the Commission the treatment of receipts from the European regional development fund in the United Kingdom's public expenditure system will be made more transparent. From 1 April public expenditure cover will be made available automatically and in full for all forecast receipts.

Commissioner Millan wrote on 8 February seeking assurance that full arrangements will be in place to implement the agreement. He has been so assured.

China

Mr. Adley: To ask the President of the Board of Trade what steps he is taking to improve trade with China.

Mr. Needham: A much stronger United Kingdom commercial presence in China is a high priority for my Department. I have visited China three times since last July. There is growing United Kingdom business interest in the massive opportunities in that market, for profitable infrastructure, machinery, consumer goods and services business. We are carrying out a programme of activities with British business to help to improve the United Kingdom's performance, targetting in particular major projects, small and medium-sized United Kingdom exporters and the services sector, including retailing and distribution.

Import Substitution

Mr. Nicholas Winterton: To ask the President of the Board of Trade if he will make it his policy, in association with representatives of British manufacturing industry, to seek to establish a task force on import substitution in order to identify areas in which such substitution is feasible.

Mr. Sainsbury *[holding answer 9 March 1993]:* Government activities which seek to discriminate in favour of United Kingdom producers against exporters from other Community member states are precluded by the treaty of Rome. Nevertheless, my Department is continually working to assist United Kingdom firms to exploit market opportunities at home and abroad. The recent fall in the value of the pound against the currency of our major competitors provides plenty of scope for United Kingdom businesses to gain a larger share of the domestic market.

Mr. Nicholas Winterton: To ask the President of the Board of Trade if he will make a statement providing details of those initiatives which have been taken by his Department in order to identify areas in which import substitution is a feasible option; if he will list the categories of goods which have so far been identified by those initiatives; and what action he has taken to draw each area of potential import substitution to the attention of British manufacturers.

Mr. Sainsbury *[holding answer 9 March 1993]:* My Department is continually working to assist United Kingdom firms to identify market opportunities both at home and abroad. In particular, the new DTI sector divisions work closely with their industries to help business take advantage of the opportunities created by the recent fall in the value of sterling. Her Majesty's Customs and Excise provides the names and addresses of United Kingdom importers for each classification of imported goods through appointed marketing agents.

EC Maritime Policy

Mr. Hutton: To ask the President of the Board of Trade what discussions he has had with his European counterparts on the development of a new maritime policy for the Community; and if he will make a statement.

Mr. Norris: I have been asked to reply.

The report of the maritime forum, which dealt with all aspects of maritime policy, was presented to a meeting of Industry Ministers chaired by my right hon. Friend the President of the Board of Trade on 24 November last year.

Malaysia

Mr. Elletson: To ask the President of the Board of Trade if he will make a statement about the soft loan which the United Kingdom is making to Malaysia to help pay for the international airport near Kuala Lumpur.

Mr. Lennox-Boyd: I have been asked to reply.

We have told the Malaysian Government that we are setting aside a sum of up to £42 million of grant finance from the aid and trade provision budget to be used in association with export credits for contracts which may be awarded to British companies of up to £120 million worth of United Kingdom goods and services for the planned new international airport outside Kuala Lumpur. A firm financial commitment to support the project is subject to completion of the Overseas Development Administration's and the Export Credits Guarantee Department's usual appraisal procedures and to consulting OECD partners in accordance with the recent international agreement in the use of tied aid credits.

Written Answers to Questions

Thursday 18 March 1993

FOREIGN AND COMMONWEALTH AFFAIRS

Juanito Silva

Mr. Alton: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has made to the Brazilian Government about the killing of Juanito Silva in Rio de Janeiro; and if he will make a statement.

Mr. Garel-Jones: Our embassy in Brasilia raised the matter with the Brazilian authorities on 11 March. They undertook to keep the embassy informed about their investigation.

Committee of the Regions

Mr. Betts: To ask the Secretary of State for Foreign and Commonwealth Affairs how many seats on the Committee of the Regions it is proposed to allocate to *(a)* England, *(b)* Scotland, *(c)* Wales, *(d)* Northern Ireland and *(e)* Yorkshire and Humberside; and what is in each case the ratio of population to seats.

Mr. Goodlad: No final decisions have been taken on the allocation of seats between the different parts of the United Kingdom.

North Korea

Mr. Flynn: To ask the Secretary of State for Foreign and Commonwealth Affairs what are the consequences for British foreign policy of the recently announced decision by the North Korean Government on their attitude to possible inspection by the International Atomic Energy Agency's inspectors.

Mr. Goodlad: The United Kingdom is determined to maintain and strengthen the non-proliferation treaty. We urge North Korea to reconsider its position.

HOME DEPARTMENT

Crime Statistics

Mr. Nigel Evans: To ask the Secretary of State for the Home Department how many people were killed or injured in crimes involving firearms in each police authority for each year since 1979.

Mr Jack: The number of notifiable offences recorded by the police in which firearms were reported to have caused death or injury is shown by policy force in the table. Information for the years prior to 1985 is available only at disproportionate cost.

Notifiable offences recorded by the police in which firearms were reported to have caused death or injury, England and Wales 1985 to 1991

	1985		1986		1987		1988		1989		1990		1991	
Force	*Killed*	*Injured*	*Killed*	*Injured*	*Killed*	*Injured*	*Killed*	*Injured*	*Killed*	*Injured*	*Killed*	*Injured*	*Killed*	*Injured*
Avon and Somerset	—	26	3	13	2	18	—	18	—	40	1	42	2	43
Bedfordshire	1	28	—	19	—	14	—	13	—	8	—	9	2	7
Cambridgeshire	1	32	—	10	2	16	1	20	—	12	—	20	1	28
Cheshire	—	31	2	14	—	23	1	36	—	33	2	43	1	25
Cleveland	—	6	—	21	—	17	—	18	—	27	—	37	1	42
Cumbria	—	25	—	19	2	17	—	25	—	13	—	24	—	24
Derbyshire	—	56	1	37	1	30	—	36	1	34	1	67	—	29
Devon and Cornwall	1	46	8	43	1	35	1	32	—	41	—	29	—	34
Dorset	—	16	—	2	—	5	—	—	2	2	1	2	—	3
Durham	1	44	1	28	1	32	—	9	—	25	1	17	1	26
Essex	7	41	—	45	1	58	—	45	—	52	1	50	1	39
Gloucestershire	—	12	1	2	1	10	—	14	1	7	1	5	—	21
Greater Manchester	3	198	—	176	2	169	2	121	6	158	1	148	5	148
Hampshire	3	63	—	42	—	47	—	38	2	34	1	41	2	41
Hertfordshire	—	28	—	17	1	15	1	18	1	13	—	9	—	19
Humberside	—	66	—	50	—	66	—	52	1	66	—	61	2	65
Kent	2	52	2	41	3	40	1	47	2	49	4	49	2	50
Lancashire	—	40	—	49	1	33	1	46	1	12	1	39	2	48
Leicestershire	1	23	—	22	1	34	1	26	—	48	2	23	—	11
Lincolnshire	—	21	—	17	1	21	—	18	—	16	—	14	—	4
London, City of	—	2	—	2	—	5	—	—	—	2	—	—	—	1
Merseyside	—	141	—	124	2	116	1	100	1	111	—	82	1	106
Metropolitan Police	8	644	13	520	23	448	12	487	11	492	23	471	14	475
Norfolk	4	18	1	14	—	12	—	16	—	36	—	22	—	18
Northamptonshire	—	24	2	31	—	20	1	21	—	15	—	21	1	14
Northumbria	2	120	—	75	2	90	—	77	1	110	2	82	1	82
North Yorkshire	1	22	—	10	1	13	—	17	1	19	1	9	—	20
Nottinghamshire	3	115	—	82	—	64	—	69	1	70	—	55	5	76
South Yorkshire	1	128	2	88	1	73	1	75	—	75	2	66	—	50
Staffordshire	1	56	—	42	—	47	—	48	1	34	1	51	—	51
Suffolk	2	15	1	9	3	7	1	13	—	14	2	12	—	21
Surrey	—	13	1	19	—	18	1	14	—	19	—	16	2	20
Sussex	—	21	3	14	2	25	1	23	2	18	—	31	2	23
Thames Valley	—	59	2	41	14	57	2	45	1	48	1	51	2	43
Warwickshire	—	18	—	25	1	16	1	9	—	12	—	18	—	18
West Mercia	—	44	1	29	1	41	1	22	1	44	1	16	1	14
West Midlands	—	192	4	153	2	116	3	122	—	111	2	139	—	134

Force	1985 Killed	1985 Injured	1986 Killed	1986 Injured	1987 Killed	1987 Injured	1988 Killed	1988 Injured	1989 Killed	1989 Injured	1990 Killed	1990 Injured	1991 Killed	1991 Injured
West Yorkshire	1	167	3	110	2	141	—	104	1	108	3	108	—	97
Wiltshire	—	13	—	8	1	15	—	7	2	4	1	1	1	2
Dyfed Powys	2	11	—	8	—	16	—	14	—	11	3	11	1	19
Gwent	—	27	—	17	1	14	—	24	1	22	1	25	2	13
North Wales	—	41	—	28	—	31	2	20	—	28	—	22	—	32
South Wales	—	74	—	52	1	41	—	45	4	26	—	54	—	41
TOTAL	45	2,819	51	2,168	77	2,126	36	2,004	45	2,119	60	2,092	55	2,077

Travel Documents

Mr. Olner: To ask the Secretary of State for the Home Department if he will abolish family passports and introduce the requirement that all children be issued with their own travel documents.

Mr. Charles Wardle: Family passports, which included details of the holder and spouse, were discontinued in 1988, though those issued previously remain valid until their normal date of expiry. Children under the age of 16 can still be included in the passport of a parent or other appropriate adult or can be issued with their own passport.

If the facility to have children included in a parental passport were abolished, this could lead to inconvenience and additional expense.

Gambling

Mr. Riddick: To ask the Secretary of State for the Home Department if he will outline the statutory or licensing restrictions which apply to gambling in pubs or other licensed premises; and what consideration is being given to amending them.

Mr. Peter Lloyd: Section 6 of the Gaming Act 1968 permits, in public houses and hotels licensed for the sale of liquor, the playing of dominoes, cribbage and any other form of equal chance game authorised by the appropriate liquor licensing authorities. To prevent abuse, the justices are empowered as a safeguard to impose conditions that forbid play for high stakes or stop the gaming from becoming a primary inducement to custom; and people under 18 are debarred from play.

Child Abduction

Mr. Olner: To ask the Secretary of State for the Home Department what proposals he has to improve training for immigration officers in the area of child abduction.

Mr. Charles Wardle: There are no plans to alter the training that immigration officers already receive in this area.

Forensic Scientists

Mr. Spellar: To ask the Secretary of State for the Home Department if he will set up a national register of qualified forensic scientists.

Mr. Jack: We will look at this area carefully in the light of the conclusions of the Royal Commission on criminal justice. We shall also take account of the report on forensic science of the Select Committee on Science and Technology in another place published on 4 March.

Czech and Slovak Citizens

Mr. Cousins: To ask the Secretary of State for the Home Department how many Czech and Slovak citizens have been refused entry to the United Kingdom at the channel ports in each of the last three years.

Mr. Charles Wardle: The information requested is given in the table.

Czechoslovak nationals refused leave to enter and removed from channel ports[1]

Year	Number of persons
1990	81
1991	414
1992	244

[1] Dover, Folkestone, Newhaven, Plymouth, Portsmouth, Ramsgate and Southampton.

Passport Control

Mr. Olner: To ask the Secretary of State for the Home Department if he will provide telefax facilities for notifying passport control of portstops with photographs.

Mr. Charles Wardle: My right hon. and learned Friend is aware of the recommendation for the provision of telefax facilities made in the recent report of the parliamentary working party on child abduction. The allocation of resources, though for the provision of such equipment is a matter for the chief officers of individual police forces to decide.

Dr. Kypros Loucas

Mr. Gerrard: To ask the Secretary of State for the Home Department, pursuant to his answer to the hon. Members for Makerfield (Mr. McCartney), for Sheffield Brightside (Mr. Blunkett), and for Hammersmith (Mr. Soley), on 17 December 1992, *Official Report*, column *450*, if the investigations referred to have been completed; and if he will make a statement on the employment of Dr. Kypros Loucas at Wormwood scrubs prison.

Mr. Peter Lloyd: My right hon. Friend the Secretary of State for Health has drawn to the attention of the General Medical Council allegations made about Dr. Loucas's conduct before he took up his appointment at Wormwood Scrubs. Any further investigation will be a matter for the council. The Wormwood Scrubs appointment is under review. In the meantime, the suspension of Dr. Loucas's visits to the prison continues.

Urban Crime Fund

Mr. Fatchett: To ask the Secretary of State for the Home Department what criteria have been used for selecting those areas to benefit from the urban crime fund.

Mr. Jack: Areas were chosen that had a diverse range of urban crime problems in which innovative crime prevention measures involving local communities could be trialed.

Correspondence

Mr. Wareing: To ask the Secretary of State for the Home Department when he will reply to the hon. Member for Liverpool, West Derby's letter of 11 February respecting Mr. Paul Malone, currently held at Frankland prison, Durham.

Mr. Jack: I replied to the hon. Member on 16 March.

Secure Training Units

Mr. Michael: To ask the Secretary of State for the Home Department, pursuant to his answer of 10 March, *Official Report*, column *557*, when he expects to be able to give the global sum *(a)* needed and *(b)* available in 1993-94 towards providing the secure training units for 11 to 15-year-olds announced on 2 March.

Mr. Jack *[holding answer 17 March 1993]:* I have nothing at present to add to the reply given to a similar question from the hon. Member on 16 March, at column *169*.

Mr. Basharat Ali Khan

Mr. Madden: To ask the Secretary of State for the Home Department when a decision is to be taken on the application from Basharat Ali Khan, Ref: K218950, to join his father in the United Kingdom, referred by the Foreign and Commonwealth Office to his Department on 6 December last; and if he will make a statement.

Mr. Charles Wardle *[holding answer 24 February 1993]:* We hope to reach a decision shortly, and I will then write to the hon. Member.

Child Pornography

Mr. Ronnie Campbell: To ask the Secretary of State for the Home Department what measures he intends to take to prevent the flow of child pornography into Britain from Europe and the rest of the world.

Sir John Cope: I have been asked to reply.

I refer the hon. Member to the reply I gave to my hon. Friend the member for Clwyd, North-West (Mr. Richards) on 17 February, *Official Report*, column *209*.

DEFENCE

Public Bodies

Dr. Wright: To ask the Secretary of State for Defence how many appointments to the public bodies listed in "Public Bodies" for his Department were made from names supplied by the public appointments unit; and if he will list them.

Mr. Archie Hamilton: Seven of the appointments listed in "Public Bodies" are currently filled by individuals whose names were supplied by the public appointments unit: six to the Advisory Committee on Conscientious Objectors and one to the Review Board for Government Contracts.

Dr. Wright: To ask the Secretary of State for Defence what share of total departmental spending was accounted for by non-departmental public bodies in each year since 1979.

Mr. Archie Hamilton: Information is not held in the form requested and could be provided only at disproportionate cost. Information on the expenditure of NDPBs is however published in "Public Bodies": for 1991-92 the total MOD grant in aid to NDPBs was £38 million—some 0·16 per cent. of total defence expenditure.

Rhinoceroses

Mr. Tony Banks: To ask the Secretary of State for Defence if he will offer military personnel and equipment to African Governments to protect rhinoceros stock.

Mr. Archie Hamilton: No request for such assistance has been received.

Trident

Mr. Flynn: To ask the Secretary of State for Defence how many missiles will be deployed on each of Britain's Trident submarines.

Mr. Aitken: It has been the practice of successive Governments not to comment on the number of missiles carried by our ballistic missile submarines. The United Kingdom's Trident submarines are being built with 16 missile tubes.

Polaris Missiles

Mr. Flynn: To ask the Secretary of State for Defence on what dates United Kingdom Polaris missiles have been test fired since May 1987.

Mr. Aitken: There have been no United Kingdom Polaris missile test firings since May 1987.

Mr. Flynn: To ask the Secretary of State for Defence what is his Department's assessment of the ability of Russian intelligence-gathering satellites to identify the number of missiles that are carried on the United Kingdom's Polaris submarines.

Mr. Archie Hamilton: Russia operates a number of satellites with an intelligence-gathering capability. We are confident however, that these cannot identify the number of missiles carried by Polaris submarines.

Mr. Flynn: To ask the Secretary of State for Defence what plans he has to increase the number of warheads deployed on the Polaris fleet during the remainder of its operational life.

Mr. Archie Hamilton: It has been the practice of successive Governments not to specify publicly the number of nuclear warheads deployed on our ballistic missile submarines.

Mr. Flynn: To ask the Secretary of State for Defence how many of the United Kingdom's Polaris Missiles have been test fired since the missiles were purchased from the United States of America.

Mr. Aitken: There have been 42 such test firings.

Nuclear Warheads

Mr. Flynn: To ask the Secretary of State for Defence what recent changes there have been to the United Kingdom's strategic nuclear targeting policy that have required changes in the numbers of warheads deployed.

Mr. Archie Hamilton: Successive United Kingdom Governments have always declined to make public their nuclear targeting policy and plans.

Vulcan Aircraft

Mrs. Angela Knight: To ask the Secretary of State for Defence what plans he has for the disposal of Vulcan aircraft XH 558.

Mr. Aitken: Following evaluation of the returned tenders for the sale of the Vulcan XH 558, the aircraft will be sold to C Walton Ltd. (Aircraft Division) at Bruntingthorpe aerodrome in Leicestershire. The new owners will preserve the aircraft as a museum exhibit.

NATIONAL FINANCE

Public Bodies

Dr. Wright: To ask the Chancellor of the Exchequer what percentage share of total departmental spending was accounted for by non-departmental public bodies in each year since 1979.

Mr. Portillo: The information for the Chancellor of the Exchequer's departments is set out in the table. This information is not readily available for 1979-80 and 1980-81.

Percentage share of departmental spending accounted for by funding of non-departmental public bodies

	per cent.
1978-79	1·15
1981-82	0·54
1982-83	0·55
1983-84	0·69
1984-85	0·73
1985-86	0·64
1986-87	0·66
1987-88	0·56
1988-89	0·44
1989-90	0·37
1990-91	0·39
1991-92	0·41

Saztec Philippines Ltd.

Mr. Cousins: To ask the Chancellor of the Exchequer what contracts his Departments have granted to Saztec Philippines Ltd. since July 1992; and where the company carries out the contracted work.

Mr. Nelson: None.

Value Added Tax

Mr. Robert Banks: To ask the Chancellor of the Exchequer if he will set out the rates of VAT applicable in EC countries.

Sir John Cope: The information is as follows.

EC rates as at 1 February 1993

	Standard rate	*Higher rate(s)*	*Reduced rate(s)*	*Coverage of zero-rating*
United Kingdom	17·5	—	—	wide range
Belgium	19·5	—	1, 6, 12	minimal
Denmark	25·0	—	—	minimal
France	18·6	—	2·1, 5·5	minimal
Germany	15·0	—	7	minimal
Greece	18·0	—	4, 8	minimal
Ireland	21·0	—	2·5, 12·5	wide range
Italy[1]	19·0	—	4, 9, 12	minimal
Luxembourg[1]	15·0	—	3, 6, 12	minimal
Netherlands	17·5	—	6	nil
Portugal[2]	16·0	30	5	minimal
Spain[3]	15·0	—	3, 6	minimal

[1] The 12 per cent. rate is a "parking" rate which is a transitional measure provided for in EC law (VAT Directive 92/77/EEC) and applies to supplies previously taxed at the reduced rates.
[2] Lower rates of 12, 21 and 4 per cent. are applied in autonomous region of the Azores archipelago.
[3] New rate of 3 per cent. introduced with effect from 1 January 1993.

Financial Services Act 1986

Mr. Cousins: To ask the Chancellor of the Exchequer who has the responsibility for ensuring the enforcement of section 47 of the Financial Services Act 1986; what action each enforcement agency has taken in the last two years; and in what form the efficacy of enforcement is reported to Parliament.

Mr. Nelson: The Treasury is responsible for the overall framework of the Financial Services Act. Responsibility for instituting proceedings under section 47—misleading statements and practices—lies primarily with the President of the Board of Trade, the Director of Public Prosecutions and procurators fiscal in Scotland.

Post and Telecommunications

Mr. Cousins: To ask the Chancellor of the Exchequer if he will list the import, export and balance of payments in respect of postal and telecommunications services each year from 1982, expressing those payments both in cash and current price terms.

Mr. Nelson: The current price, or cash, value of postal and telecommunications services imports and exports for 1982 to 1991 can be found in table 3.6 of the 1992 edition

of the Central Statistical Office's United Kingdom balance of payments publication—the Pink Book. Copies of the Pink Book are available in the Library of the House; alternatively the data can be found on the CSO database which can be accessed through the Library. For 1992, it is estimated that exports of postal and telecommunication services were £905 million and imports were £950 million. These series are not available at constant prices.

Political Parties (Funding)

Mr. Rogers: To ask the Chancellor of the Exchequer whether funds brought into the United Kingdom and used for day-to-day expenditure of political parties are subject to tax.

Mr. Dorrell: Remittances of income from overseas by a resident of the United Kingdom are subject to tax. In general, remittances of capital are not subject to tax.

Capital Gains Tax

Mr. Rogers: To ask the Chancellor of the Exchequer what were the preliminary estimates made by the Board of Inland Revenue of the capital gains tax lost due to overseas ownership of United Kingdom assets in each of the years from 1988 to 1989.

Mr. Dorrell: In common with most other countries, the United Kingdom does not in general tax capital gains made by non-residents. Information on which to estimate the effect of a change in the law in this respect is not available.

Premium Bonds

Mrs. Helen Jackson: To ask the Chancellor of the Exchequer how many individuals bought premium bonds each month for the last year; and how much was invested.

Mr. Nelson: National Savings can give information only about the number of purchases of premium bonds, not the number of individuals making them. Following is the information.

	Number (thousands)	*Value (£ millions)*
1992		
January	88·7	25·3
February	66·8	26·8
March	97·9	29·6
April	73·9	25·5
May	60·7	25·3
June	87·3	27·9
July	79·0	26·5
August	75·5	26·5
September	87·7	37·8
October	99·0	40·1
November	99·4	39·1
December	78·4	27·2
1993		
January	97·8	31·4
February	[1]85·7	[1]38·1

[1] Provisional figures.

National Savings

Mrs. Helen Jackson: To ask the Chancellor of the Exchequer what changes have been made to the minimum payments, and on what dates, into *(a)* national savings accounts or *(b)* premium bonds, over the last three years.

Mr. Nelson: There have been three changes in minimum deposits and purchases for national savings bank accounts and premium bonds since 1990. From 1 February 1993, the minimum deposit required for a national savings ordinary account rose from £5 to £10 and that for the investment account from £5 to £20. On the same day, the minimum purchase of premium bonds for children rose from £10 to £100.

Mrs. Helen Jackson: To ask the Chancellor of the Exchequer how many individuals invested in national savings accounts in each of the last three years.

Mr. Nelson: National Savings retains information about accounts, not individuals. The following is the number of ordinary and investment accounts with at least one deposit in a year.

	Ordinary accounts (thousands)	*Investment accounts (thousands)*
1990	1,781	2,110
1991	1,657	1,964
1992	1,601	1,836

Taxation of Trusts

Mr. Burns: To ask the Chancellor of the Exchequer if he will make a statement about the outcome of consultation on the document "Trusts: The Income Tax and Capital Gains Tax Treatment of UK Resident Trusts".

Mr. Dorrell: The Government have decided not to implement the central proposals in the consultative document on trusts published in March 1991.

The main option discussed in the consultative document was a proposal to integrate the income tax and capital gains tax treatment of trusts. As for individuals, trustees' income and chargeable gains would have been added together, with gains being treated as the top slice of income, and taxed at the basic rate up to a certain threshold and then at the higher rate.

The response to the document was varied, but a common concern was that treating capital gains as the top slice of income would adversely affect beneficiaries entitled to trust capital, because gains more than income would tend to be charged at the higher rate. In the light of the representations received, the Government have concluded that the proposal to integrate the income tax and capital gains tax treatment of trusts should not be pursued.

The Government are continuing to consider the responses on some of the more detailed issues discussed in the consultative document.

Economic and Finance Council

Mr. Burns: To ask the Chancellor of the Exchequer if he will make a statement on the outcome of the latest meeting of the European Community's Economic and Finance Council.

Sir John Cope: The Economic and Finance Council of the European Community—ECOFIN—met in Brussels on 15 March. I represented the United Kingdom.

The Council approved the Commission's annual economic report for 1993. The report includes the

Commission's forecast that the United Kingdom economy will grow faster in 1993 and 1994 than any other major EC country; and set the background for a discussion of national measures to promote economic recovery arising from the initiative launched by my right hon. Friends the Prime Minister and Chancellor at the Edinburgh European Council. The Council decided to reconsider national action to promote recovery and the related measures at Community level at its meeting in April, when it will also be possible to reflect the measures to reduce unemployment and promote sustainable growth announced in my right hon. Friend the Chancellor's Budget statement on 16 March. There was also some discussion of the wider international context to the Community's initiative to promote growth and I gave a report of relevant discussions at the meeting of G7 Finance Ministers in London on 27 February.

The Council examined and endorsed the programme for economic convergence submitted by Greece covering the period 1993-99. The Council welcomed achievements in structural reform and fiscal consolidation made by the Greek Government during 1992 and emphasised the importance of taking the action necessary to meet the ambitious targets it had set itself for the future.

Following a presentation by the president of the European Court of Auditors on the 1991 Community Budget, the Council agreed a recommendation to the European Parliament on granting the Commission a discharge on its implementation of the 1991 budget. I stressed the importance that the United Kingdom Government and Parliament attach to the work of the Court of Auditors and the need to ensure high standards of financial management in the Community's activities.

The Council had a brief discussion of a report from the presidency on progress in discussions between officials on the Commission's proposal for a carbon/energy tax. The German delegation also tabled a paper on its ideas for a harmonised system of withholding tax on interest from bank deposits. It was agreed that this paper would be discussed further at official level before being considered by the Council.

Council Tax

Mr. Tyler: To ask the Chancellor of the Exchequer how many properties in England, Wales and Scotland have been listed as composite properties on the council tax valuation list in accordance with the valuation regulations in the categories of *(a)* shops and commercial premises, *(b)* public houses and other licensed premises, *(c)* dwellings used in agriculture and *(d)* others.

Mr. Nelson: *[holding answer 8 March 1993]:* The information for England and Wales is not currently held centrally, and in order to compile it disproportionate costs would be incurred. Different regulations exist in Scotland to reflect legal differences. The oversight of these is the responsibility of my right hon. Friend the Secretary of State for Scotland.

Mr. Tyler: To ask the Chancellor of the Exchequer (1) how many domestic properties located on registered agricultural holdings in each of the valuation districts in England, Wales and Scotland have been listed as composite properties on the council tax valuation list in accordance with the valuation regulations;

(2) how many domestic properties located on registered agricultural holdings in England, Wales and Scotland have been listed as composite properties on the council tax valuation list in accordance with the valuation regulations; and what proportion this number represents of the total number of such holdings.

Mr. Nelson *[holding answer 8 March 1993]:* Neither the Valuation Office agency nor the Ministry of Agriculture, Fisheries and Food keeps a register of agricultural holdings. In order to collect the information requested disproportionate costs would be incurred.

Bank Lending

Mr. Hain: To ask the Chancellor of the Exchequer if he will give figures for the percentage growth in bank lending to *(a)* manufacturing companies and *(b)* property companies for each year since 1979 and cumulatively over that period.

Mr. Nelson *[holding answer 12 March 1993]:* The information requested is set out in the table.

Figures for the percentage growth in bank lending to (a) manufacturing companies and (b) property companies for each year since 1979 and cumulatively over that period

Date	*Stock of lending to manufacturing £ million*	*Annual percentage growth rate*	*Cumulative percentage growth rate*	*Stock of lending to property £ million*	*Annual percentage growth rate*	*Cumulative percentage growth rate*
1979 mid-November	14,875	—	—	2,167	—	—
1980 mid-November	17,583	18·2	18·2	2,242	3·5	3·5
1981 mid-November	18,901	7·5	27·1	2,710	20·9	25·1
1982 mid-November	23,418	23·9	57·4	3,523	30·0	62·6
1983 mid-November	22,209	−5·1	49·3	4,448	26·3	105·3
1984 mid-November	26,397	18·9	77·5	5,420	21·9	150·1
1985 mid-November	27,438	3·9	84·4	7,109	31·2	228·1
1986 end-November	29,599	7·9	99·0	9,341	31·4	331·1
1987 end-November	29,858	0·8	99·4	13,333	42·7	515·3
1988 end-November	40,688	37·2	173·5	21,348	60·1	885·1
1989 end-November	51,175	25·8	244·0	31,963	49·7	1,375·0
1990 end-November	54,291	6·1	265·0	38,996	22·0	1,699·5
1991 end-November	51,586	−5·0	246·8	39,670	1·7	1,730·6
1992 end-November	50,193	−2·7	237·4	27,966	−4·3	1,652·0

WALES

Youth Crime

Mr. Llwyd: To ask the Secretary of State for Wales if he will list *(a)* the outreach youth work programmes, *(b)* the youth activity units, *(c)* summer holiday schemes, *(d)* Alto projects and *(e)* training schemes within Wales which have stated the reduction of crime as one of their aims; and how much financial assistance has been granted by his Department for each project in the current financial year.

Sir Wyn Roberts: Welsh Office support for youth work and training is concerned primarily with the social development of young people and the provision of skills which employers require. While these activities can be expected to bring positive social benefits they are not specifically aimed at reducing crime. The Department has, however, supported a number of crime prevention initiatives which are targeted at young people.

Urban programme support for crime prevention projects amounts to some £500,000 a year. For example, in 1992-93 capital expenditure of £100,000 was approved for the establishment of a youth centre in Aberdare which is intended to divert young people away from crime. In addition, nearly £74,000 in approved costs has been made available for schemes which, by providing young people with guidance and training in the maintenance and proper use of motor vehicles, helps divert them from car crime.

In recent years the Department has funded the National Association for the Care and Resettlement of Offenders to undertake crime prevention projects in south-east Wales.

Film Companies (Location Shooting)

Mr. Wigley: To ask the Secretary of State for Wales what efforts are currently being undertaken by his Department to encourage international film production companies to shoot on location in Wales.

Sir Wyn Roberts: The Department has taken no initiatives in this area.

Novo Pen Kits

Mr. Morgan: To ask the Secretary of State for Wales if he will make it his policy to place Novo pen dispensing kits on the approved list of items for supply on prescription under the national health service; what representations he has had from the British Diabetics Association and the British Medical Association in relation to the right to prescribe the Novo pen kit on the national health service; and if he will make a statement.

Mr. David Hunt: Health departments are considering the financial case for authorising GPs to prescribe insulin injection pens and needles for diabetics. Their inclusion in the GP prescribable list must, like other new additions to the list, be subject to the availability of resources. The Department has received representations from secretaries of local branches of the British Diabetic Association and from a dozen individuals; no representations have been received from the British Medical Association.

Public Bodies

Dr. Wright: To ask the Secretary of State for Wales what percentage share of total departmental spending was accounted for by non-departmental public bodies in each year since 1979.

Mr. David Hunt: The figures are set out in the table. Figures for the years 1979-80 and 1980-81 are not available.

Year	*Per cent. share*
1978-79	4·05
1979-80	n/a
1980-81	n/a
1981-82	4·71
1982-83	3·60
1983-84	2·78
1984-85	2·91
1985-86	2·64
1986-87	2·27
1987-88	2·97
1988-89	3·61
1989-90	6·63
1990-91	7·13
1991-92	6·91

Sources:
"Report on Non-Departmental Public Bodies 1980" (Cmnd 7797).
"Public Bodies" (first published in 1982 and successive years by the Cabinet Office).
"The Government's Expenditure Plans 1984-85 to 1986-87" (Cm 9143).
"The Government's Expenditure Plans 1989-90 to 1991-92" (Cm 617).
"The Government's Expenditure Plans 1993-94 to 1995-96" (Cm 2215).

Notes:
Figures are based on direct Government support for NDPBs.

Teacher Placement Scheme

Mr. Dafis: To ask the Secretary of State for Wales how many teachers from Wales have gained placements with the teacher placement scheme in each year since 1989.

Sir Wyn Roberts: The total number of teachers in Wales who received a placement through the teacher placement service for the years requested is shown in the table:

Year	*Number of teachers*
1989	305
1990	1,150
1991	2,602
1992	2,252

Source: Teacher Placement Service.

The figure for 1989 refers to the period from September 1989 only, when the service first began its operations.

Health Promotion Authority

Mr. Morgan: To ask the Secretary of State for Wales if he will place a copy in the Library of the Bettinson report evaluating the aims, objectives and performance of the Health Promotion Authority for Wales.

Mr. David Hunt: I expect to be able to reach a decision on the publication of this report shortly.

Japan Investment Mission

Mr. Morgan: To ask the Secretary of State for Wales what consultations he has had with the chairman of the Welsh Development Agency in relation to the reasons for the cancellation of the inward investment mission to Japan from 7 to 14 March.

Mr. David Hunt: None.

Mr. Morgan: To ask the Secretary of State for Wales what is his current estimate of the cost of arranging and aborting the chairman of the Welsh Development Agency's inward investment mission to Japan from 7 to 14 March; and how many individual meetings with companies had been arranged.

Mr. David Hunt: I understand that the inward investment mission has been postponed and not aborted.

Mr. Morgan: To ask the Secretary of State for Wales if he will give details of each of the meetings arranged between the chairman of the Welsh Development Agency and the Japanese business leaders which were to take place during the chairman's inward investment mission to Japan from 7 to 14 March; if he will make it his policy to write personally to each of those business leaders to give an explanation for their cancellation; and what proposals he has to rearrange such meetings for a later date.

Mr. David Hunt: No. Such meetings are commercially confidential. I understand that the visits are to be rearranged.

Welsh Development Agency

Mr. Morgan: To ask the Secretary of State for Wales what consultations he has had with the Welsh Development Agency concerning the resignation of Linda Gilbody-Wood, the director of the skills development unit; what proposals there are to replace her; and if he will make a statement.

Mr. David Hunt: None. Staffing matters are for the agency's management.

Mr. Morgan: To ask the Secretary of State for Wales, pursuant to his answer of 4 February, *Official Report*, columns *340-41*, if he will make it his policy in appointing a new chairman for the Welsh Development Agency to give due priority to the willingness of the appointed candidate to adhere to arranged itineraries and timetables in the course of inward investment missions abroad.

Mr. David Hunt: My policy is to appoint the best candidate for the job.

Directors of Education

Mr. Richards: To ask the Secretary of State for Wales if he will give the full details and the financial settlements for the early retirement of each of the four directors of education who have retired in the last six months in Wales; and if he will make a statement.

Sir Wyn Roberts: *[holding answer 1 March 1993]:* Eligible employees over 50 with two or more years' reckonable service who are made redundant or who leave in the interests of the efficiency of the service are entitled to immediate payment of the local government superannuation scheme retirement pension and retirement lump sum. Additionally, councils have discretion to enhance the pension and lump sum for those over 50 with five or more years' service by the award of up to 10 extra added years, according to various criteria. These are, however, matters for the local authorities concerned.

Mr. Rhodri Morgan: To ask the Secretary of State for Wales, pursuant to the answer from the Secretary of State for National Heritage to the hon. Member for Falmouth and Camborne (Mr. Coe) of 9 March, *Official Report*, columns *512-13*, what changes he proposes in the funding of the Welsh National Opera company.

Sir Wyn Roberts: None.

Wages Councils

Mr. Jon Owen Jones: To ask the Secretary of State for Wales how many jobs are covered currently by the wages councils in Wales.

Mr. McLoughlin: I have been asked to reply.

It is estimated that in 1992 there were about 120,000 workers in Wales in Wages Council industries.

TRADE AND INDUSTRY

Japanese Investment

Mr. Gordon Prentice: To ask the President of the Board of Trade what percentage of inward direct investment into the United Kingdom from Japan was in manufacturing industry in each year since 1987.

Mr. Sainsbury: According to Japanese Ministry of Finance figures, the percentage by value of inward direct investment into the United Kingdom from Japan in manufacturing industry in each financial year since 1987 was as follows:

	Per cent.
April 1987 to March 1988	11·7
April 1988 to March 1989	8·5
April 1989 to March 1990	22·4
April 1990 to March 1991	29·4
April 1991 to March 1992	25·2

The cumulative percentage for the period since records began to date —1951 to financial year 1991-92—is 19·8.
Source: Japanese Ministry of Finance.

Condoms

Mr. Cousins: To ask the President of the Board of Trade if he will publish a table showing the retail cost of condoms since 1988 in as an index of *(a)* cash prices and *(b)* in 1993 prices; and what steps he has taken to monitor and enforce the price formula set by the Monopolies and Mergers Commission.

Mr. Neil Hamilton: The retail cost of condoms is published in the monthly "Chemist & Druggist Price List". Responsibility for monitoring the price control undertaking given by the London Rubber Company rests with the Director General of Fair Trading.

Mr. Cousins: To ask the President of the Board of Trade if he will publish a table showing the value of *(a)* home production, *(b)* home sales, *(c)* imports, *(d)* exports, in cash and constant prices and *(e)* the share of home sales of imports of condoms in each year since 1988.

Mr. Neil Hamilton: The only publicly available information covers the import and export of hygienic and pharmaceutical articles, including contraceptive sheaths, teats, droppers and hot water bottles, and is as follows:

	Imports £ million	Exports £ million
1988	10·5	9·7
1989	8·8	10·6
1990	12·3	12·1
1991	11·4	13·4

Further information may of course become available once the Monopolies and Mergers Commission has reported on its investigation into the market for contraceptive sheaths.

Standing Committee on Intellectual Property

Mr. Cousins: To ask the President of the Board of Trade if he will list the names of members of the standing committee on intellectual property, the enterprises, agencies and institutions with which the members are connected and their date of appointment.

Mr. Leigh: The following organisations are members of the departmental standing advisory committee on industrial property—SACIP:

the Institute of Patentees and Inventors, the Trade Marks, Patents and Designs Federation, the Confederation of British Industry, the British Retail Consortium, the Incorporated Society of British Advertisers, the Chartered Society of Designers, the Chartered Institute of Patent Agents, the Institute of Trade Mark Agents, the Association of British Chambers of Commerce, the Consumers' Association, the National Consumer Council, the Federation of Small Businesses, the Licensing Executives Society, the Law Society, the Bar Council, the Law Society of Scotland and a representative of the academic world, currently Queen Mary and Westfield college intellectual property law unit.

Each organisation selects a suitable individual to deal with business and represent it at meetings; these representatives can vary for each meeting and may be selected according to the subject matter of the agenda.

The chairman of the committee is Mr. David Lewis OBE, who was appointed chairman for three years when SACIP was set up in October 1988, and reappointed in 1991. Mr. Lewis does not represent a particular organisation.

The member organisations joined by invitation from the Parliamentary Under-Secretary of State for Industry and Consumer Affairs when SACIP was set up, with the exception of the Law Society of Scotland and the Licensing Executives Society—which were invited to join in November 1991—and the Federation of Small Businesses—which replaced the previous small firms representative in October 1992.

Mr. Cousins: To ask the President of the Board of Trade how often the Standing Committee on Intellectual Property has met since April 1992; when it next proposes to meet; and what is its current work programme.

Mr. Leigh: The departmental standing advisory committee on industrial property has met three times since April 1992. Two meetings are planned for the near future, one to consider the Patent Office's corporate plan for 1993 and various other matters of interest to users of the Patent Office's services—date not yet fixed—and another on 28 April to consider proposals from the World Intellectual Property Organisation for a treaty on the harmonisation of patent law.

SACIP does not have a detailed work programme. Its function is to advise on policy and practice and it therefore responds to issues when they arise—for example, in the European Council work on industrial property. However, during the last year, issues that SACIP has considered include revision of United Kingdom trade mark law, the draft EC regulation on the Community trade mark system, proposals for an international treaty on the harmonisation of trade mark law, the European Commission green paper on designs, the EC directive for the protection of biotechnological inventions, patenting of lifeforms, industrial property aspects of the human genome project and the biodiversity convention, and supplementary protection certificates for pharmaceuticals.

Union of Democratic Mineworkers

Sir Keith Speed: To ask the President of the Board of Trade when he last met officers of the Union of Democratic Mineworkers; and what plans he has for a future meeting.

Mr. Eggar: My right hon. Friend and I met representatives of the Union of Democratic Mineworkers on 20 January. I subsequently met representatives of the union on 4 March. Future meetings will be arranged as necessary.

Coal Industry

Sir Keith Speed: To ask the President of the Board of Trade what representations he has received from members of the Confederation of United Kingdom Coal Producers about the future of their members' contracts with the electricity generators after 31 March.

Mr. Eggar: Future coal supply arrangements are a matter for the companies concerned.

Vehicle Engine Technologies

Mr. Robert Ainsworth: To ask the President of the Board of Trade what industry lead research projects into the development of vehicle engine technologies his Department is supporting; and how much money has been spent in the last five years.

Mr. Leigh: My Department is currently funding vehicle engine technologies into improved engine efficiency and emission control with grants amounting to over £2·5 million.

Because the information on engine research is recorded as part of the Department's overall vehicle technology support, it has not been possible separately to identify an accurate figure for engine research or for any other specific area without incurring a disproportionate cost. However, over the last five years—1987-88 to 1991-92—the Department's overall support for vehicle engine technologies exceeded £5 million of a total of £10·389 million grants for vehicle research.

Gas Consumption

Mr. Hardy: To ask the President of the Board of Trade what is his estimate of the volume of gas consumption which will be met from United Kingdom resources in 2000.

Mr. Eggar: United Kingdom gas reserves are estimated to be sufficient to meet all our likely needs to and beyond the year 2000, but their precise contribution to consumption in that year will depend on a number of

factors, including the rate of offshore exploration, appraisal and production, the development of gas trade, and the level of demand, all of which will depend in turn, on the price of gas and alternative energy sources.

Manufacturing Industry

Mr. Gordon Prentice: To ask the President of the Board of Trade what assessment he has made about the competitiveness of British manufacturing industry.

Mr. Sainsbury: The competitiveness of manufacturing industry, and its individual sectors, can be assessed against many criteria and over different timescales. DTI Ministers receive a number of such assessments, including from the private sector.

Electricity Interconnector

Mr. Patrick Thompson: To ask the President of the Board of Trade if he will publish a summary of the legal advice he has received on trade in electricity across the interconnector with France.

Mr. Heseltine: I have today placed copies of that summary advice in the Library of the House.

Stock Exchange (Computer System)

Mr. Cohen: To ask the President of the Board of Trade if he will set up an inquiry into the Taurus stock exchange computer system; what is his estimate of losses incurred as a result of the delays in implementing the system; and if he will indicate on whom the losses will fall.

Mr. Nelson: I have been asked to reply.

Taurus was a private sector project managed by the stock exchange to modernise the equities settlement, registration and transfer systems in the United Kingdom. The priority now is to identify the best way forward to ensure the continued efficiency and competitiveness of our equity markets. I welcome the immediate establishment, by the governor of the Bank of England, of a task force on securities settlement, on which the Treasury is represented, to review the possibilities and to recommend a way foward.

Building Societies

Mr. Cousins: To ask the President of the Board of Trade what provisions govern the reporting by building societies of their use, and the results of use, of section 23 of the Building Societies Act to their members or shareholders; which agency is responsible for monitoring the use of building societies' powers under section 23; how this agency has exercised these powers in the last two financial years; and in what form the efficacy of this monitoring is reported to Parliament.

Mr. Nelson: I have been asked to reply.

A building society wishing to adopt the power to hedge under section 23 of the Building Societies Act 1986 must first obtain the approval of its members, by special resolution, to include that power in its memorandum. There is no statutory requirement for subsequent reporting to the members on the exercise of the power, but directors could choose to do so.

The Building Societies Commission is responsible for the regulation and prudential supervision of building societies. It has issued a prudential note—PN 1989/3—on balance sheet mismatch and hedging, which gives guidance to societies on the risks arising from balance sheet structure, and sets out requirements for management, systems and the prudent use of hedging instruments.

The Commission reports annually to Parliament, in accordance with section 4 of the Building Societies Act 1986.

Manufacturing Investment

Mr. Spellar: To ask the President of the Board of Trade what has been the inward manufacturing investment, including that from other European Community countries, in each of the last five years in *(a)* the United Kingdom, *(b)* France and *(c)* Germany.

Mr. Nelson: I have been asked to reply.

The latest information on the amount of inward manufacturing direct investment in the United Kingdom is contained in Business Monitor MA4 1990 "Overseas Transactions". Comparable information for France and Germany is not available.

LORD CHANCELLOR'S DEPARTMENT

Gosport Magistrates Court

Mr. Viggers: To ask the Parliamentary Secretary, Lord Chancellor's Department if he will make a statement outlining how the objective in the citizens charter relating to accessibility of the courts to all who have to use them has been met and will be met in relation to Gosport magistrates court.

Mr. John M. Taylor: The Lord Chancellor has not yet reached a decision on the appeal by Hampshire county council against the Hampshire magistrates courts committee's proposal to close the Gosport courthouse. A number of factors, including the case of access to the building, the amenities and facilities available, and the distance that court users would have to travel to the next courthouse if Gosport were to be closed, will be taken into account before a final decision is reached.

In general terms, accessibility of the courts in the context of the citizen's charter relates as much to the access to the court process as to the location of individual courthouses. Accessibility therefore includes information being sent to court users in advance of their appearance to explain what can be expected; adequate help and advice on their arrival on the day; and good standards of facilities and amenities within each building, including provision for the disabled and separate waiting facilities for victims and witnesses when required.

Legal Aid

Mr. Cousins: To ask the Parliamentary Secretary, Lord Chancellor's Department in what circumstances legal aid is given in cases of medical negligence; and how many cases of medical negligence were supported by legal aid in each of the last three years.

Mr. John M. Taylor: All applicants for legal aid must have reasonable grounds for taking or defending a court action and must qualify financially. The upper financial limit for all personal injury cases, including medical negligence, is higher than that for other categories of case.

Applicants for legal aid for personal injury cases qualify with assessed disposable income up to £7,500—£6,800 for other cases—and with disposable capital up to £8,560—£6,750 for other cases. The number of certificates issued to plaintiffs in medical negligence actions are as follows:

	Number
1989-90	6,439
1990-91	8,870
1991-92	18,658

Magistrates

Mr. Nigel Evans: To ask the Parliamentary Secretary, Lord Chancellor's Department what is the number of stipendiary magistrates as a percentage of all magistrates; and what measures are being taken to increase this figure.

Mr. John M. Taylor: The number of authorised stipendiary posts as a percentage of active lay magistrates as at 1 January 1993 was 0·3 per cent. Stipendiary magistrates are appointed by the Lord Chancellor to support lay magistrates where there is a clear need and normally after a request has been made locally. Consideration is being given to seeking parliamentary approval to an increase in the statutory maximum of 40 stipendiary appointments outside the inner London area imposed by section 13(4) of the Justice of the Peace Act 1979 so that further stipendiary appointments can be made to support the lay magistracy as appropriate.

Mr Nigel Evans: To ask the Parliamentary Secretary, Lord Chancellor's Department, what was the number of serving magistrates in each year since 1979.

Mr. John M. Taylor: The number of serving magistrates for the areas covered by the Lord Chancellor and the Chancellor of the Duchy of Lancaster in each year is:

	Number
1979	24,021
1980	24,684
1981	25,435
1982	25,665
1983	25,934
1984	25,778
1985	27,244
1986	27,687
1987	27,650
1988	27,926
1989	28,211
1990	28,667
1991	29,062
1992	29,441
1993	29,686

OVERSEAS DEVELOPMENT ADMINISTRATION

Horn of Africa

Mr. Paice: To ask the Secretary of State for Foreign and Commonwealth Affairs what contributions Her Majesty's Government will make to the special emergency programme for the Horn of Africa 1993 appeals for Eritrea, Ethiopia, Kenya and Sudan.

Mr. Lennox-Boyd: My right hon. and noble Friend the Minister for Overseas Development has this week approved a total British contribution of £19·35 million to these appeals. The contribution is made up as follows:

Country	*Food Aid (tonnes)*		*Non-Food (£ million)*
Eritrea	5,000	(Approximately	2·0
Ethiopia	13,000	£8·85 million)[1]	3·5
Kenya	15,000		1·5
Sudan	—		3·5

[1] includes £0·5 million to transport and distribute food in Sudan.

This pledge is additional to the £221 million, including 310,000 tonnes of food aid and our share of EC emergency aid, which we have committed for humanitarian relief in the Horn of Africa since the present crisis began in September 1990.

Know-how Funds

Mr. Paice: To ask the Secretary of State for Foreign and Commonwealth Affairs what progress is being made with the know-how fund for central and eastern Europe and the former Soviet Union; and if he will give details of specific projects so far approved this year for each eligible country.

Mr. Lennox-Boyd: Since my last answer of 27 October 1992, at column *552*, the know-how fund has continued to do extremely well. The amount spent or committed is now at over £100 million for more than 700 projects. An updated list of activities has been placed in the Libraries of both Houses.

TRANSPORT

Transport Council

Mr. Dunn: To ask the Secretary of State for Transport what was the result of the Transport Council held in Brussels on 15 March.

Mr. MacGregor: The Transport Council met in Brussels on 15 March. The Council agreed conclusions on external aviation relations, reached political agreement on air traffic control equipment and confirmed its agreement to the two-year infrastructure programme at the October 1992 Council, with a slightly increased budget. My right hon. Friend Lord Caithness and I attended on behalf of the United Kingdom.

The Council had a first discussion of the Commission's whtie paper on a common transport policy. Themes were the need to ensure effective liberalisation in the transport sector, infrastructure, cost recovery, transport safety, and the environment.

The Commission's communication on maritime safety for which the United Kingdom pressed strongly for some time, was welcomed by the Council. The central issues of improved implementation of International Maritime Organisation standards and a stricter line on sub-standard shipping were widely supported. There was also support for action in training, environmental protection and vessel traffic service, which facilitate control of coastal traffic.

The Council confirmed the text of the draft regulation on EC finance for transport infrastructure, which followed political agreement at the October 1992 Council, with an increased two-year budget of 325 mecu. The Council agreed that the presidency should now contact the European Parliament to commence the conciliation procedure requested by the Parliament.

The Council discussed the Commission's proposals for trans-European networks for combined transport, roads and inland waterways. It agreed that further work on the proposals would be undertaken by COREPER for ministerial decision at the June Council.

The Council agreed conclusions emphasising member states' continuing responsibilities for bilateral relations in aviation.

It was agreed to set up a Council working group to consider the practical implications of conducting any future negotiations at Community level.

Political agreement was reached on a directive on the harmonisation of air traffic control equipment which will give the force of Community law to air traffic control equipment standards developed by Eurocontrol. Formal adoption depends on receipt of the European Parliament's opinion.

The presidency reported on the work of the working group on the Commission's proposals on airline computer reservation systems.

There was majority support for building on the UK presidency's proposals last year on national road user charges on heavy lorries.

The Council agreed that the signing of the transport agreement with Slovenia should take place at the same time as the signing of the trade and co-operation agreement and the financial protocol. The transport agreement will now be put to the European Parliament and the Economic and Social Council.

The Commission outlined its aim of negotiating liberal road transport agreements with third countries, bearing in mind the economic situation of the Community's transport industry. We argued that in this field as in aviation the rights of member states under existing bilaterals should not be prejudiced.

Greater Manchester Relief Road

Mr. Lewis: To ask the Secretary of State for Transport when he expects to open public consultation on the Greater Manchester western and northern relief road section M62 to M66.

Mr. Kenneth Carlisle: Later in the year.

M4 Extension (Detectives)

Mr. Gapes: To ask the Secretary of State for Transport what procedures were followed for authorising the employment of detective agencies in surveillance of those opposed to the construction of the M4 motorway extension across Twyford Down; what was the total cost involved; and what criteria were used to select the detective agencies used.

Mr. Kenneth Carlisle: Brays Detective Agency (Southampton) Ltd was appointed by the Department's south-east construction programme division on the recommendation of the engineer for the M3 Bar End to Compton scheme. The agency has been employed to serve papers on people trespassing on the Department's land at Twyford Down and to photograph trespassers. To date they have been paid approximately £7,000.

Road Haulage (Environmental Effects)

Ms Walley: To ask the Secretary of State for Transport what steps his Department has taken, and is proposing to take, to enable an accurate assessment of the total costs of all environmental impacts associated with road haulage; and what is his policy towards harmonising the relationship between vehicle weights and duty levels with other EC member states.

Mr. Kenneth Carlisle: As I explained in my answer to the hon. Lady on 12 March, *official Report*, columns *769-70*, a substantial research programme is required to develop reliable monetary values for environmental impacts. As a first step, we have let a research contract to attempt to derive monetary values for traffic nuisance experienced in the home. We expect a report in autumn 1994. As results emerge from this work, we shall decide on the possibility of valuing other environmental effects on traffic. Separate research is in hand to improve our general understanding of emissions from heavy goods vehicles.

Under the United Kingdom presidency last year, the EC Transport Council came close to agreeing proposals for a common structure and minimum rates of vehicle taxation for heavy goods vehicles, as part of wider package on taxing and charging such vehicles. Consideration of this package continued at the Council's meeting on 15 March. As with other taxation, the United Kingdom does not favour complete harmonisation, and it is evident from the discussions in the Council that in any case it could not be achieved in the foreseeable future.

Channel Tunnel Rail Link

Mrs. Helen Jackson: To ask the Secretary of State for Transport what plans he has to ensure that the northern regions of the United Kingdom have a modern link to the channel tunnel through an expanded King's Cross terminal.

Mr. Freeman: I refer the hon. Member to my right hon. Friend the Chancellor of the Exchequer's statement to the House on 16 March, at column *194*. My right hon. Friend the Secretary of State will make a full statement very soon.

Highway Closures

Mr. Hendry: To ask the Secretary of State for Transport what is the statutory consulation procedure between local authorities regarding the closure for repairs of principal highways connecting them.

Mr. Kenneth Carlisle: Under section 59 of the New Roads and Street Works Act 1991, highway authorities are required to use their best endeavours to co-ordinate the

execution of works of all kinds, including their own repair works, in roads for which they are responsible. The duty includes co-ordination with other highway authorities where works have an effect beyond the local authority boundary. There is no set procedure for co-ordination but advice is given in the code of practice on co-ordination which the Secretary of State has approved under the Act.

Telephone Lines

Mr. Mackinlay: To ask the Secretary of State for Transport what is the minimum height that a telecom phone line must reach when crossing a major road.

Mr. Kenneth Carlisle: The licences issued to operators of telecommunications systems under section 7 of the Telecommunications Act 1984 require lines installed above the carriageway of a maintainable highway to be placed at a height of not less than 5·5 m. In the case of a designated high load route the requirement is for a height of not less than 6·5 m or, in some cases, 6·7 m.

DUCHY OF LANCASTER

Citizens Charter

Mr. Ronnie Campbell: To ask the Chancellor of the Duchy of Lancaster what was the cost to his Department of the implementation of the citizens charter in each year since its inception; and if he will give a breakdown of those costs.

Mr. Jackson: During 1991-92 the charter unit spent £1·6 million on the following:

The launch of the citizens charter, including producing, publicising and distributing the citizens charter White Paper (Cm1599) and the guide to the citzens charter—£916,000

The launch of 1992 charter mark scheme—£320,000

Staff, general administrative expenses and capital expenditure —£346,000

The charter unit expects to spend £2·1 million in 1992-93 on the following:

Running 1992 charter mark scheme and launch of 1993 scheme—£600,000

Charterline market research, and development work on pilot project—£250,000

Publicising citizens charter first report and producing summary guide, ethnic minority versions and versions for the partially sighted—£420,00

Part payment of customer survey—£30,000

Staff, general administrative expenses and capital expenditure —£800,000

Mr. Ronnie Campbell: To ask the Chancellor of the Duchy of Lancaster if he will outline the main successes of the citizens charter since its introduction and list the benefits of the charter to date.

Mr. Jackson: The citizens charter first report (Cmnd 2101), published November 1992, shows considerable progress in raising the standards of public services and making them more responsive to the needs and concerns of their users. We have met, or put in hand, over 90 per cent. of the policy commitments set out in the initial citizens charter programme of action (Cmnd 1599). These include:

The publication of 30 charters setting demanding, but realistic, standards for health, education, public transport and other important public services;

The introduction of outpatient appointment times, and of a maximum 2-year waiting time for hospital admission;

The publication of comparative performance data on schools and local authorities;

The provision of annual written reports on each child's school performance;

The introduction of legislation to strengthen regulators' powers; to increase information given to parents on each child's and school's performance; and to prepare the way for detailed reporting on local authority performance;

The strengthening of Inspectorates of schools, the police, prisons and social services through greater independence; lay involvement; and openness;

The introduction of new compensation schemes for British Rail and London Underground; and

The introduction of the national Charter Mark awards scheme to recognise excellence in public service.

The citizens charter is a long term programme for improvement in public service. Following the ministerial seminar held on 17 February to review progress and set future agenda, we announced plans to:

Extend the patients charter to primary care;

Set a standard 18-month waiting limit for hips, knees and cataract operations;

Publish further and higher education charters setting service standards for students;

Publish comparative information on further education;

Revise and update the parents charter;

Publish a charter for the Child Support Agency to be launched in April;

Develop the Benefits Agency one-stop shop programme;

Appoint a new complaints adjudicator for the Inland Revenue;

Appoint new lay inspectors to the inspectorate of constabulary;

Introduce a housing corporation ombudsman to handle tenants' complaints;

Establish the Charterline service to provide information on the charter initiative, on published charters and service standards, and on complaints systems where things go wrong;

Include charter standards in British Rail franchises contracts;

Establish a complaints task force to look at the effectiveness of public service complaints procedures; and

Conduct a national survey of people's priorities for future charter development.

EDUCATION

National Curriculum

Sir Thomas Arnold: To ask the Secretary of State for Education what timetable he now envisages for the introduction of the key stage 3 English test.

Mr. Forth: The first statutory tests in English for 14-year-olds will be held on 7 and 9 June this year, as planned.

HEALTH

Traffic Casualties

Mr. Cousins: To ask the Secretary of State for Health how much has been raised in each year since 1980 in current and cash terms by each district health authority and in total by charging patients when they are involved in road traffic accidents *(a)* for all patients and *(b)* for inpatients and outpatients, separately.

Mr. Sackville: The information requested could be compiled only at disproportionate cost.

Mr. Blunkett: To ask the Secretary of State for Health what are the present rules governing the recovery of the costs of treatment for victims of road traffic accidents from their personal or car insurance; and if she will make a statement.

Mr. Sackville: Hospitals or general medical practitioners may collect an emergency treatment fee—currently at a flat rate of £20.10—for immediate medical examination or treatment required as a result of a road accident, and charges for subsequent in-patient or out-patient hospital treatment, up to specified ceilings. General medical practitioners may also claim a mileage allowance.

The emergency treatment fee is payable by the user of the vehicle irrespective of who caused the accident and must be covered by motor insurance policies. The charges for subsequent hospital treatment are levied directly on insurance companies but only in cases where companies make third party payments.

Anti-Rheumatics

Mr. John Marshall: To ask the Secretary of State for Health if she will publish a list showing the prescribed brands of topical anti-rheumatics; and what is the price of a month's supply.

Dr. Mawhinney: The rubefacients and other topical anti-rheumatics—British National Formulary section 10.3.2—dispensed in England in 1991 by community pharmacists and appliance contractors, dispensing doctors and personal administration are shown in the table:

Aconite, belladonna and chloroform liniment
Adrenaline and ephedrine cream
Adrenaline compound cream
Adrenaline cream 1 per cent.
Adrenaline cream 1/1000
Adrenaline cream 1/20,000
Adrenaline cream 1/5,000
Algesal cream 10 per cent.
Algipan balm
Algipan spray 120ml
Algispray spray balm
Aradolene cream
Aspellin liniment
Aspellin spray 150ml
Axsain cream 0·075 per cent.
B.N. liniment
Balmosa cream
Bayolin cream
Boots embrocation
Camphorated ice
Camphorated liniment
Camphorated spirit
Cantharone solution 0·7 per cent.
Capsicum cream 0·025 per cent.
Capsicum ointment
Capsicum ointment 0·2 per cent.
Cremalgin balm
Cremathurm cream
Cupal menthol and wintergreen cream
Deep freeze cold gel
Deep freeze pain relief spray 200g
Difflam cream 3 per cent.
Dubam cream
Dubam spray 113g
Dubam spray 50g
Elliman's embrocation universal/royal
Embrocation liquid
Feldene gel
Feldene sports gel
Fiery Jack cream
Fiery Jack ointment
Finalgon ointment and applicator
Goddards embrocation
Ibugel gel 5 per cent.
Ibuleve gel 5 per cent.
Indoderm cream
Intralgin gel
Iodex and methyl salicylate ointment
Iodine and methyl salicylate ointment
Iodine ointment non-staining BPC 1968
K/L kaolin poultice BP pouches
Kaolin heavy (solid)
Kaolin poultice (solid)
Lloyds cream 10 per cent.
Lloyds heat rub
Menthol and wintergreen cream
Menthol and wintergreen embrocation
Menthol and wintergreen ointment
Mentholatum deep heat lotion
Mentholatum deep heat rub
Mentholatum deep heat rub extra stength (special)
Mentholatum deep heat spray
Methyl salicylate compound ointment
Methyl salicylate dilute ointment
Methyl salicylate liniment 25 per cent.
Methyl salicylate liquid
Methyl salicylate ointment
Methyl salicylate ointment 10 per cent.
Movelat cream
Movelat gel
Nasciodine cream
Nella red oil
Oruvail gel 2·5 per cent.
P.R. freeze spray 200g
P.R. heat spray 99g
Pain relieving balm
Proflex cream 5 per cent.
Radian-B rub
Radian-B spirit liniment
Radian-B spray 150ml
Ralgex cream
Ralgex freeze spray 125ml
Ralgex low-odour spray 125ml
Ralgex pre-sports warm up rub
Ralgex spray
Ralgex stick
Salonair spray
Samaritan menthol and wintergreen cream
Skefron skin spray 200g
Sloans liniment
Soap liniment methylated
Tiger balm liquid
Tiger balm red
Tiger balm white
Transvasin cream
Traxam gel 3 per cent.
Turpentine liniment
Voltarol emulgel aqueous gel
Warming pain relief spray 125ml
White liniment
Zam-buk ointment
Zostrix cream

The quantity required, and therefore the price, per month will vary on the clinical needs of the patient.

GP Fund Holders

Mrs. Helen Jackson: To ask the Secretary of State for Health how many general practitioner fund holders in each region have had their fund-holding status withdrawn.

Dr. Mawhinney: One practice in the Trent region has had fund-holding status withdrawn.

Mrs. Helen Jackson: To ask the Secretary of State for Health how frequently the accounts of general practitioner fund-holding practices are checked by *(a)* the regional health authority and *(b)* the family health services authority.

Dr. Mawhinney: Each fund-holding unit is required to provide monthly accounts to the family health services authority. Regional health authorities are responsible for monitoring the scheme and request reports as necessary.

Mrs. Helen Jackson: To ask the Secretary of State for Health if she will introduce into the patients charter a requirement that patients registered with a fund-holding general practitioner are notified as soon as the general practitioner's budget for any element of national health service provision is exhausted.

Dr. Mawhinney: No.

Ms Primarolo: To ask the Secretary of State for Health if she will place in the Library a copy of each Audit Commission report on general practitioner fund-holding practices.

Dr. Mawhinney: The auditors appointed by the Audit Commission examine general practitioner fund holders' accounts annually and issue and audit certificate, but have not published any formal audit reports on fund-holding practices.

Ms Lynne: To ask the Secretary of State for Health what specific conditions are laid down relating to the contractual arrangements between general practitioner fund-holding practices and private health providers wholly or partially owned by partners in the fund-holding practice.

Dr. Mawhinney: These arrangements are governed by the National Health Service (Fundholding Practice) (General) Regulations 1991 and Amendment regulations of 1992. An amendment to these regulations was laid before the House on 10 March 1993, to come into effect on 1 April 1993. This amendment provides that payments from the fund to GP fund holders for providing services other than general medical services to patients of their practice, will be made directly to the medical practitioner who provides the services or to the partnership of which he is a member, rather than through a third party such as a limited company.

Ms Lynne: To ask the Secretary of State for Health what regulations or guidelines she has issued regarding the circumstances in which, and the grounds on which, regional health authorities may remove recognition from members of a fund-holding practice.

Dr. Mawhinney: The circumstances in and grounds on which a regional health authority may remove recognition from a fund-holding practice are set out in the General Practitioner Fundholding General Regulations, 1991.

Ms Lynne: To ask the Secretary of State for Health what guidelines she has issued to regional health authorities concerning the supervision and monitoring of general practitioner fund-holding practices with regard to the quality of service and financial management.

Dr. Mawhinney: The following guidance has been issued:

Management Allowance, EL(90)P84.
GP Fundholding: Financial Matters, EL(91)36.
Joint Guidance to Hospital Consultants on GP Fundholding, EL(91)84.
Contracting for 1992-93: Involvement of GPs (including GP Fundholders), EL(91)120.
The Patient's Charter: monitoring and publishing information on performance, HSG(92)36.
GPFHs Public Availability of Contracts, EL(92)68.
GPFH: Guidance on setting budgets for 1993-94, EL(92)83.
The Manual of Accounts.
Copies are available in the Library.

Ms Lynne: To ask the Secretary of State for Health what training her Department and regional health authorities provide to members of general practitioner fund-holding practices to help them effectively manage their budgets.

Dr. Mawhinney: Training is a matter for regional health authorities who provide training to reflect local needs.

Mr. Blunkett: To ask the Secretary of State for Health what guidance she has issued in respect of general practitioner fund-holders buying services from members of their own family; and if she will make a statement.

Dr. Mawhinney: The National Health Service (Fund-holding Practices) (General) Regulations 1991, issued at the commencement of the GP fund-holding scheme, provide that regional health authority consent is required where a fund holder proposes to purchase services from a family member.

Psychiatric Care

Mr. Wigley: To ask the Secretary of State for Health if she will list the health authorities and local authorities who do not provide care programmes for all those under the care of a consultant psychiatrist who live within the community in general.

Mr. Yeo: All authorities have implemented the Care Programme Approach.

Public Bodies

Dr. Wright: To ask the Secretary of State for Health how many appointments to the public bodies listed in "Public Bodies" for his Department were made from names supplied by the public appointments unit; and if she will list them.

Mr. Sackville: The public appointments unit provides names of suitably qualified candidates for consideration for a wide range of appointments. Information on the source of names of individual appointees to public bodies could be provided only at disproportionate cost.

Dr. Wright: To ask the Secretary of State for Health what percentage shares of total departmental spending was accounted for by non-departmental public bodies in each year since 1979.

Mr. Sackville: The Department of Health came into existence in April 1988, having previously been a part of the Department of Health and Social Security. Figures for the period 1988-89 to 1991-92 are shown in the table; those for 1992-93 are not yet available.

Year	*Total expenditure by non-departmental public bodies £ million[1] (a)*	*Total departmental spending £ million[1] (b)*	*(a) as a percentage of (b)*
1988-89	180	18,460	0·98
1989-90	190	19,970	0.95
1990-91	220	22,470	0.98
1991-92	240	25,560	0·94

[1] Rounded to the nearest £10 million.

Consultants

Ms Primarolo: To ask the Secretary of State for Health what is the average age at which doctors achieve consultant status in England; and what comparable information she has in respect of each of the other EC countries.

Dr. Mawhinney: The median age of consultants appointed during the year ending 30 September 1991 in England was 37. The equivalent data are not available in respect of other EC countries.

Ms Primarolo: To ask the Secretary of State for Health what is the ratio of consultants per head of population in England; and what information she has about comparable figures in other EC countries.

Dr. Mawhinney: As at 30 September 1991 there were 3,300 people per consultant in England. The equivalent data are not available in respect of other EC countries.

Bone Marrow Transplants

Mr. Blunkett: To ask the Secretary of State for Health what action she is taking to protect bone marrow transplant services for children with metabolic disorders in the Westminster area; and if she will make a statement.

Mr. Sackville: Children with metabolic disorders are able to receive these services if clinicians agree that a bone marrow transplant is an appropriate course of treatment and a suitable donor is available. The location at which such procedures are carried out is determined by the availability of the necessary expertise.

Dental Care

Mr. Clapham: To ask the Secretary of State for Health what is the average amount spent on dental care per capita in each of the G7 countries.

Dr. Mawhinney: The latest available information is for 1991 and shows that in England the average expenditure per head on national health service dental care was £25·66. Information relating to Wales, Scotland, and Northern Ireland is a matter for my right hon. Friends the Secretaries of State for Wales and Scotland and my right hon. and learned Friend the Secretary of State for Northern Ireland. We do not have comparable information for the other G7 countries.

Child Abduction

Mr. Olner: To ask the Secretary of State for Health what services are made available for parents and children suffering the effects of child abduction.

Mr. Yeo: There is no separate requirement upon local authorities to provide services for parents and children suffering the effects of child abduction except in so far as these children fall within the definition of "children in need" as defined by section 17(10) of the Children Act 1989. In these circumstances local authorities are required to provide a range and level of services appropriate to the needs of the children and their parents identified within their area.

Competitive Tendering

Mr. Morgan: To ask the Secretary of State for Health what representations she has received from the Cleaning and Support Services Association in relation to the Transfer of Undertakings (Protection of Employment) Regulations 1981 and compulsory competitive tendering by health authorities.

Mr. Sackville: We have received a number of representations from the Cleaning and Support Services Association over the past months seeking clarification of the implication of Transfer of Undertakings (Protection of Employment) Regulations 1981 for the national health service market testing programme. I refer the hon. Member to the reply my right hon. Friend the Secretary of State gave my hon. Friend for Hertford and Stortford (Mr. Wells) on 11 March at column *713*. A copy of the guidance has been passed on to the association.

Infertility

Mr. Spring: To ask the Secretary of State for Health what steps she has taken to remove the inconsistency between the provisions of the Access to Health Records Act 1990, the Data Protection Act 1984 and the Human Fertilisation and Embryology Act 1990 with regard to information about certain infertility treatments.

Mr. Sackville: On 17 March, we laid before the House the Access to Health Records (Control of Access) Regulations 1993 which preclude access under the Access to Health Records Act 1990 to any part of a health record which would identify a person born as a result of "treatment services" under the Human Fertilisation and Embryology Act 1990. Section 33(8) of that Act contains provision, subject to certain safeguards, in particular counselling, for obtaining access via the Human Fertilisation and Embryology Authority to information relating to such treatment.

Access to health records generally is governed by the Data Protection Act 1984, for computerised health records, and the Access to Health Records Act 1990, for written records. Human Fertilisation and Embryology Act 1990 modified the Data Protection Act 1984 to provide that access to information held on computer relating to treatment services is to be afforded under the 1990 Act rather than the 1984 Act. These new regulations will similarly preclude access under the Access to Health Records Act 1990 to written records relating to treatment services. Access to such records will then be available only

on application to the Human Fertilisation and Embryology Authority under section 33 of the Human Fertilisation and Embryology Act 1990.

GP Surgeries

Mr. Milburn: To ask the Secretary of State for health if she will make it her Department's policy to oblige general practitioners to include details of the accessibility of their surgeries in information for their patients.

Dr. Mawhinney: General medical practitioners are obliged by their terms of service to make available a practice leaflet to each patient on his or her list. This leaflet must specify whether the doctor's practice premises have suitable access for all disabled patients and, if not, the reasons why they are unsuitable for particular types of disability.

Drug Prescribing

Mr. Milburn: To ask the Secretary of State for Health if she will make it her Department's policy to oblige pharmacists to inform a patient if an item on a prescription may be obtained more cheaply over the counter.

Dr. Mawhinney: When a doctor prescribes an item which can be bought over the counter at a cost which is less than the prescription charge, there is no objection to the pharamacist selling it to the patient.

Nursing Home Residents

Dr. Godman: To ask the Secretary of State for Health what advice she has issued to family health service authorities to deal with the de-registering or the refusal by general practitioners to register elderly residents of nursing homes.

Dr. Mawhinney: I refer the hon. Member to the reply I gave to the hon. Member for Makerfield (Mr. McCartney) on 12 March at column *759*.

Physiotherapy

Mr. Milburn: To ask the Secretary of State for Health if she will make it her Department's policy to ensure that all general practitioners have direct access for their patients to open access physiotherapy.

Dr. Mawhinney: Direct access to physiotherapy is increasingly available. The precise mix of local services is a matter for health authority purchasers, in consultation with general practitioners, and for GP fund holders.

"Caring for People"

Mr. Blunkett: To ask the Secretary of State for Health how many copies of "Caring for People" were published; how much each cost; what was the overall cost; and to whom the publication was sent.

Mr. Yeo: A total of 61,000 copies of the caring for people information pack for the voluntary and private sectors were printed at a cost of £105,706. A loose leaf version was produced at a unit cost of £4·80 and distributed to national, regional and local advice centres. A bound version was produced at a unit cost of £1·13. It was sent to registered residential care and nursing homes in England and made available to the voluntary sector and others with an interest in the community care reforms. Copies were also sent to directors of social services, health authorities, national health service trusts and all right hon. and hon. Members representing English constituencies.

Locums

Mr. David Young: To ask the Secretary of State for Health what checks into the medical background of doctors hired as locums are made by health authorities.

Dr. Mawhinney: Employing bodies are responsible for deciding, in consultation with their occupational health advisers, what health checks are required of locum doctors.

Doctors (AIDS)

Mr. David Young: To ask the Secretary of State for Health (1) if she will make it the duty of a practice employing a doctor with AIDS to inform the district health authority of his condition;

(2) if she will make a statement on the case of the doctor with AIDS who was employed by Bolton health authority as a locum on casualty; and what measures she will take to ensure that such a case does not recur.

Dr. Mawhinney: The United Kingdom health departments' guidance to health care workers, who perform or assist in invasive procedures and know or suspect that they have been exposed to HIV, states that they must obtain occupational advice on the possible need to alter their work practices and remain under close medical supervision if they continue to work. Ethical guidance from the professional bodies makes clear that health care workers have an overriding duty to put their patients' interests first. Failure to follow this guidance would raise the question of serious professional misconduct.

The chief professional officers to the Department of Health will meet the General Medical Council, the General Dental Council and the United Kingdom Central Council for Nursing, Midwifery and Health Visiting on 19 March to consider further steps that can be taken to ensure that their guidance in relation to health care workers and their ethical duties towards patients is known and understood by all health care workers.

Mr. David Young: To ask the Secretary of State for Health if she will take steps to release the name of the Bolton doctor who died of an AIDS-related disease, with details of all his previous work in the NHS; and if she will make appropriate counselling available to all his previous patients.

Mr. Sackville: Bolton health authority has released the name of the health care worker involved, and the health boards for which he worked. It has set up a helpline to offer reassurance through counselling and if requested, testing. All patients seen by the doctor at Bolton royal infirmary have been identified and are being contacted. The two health boards in Northern Ireland have similarly set up helplines and are contacting former patients whose treatment by the health care worker involved invasive procedures.

Mr. David Young: To ask the Secretary of State for Health under what guidelines the condition of a doctor with AIDS can be known to his colleagues in the practice but withheld form patients treated by the doctor.

Dr. Mawhinney: All medical information is confidential except for well defined circumstances where there is a risk to the public health. The United Kingdom health departments' guidelines "AIDS—HIV Infected Health Care Workers" requires health care workers who know or suspect they have been exposed to HIV to seek medical and occupational advice on the need to modify their work practices and refrain from invasive procedures.

In cases where the health care worker has performed invasive procedures and a study is needed, involving contacting former patients, his employer is necessarily involved. Wherever possible the identity of the health care worker is kept confidential.

AIDS Grant (Bromley)

Mr. Dowd: To ask the Secretary of State for Health, pursuant to her answer of 14 January, *Official Report*, column *800*, upon which date a further decision was taken with regard to HIV/AIDS support grant in 1992-93 for the London borough of Bromley; and what are the details of that decision.

Mr. Sackville: The London borough of Bromley was notified on 12 March that the Department was able to offer it funding from the AIDS support grant scheme. Bromley has been awarded £10,500 towards the costs of the authority's contract with the Terrence Higgins Trust for the provision of services for people with HIV/AIDS.

Cystic Fibrosis

Mr. Blunkett: To ask the Secretary of State for Health (1) how many people in the United Kingdom presently suffer from cystic fibrosis;

(2) how many babies are born each year with cystic fibrosis;

(3) how many people die each year because of cystic fibrosis;

(4) what is the current average lifespan of a cystic fibrosis sufferer; and what was the figure in 1979.

Mr. Sackville: The latest Office of Population Censuses and Surveys information is that 110 people were certified as having died from cystic fibrosis in England in 1991. The other information requested is not available centrally. The report "Cystic Fibrosis in Adults" published by the Royal College of Physicians in November 1990 includes estimates for the prevalence of the disease and survival rates, a copy of which is available in the Library.

AIDS (Hospital Beds)

Mr. Blunkett: To ask the Secretary of State for Health what is *(a)* the total number of hospital beds in London currently available for people with AIDS and *(b)* the number that will remain following implementation of the recommendations of the report "Making London Better"; and if she will make a statement.

Mr. Sackville: The number of beds currently available in London is not collected centrally. Whilst some hospitals have beds specifically designated for AIDS patients, the vast majority of beds used are not reserved solely for this purpose.

After the implementation of the recommendations set out in the report "Making London Better", the Thames regions will continue to determine the level of provision for people with AIDS, in the light of guidance issued by the Department.

Regional Health Authorities

Mr. Blunkett: To ask the Secretary of State for Health what steps she is taking to reorganise regional health authorities; what is the timetable for reorganisation; and if she will make a statement.

Dr. Mawhinney: My right hon. Friend the Secretary of State announced in a speech to the National Association of Health Authorities and Trusts on 23 February, a copy of which is available in the Library, that regional health authorities would continue to form part of the National Health Service's organisational arrangements until all providers are trusts and the NHS reforms have been fully implemented. RHAs will continue to be responsible for delivering NHS objectives in their region. They will manage purchasers and concentrate on the development of effective purchasing. They will maintain strategic oversight in their region to ensure that a comprehensive range of NHS services remains available.

RHAs must embrace change so that they can work more easily with the grain of the NHS reforms. We have advised RHAs that typically they should employ a maximum of 200 people.

There will be a review of the functions and manpower of the present intermediate tier of NHS management and its interrelationships with the NHS management executive. Substantial progress will be made by the review by the summer.

The timetable for change will depend on RHAs own plans for slimming down, some of which are well developed, and on the conclusions reached by the review.

South Yorkshire Ambulance Service

Mr. Blunkett: To ask the Secretary of State for Health when the Parliamentary Under-Secretary of State for Health, the hon. Member for Bolton, West (Mr. Sackville) last communicated with the chairman of the South Yorkshire ambulance service; what subjects were raised; and if she will make a statement on the performance and response times of that ambulance service.

Mr. Sackville: I have had no correspondence with the chairman of South Yorkshire metropolitan ambulance and paramedic service—SYMAPS—national health service trust. I have written to the chairman of Trent regional health authority on 9 February about the response time achieved by SYMAPS against the patients charter standard. The management of SYMAPS and the four South Yorkshire purchasing districts have been closely monitoring response times and are working to bring the accident and emergency performance standards into line with the patients charter.

Anti-diarrhoeals

Sir Patrick McNair-Wilson: To ask the Secretary of State for Health if she will publish a list showing the prescribed brands of anti-diarrhoeals and the price of a day's supply.

Dr. Mawhinney *[holding answer 9 March 1993]:* The anti-diarrhoeal drugs—British National Formulary section 1·4—dispensed in England in 1991 by community pharmacists and appliance contractors dispensing doctors and personal administration were as follows:

Aroben powder
Arret adult syrup
Arret capsules (2mg)
Arrowroot (solid)
Chalk and catechu mixture paediatric BNF 1963
Chalk and opium aromatic mixture (BP)
Chalk aromatic mixture
Chalk aromatic power BPC
Chalk (solid) BP
Chalk mixture paediatric BP
Codeine phosphate/magnesium chloride mixture 30/250mg/5ml
Collis Browne's mixture
Collis Browne's tablets
Diareze capsules 2mg
Diarphen tablets
Diarrest liquid
Diocalm ultra capsules 2mg
Diocalm tablets
Diocare sachets
Enterosan tablets
Imodium capsules (2mg)
Imodium syrup 0·2mg/ml
Imodium syrup 1mg/5ml (half strength)
Imodium syrup 1mg/5ml half dose
K.L.N. suspension
KAO-C mixture junior
KAO-C suspension adult
Kaodene suspension
Kaolin and morphine mixture BP
Kaolin compound powder BPC 1963
Kaolin light (solid) BP
Kaolin mixture BP
Kaolin mixture paediatric BP
Kaonorm suspension
Kaopectate suspension 1·03g/5ml sugar free
Lomotil liquid 2·5mg/5ml sugar free
Lomotil liquid 2·5mg/5ml sugar free (2·5ml dose)
Lomotil liquid sugar free (half strength)
Lomotil tablets (2·5mg)
Loperamide hydrochloride capsules 2mg
Loperamide hydrochloride powders 1mg
Maws K.L.N. suspension
Sulphurated potash and kaolin capsules 20/200mg

The quantity required, and therefore the price, per day will vary depending on the clinical needs of the patient.

PRIME MINISTER

Engagements

Sir Peter Tapsell: To ask the Prime Minister if he will list his official engagements for Thursday 18 March.

Mr. Harry Greenway: To ask the Prime Minister if he will list his official engagements for Thursday 18 March.

The Prime Minister: This morning, I presided at a meeting of the Cabinet and had meetings with ministerial colleagues and others. In addition to my duties in the House, I shall be having further meetings later today.

European Court of Human Rights

Dr. Godman: To ask the Prime Minister which Departments of State have had to defend themselves at the European Court of Human Rights over the past 12 years; what pronouncements were made by the Court in these cases; and what changes in procedures, or other steps were instituted by Her Majesty's Government as a result.

The Prime Minister: The judgments against the United Kingdom since 1981 are as follows:

Date	*Name of the Case*	*Government Department*	*Court's finding*	*Government action where appropriate*
13 August 1981	Young, James and Webster/ Closed Shop	Employment	Violation	Legislation introduced
22 October 1981	Dudgeon/ Homosexuality in Northern Ireland	Northern Ireland Office	Violation	Legislation introduced
5 November 1981	X/ Right to have detention reviewed	Home Office	Violation	Legislation introduced
25 February 1982	Campbell and Cosans/ Corporal punishment in schools	Scottish Office	Violation	Legislation introduced
25 March 1983	Silver and Others/ Prisoners' correspondence	Home Office	Violation	Prison Rules amended
28 June 1984	Campbell and Fell/ Prison Boards of Visitors	Home Office	Violation	
24 August 1984	Malone/ Telephone tapping	Home Office	Violation	Legislation introduced
27 May 1985	Asbingdane/ Access to court for mental patient	Health and Social Security	No violation	
28 May 1985	Abdulaziz, Cabales and Balkandali/ Immigration	Home Office	Violation	New immigration rules introduced
21 February 1986	James and Others/ Leasehold reform	Environment	No violation	

Date	*Name of the Case*	*Government Department*	*Court's finding*	*Government action where appropriate*
8 July 1986	Lithgow and Others/ Shipbuilding	Trade and Industry	No violation	
17 October 1986	Rees/ Private life and right to marry	Home Office/ Health and Social Security General Register Office	No violation	
24 October 1986	Agosi/ Confiscation of Krugerrands	Customs and Excise	No violation	
2 March 1987	Monnell and Morris/ Appeal proceedings	Lord Chancellor's	No violation	
2 March 1987	Weeks/ Discretionary lifer	Home Office	Violation	
8 July 1987	O. H. W. B and R/ Parental access	Health and Social Security/ Lord Chancellor's	Violation	Legislation introduced
27 April 1988	Boyle and Rice/ Prisoners' complaints	Scottish Office	Violation	
28 November 1988	Brogan and Others/ Detention under PTA	Home Office/ Northern Ireland Office	Violation	Derogation
30 March 1989	Chappell/ Anton Pillar Order	Lord Chancellor's	No violation	
7 July 1989	Gaskin/ Access child care records	Health and Social Security	Violation	Legislation to be introduced
7 July 1989	Soering/ Extradition US	Home Office	Potential violation	
21 February 1990	Powell and Rayner/ Aircraft noise	Transport	No violation	
28 March 1990	Granger/ Scottish legal aid	Scottish Office	Violation	Practice Note
30 August 1990	Fox, Campbell and Hartley/ Arrest under Emergency Provisions Act	Northern Ireland Office	Violation	Legislation changed
30 August 1990	McCallum/ Prisoner's correspondence	Scottish Office	Violation	Change in Prison Standing Orders
27 September 1990	Cossey/ Private life and right to marry	Home Office General Register Office	No violation	
25 September 1990	Thynne, Wilson and Gunnell/ Discretionary Lifers	Home Office	Violation	Change in legislation
30 October 1991	Vilvarajah/ Asylum	Home Office	No violation	
26 November 1991	*Observer, Guardian and Sunday Times*/ Spycatcher	Treasury Solicitor's	Violation	
25 March 1992	Campbell/ Prisoners' correspondence	Scottish Office	Violation	Change in Prison Standing Orders
16 December 1992	Edwards/ Fair trial	Home Office	No violation	

(Where no Government action is shown in response to the Court's finding of a violation, this is because the judgment hinged on the individual circumstances of the case and no legislation or procedural changes were found to be necessary.)

Political Parties (Funding)

Mr. Winnick: To ask the Prime Minister if he will introduce legislation whereby political parties represented in the House would be required to publish detailed annual accounts of their finances.

Mr. Rogers: To ask the Prime Minister if he will introduce legislation to require political parties to disclose funds held abroad and to disclose the source of those funds.

The Prime Minister: I have no plans to do so.

Mr. Rogers: To ask the Prime Minister if he will introduce legislation to prevent the use of back-to-back loans from offshore companies to political parties in the United Kingdom.

The Prime Minister: The various ways in which funds may be remitted to the United Kingdom were considered in a consultative document issued by the Inland Revenue in 1988 "Residence in the United Kingdom—The Scope of United Kingdom Taxation for Individuals". This included proposals for changes in the tax treatment of non-domiciled individuals who are resident in the United Kingdom. In the light of the responses received, including a representation from the hon. Member's own party, it was announced that the Government did not intend pursuing these proposals on 15 March 1989 at columns *501-2*.

South Africa

Mr. Rogers: To ask the Prime Minister what steps the Government are taking to investigate shipments of United Kingdom arms to South Africa in the period 1980 to 1991.

The Prime Minister: The Government have no reason to make any investigations at the present time. If there is any evidence to support allegations that United Kingdom arms have been shipped to South Africa unlawfully, it should be passed on to the appropriate authorities.

Public Services, Gloucestershire

Mr. Spearing: To ask the Prime Minister if he will make a statement concerning public services in Gloucestershire.

The Prime Minister: I am satisfied that the local government finance settlement that the House approved on 3 February 1993 will enable authorities if they are efficient, including Gloucestershire, to provide a good level of services in 1993-94.

Honours

Ms Hoey: To ask the Prime Minister how many advisory committees there are advising on suitable recipients for honours; who are their members; and when they last met.

The Prime Minister: My honours recommendations are my personal responsibility. Any advice given in formulating these recommendations is confidential.

Taxation

Mr. Rogers: To ask the Prime Minister what studies were proposed by the board of Inland Revenue into the tax position of overseas owners of United Kingdom assets between the years 1984 and 1987; what action was taken; and what information relating to these studies was disclosed to officials of the Conservative party.

The Prime Minister: In 1988 the Inland Revenue issued a consultative document "Residence in the United Kingdom—The Scope of UK Taxation for Individuals". This included proposals for changes in the tax treatment of non-domiciled individuals who are resident in the United Kingdom. In the light of the responses received, including a representation from the hon. Member's own party, it was announced that the Government did not intend pursuing these proposals on 15 March 1989 at columns *501-2*.

Civil List

Mr. Gordon Prentice: To ask the Prime Minister, pursuant to his answer of 5 March, *Official Report*, column *306*, if he will bring forward legislation to amend the Civil List Audit Act 1816 to ensure that the accounts and reports on how civil list payments are spent are published and presented to Parliament.

The Prime Minister: As I explained to the House on 11 February 1993, at column 1116, I have no plans to change the audit arrangements for the civil list.

India (Detainees)

Mr. Madden: To ask the Prime Minister what representations he made to the Indian authorities during his recent visit about the case of David Ward and Steve Hillman, detained in India; and if he will make a statement.

The Prime Minister *[holding answer 15 March 1993]*: I raised the case of David Ward and Stephen Hillman during my recent visit to India and have written to the Indian Home Minister to follow up. I made clear our concern at the long period they had spent in detention and urged that they should either be charged or released. I am glad to say that charges against David Ward and Stephen Hillman were dropped by the Indian authorities. They returned to London on 17 March.

AGRICULTURE, FISHERIES AND FOOD

Public Bodies

Dr. Wright: To ask the Minister of Agriculture, Fisheries and Food how many appointments to the public bodies listed in "Public Bodies" for his Department were made from names supplied by the public appointments unit; and if he will list them.

Mr. Curry: Our officials regularly consult the public appointments unit for names of suitable, qualified candidates for public appointments. Of the appointments made by my right hon. Friend since 1 April 1992, three were made from names supplied by the public appointments unit.

Fish

Mr. Morley: To ask the Minister of Agriculture, Fisheries and Food if he will set up an inquiry into the current disparity between the wholesale price of fish and the price being paid for fish and fish products by the consumer.

Mr. Curry: No. I do consider, however, that dialogue is needed between catchers and processors. A feature of the present market situation appears to be that United Kingdom catchers are landing fish which are not wanted by processors and attract low prices, while processors continue to pay higher prices for supplies from third country sources. Catchers and processors should have a mutual interest in working to develop a more rational use of resources and to encourage a revival of customer demand.

Mr. Morley: To ask the Minister of Agriculture, Fisheries and Food if he will consider setting up a Fisheries

Council to bring together all sections of the United Kingdom fishing industry and fisheries ministers to develop a co-ordinated approach to the management and conservation of United Kingdom fisheries.

Mr. Curry: Existing arrangements already ensure a co-ordinated approach between Departments, and my colleagues and I have regular contacts with the industry on a range of issues. In addition, I hope shortly to launch a series of in-depth dialogues on technical measures involving all parts of the United Kingdom industry together with our scientists and administrators.

Rabbits

Mr. Morley: To ask the Minister of Agriculture, Fisheries and Food what application has been made for a veterinary products licence to produce a vaccine for viral haemorrhagic disease in rabbits for the United Kingdom market.

Mr. Soames: One such application was submitted and subsequently withdrawn during 1992. Although officials in the veterinary medicines directorate are holding discussions with that applicant and with other companies, no further application has been received.

Agriculture Council

Mr. Lidington: To ask the Minister of Agriculture, Fisheries and Food what was the outcome of the Agriculture Council held in Brussels on 16 and 17 March; and if he will make a statement.

Mr. Gummer: I represented the United Kingdom at the meeting of the Agriculture Council on 16 and 17 March, together with my hon. Friend the Minister of State.

The main issue on the Council's agenda was a further discussion of the Commission's farm price proposals for 1993-94. No decisions were possible, in the absence of the European Parliament's opinion. But, at my strong urging, the Council and Commission made a declaration that it would not be appropriate to bring linseed into the set-aside arrangements for 1993-94. This removes the damaging and unnecessary uncertainty that linseed growers had been facing as a result of the Commission's proposals.

To avoid milk quotas expiring at the end of the month, the Council agreed provisionally to roll them forward for 1993-94 at their existing levels. The Council also declared that the milk co-responsibility levy would be abolished as from 1 April 1993, as part of its decisions on the price package as a whole.

The French Government requested the Council to approve national assistance for their sheep producers, whose returns they believed to have been adversely affected by imports. I made it clear that I would only agree in exchange for an assurance that the French Government would take all necessary steps to secure the free flow of goods, particularly fish, within the single market. The French Minister of the Interior has promised that his Government would do this: and that instructions to this effect had gone to the prefectures concerned.

Along with several other members of the Council, I pressed the Commission to bring forward measures to protect the welfare of animals in transit, and the Commission agreed to do so.

Live Animals Directives

Ms Walley: To ask the Minister of Agriculture, Fisheries and Food what progress has been made with European directives on live animals; and if he will make a statement.

Mr. Soames: New Community rules for the protection of animals during transport came into force on 1 January 1993. Commission proposals are awaited on further detailed measures including rules on feeding, watering and rest intervals, and vehicle standards. In their absence national rules continue to apply and we have set the maximum feeding and watering interval at 15 hours for all livestock journeys.

NORTHERN IRELAND

Tourism

10. **Mr. Gordon Prentice:** To ask the Secretary of State for Northern Ireland what studies his Department has undertaken into the development of tourism in Northern Ireland; and if he will make a statement.

Mr. Atkins: In 1989 the Department published a strategic review of the industry and it has, in conjunction with the Northern Ireland tourist board, also commissioned reports by consultants on the employment and wealth-creation opportunities of tourism and the quality of tourist accommodation.

Prescription Charges

11. **Mr. O'Hara:** To ask the Secretary of State for Northern Ireland if he will make a statement on prescription charges in Northern Ireland.

Mr. Hanley: Prescription charges are the same throughout the United Kingdom, and in Northern Ireland nine out of 10 items on prescription are dispensed free, as opposed to eight out of 10 in Great Britain, which means that 60 per cent. of the population receive exemption against 50 per cent. in Great Britain.

Hospitals

12. **Rev. Martin Smyth:** To ask the Secretary of State for Northern Ireland if he will undertake a regional review of hospital provision in Northern Ireland.

Mr. Hanley: The Government have already set out their policy for hospital services in their regional strategy for health and personal social services which was published in November 1991. Boards are working with this policy framework in drawing up their plans for hospital services.

Employment Discrimination

13. **Mr. Alan W. Williams:** To ask the Secretary of State for Northern Ireland if he will make a statement on the workings of the mechanisms in Northern Ireland to attempt to eliminate problems of employment discrimination betweeen Catholics and Protestants.

Mr. Atkins: The Fair Employment (Northern Ireland) Act 1989 set up the Fair Employment commission and the Fair Employment tribunal. It also placed new statutory

responsibilities on employers including a requirement to register with the commission, to monitor the composition of their work forces and to review their employment practices and procedures at least every three years. I am pleased to report that the commission and the tribunal are working well and employers have complied with their requirements to a very satisfactory degree.

Anglo-Irish Agreement

14. **Mr. McFall:** To ask the Secretary of State for Northern Ireland what discussions he has had with the Irish Foreign Minister on the issue of the Anglo-Irish Agreement.

Sir Patrick Mayhew: The Irish Foreign Minister, Mr. Spring and I last met at the Anglo-Irish intergovernmental conference in London on 3 February and I shall be meeting him again at a further meeting of the conference next week. Both the British and Irish Governments remain fully committed to the Anglo-Irish Agreement. We have also made clear that we would be prepared to consider a new and more broadly based agreement or structure if this can be arrived at through direct discussion and negotiation between all of the parties concerned.

Security

15. **Rev. Ian Paisley:** To ask the Secretary of State for Northern Ireland if he will make a statement on the security situation in Northern Ireland.

20. **Mr. Cyril D. Townsend:** To ask the Secretary of State for Northern Ireland if he will make a statement on security in Northern Ireland.

Mr. Mates: I refer the hon. Gentleman and my hon. Friend to the reply I gave earlier today to the right hon. Member for Lagan Valley (Mr. Molyneaux).

Play Care

16. **Ms Hoey:** To ask the Secretary of State for Northern Ireland what initiatives are in place to support the expansion of out-of-school play care in Northern Ireland.

Mr. Atkins: The Training and Employment Agency is considering the need for a scheme similar to that announced for Great Britain on 16 December. The agency has been in close contact with the Employment Department and will be circulating a discussion paper to interested parties through the Playboard organisation.

President Clinton (Representative)

17. **Dr. Godman:** To ask the Secretary of State for Northern Ireland what recent representations he has received concerning the proposals made by President Clinton of a representative to examine and comment upon inter-community relations in Northern Ireland and relations with the Republic of Ireland; and if he will make a statement.

Sir Patrick Mayhew: This has been raised by hon. Members in the House and in correspondence. The US Administration have made clear that they fully support the talks process.

Inter-party Talks

18. **Mr. Sykes:** To ask the Secretary of State for Northern Ireland if he will make a statement on the future of inter-party talks in the Province.

19. **Mr. Alton:** To ask the Secretary of State for Northern Ireland if he will make a statement on the latest talks he has held with the Irish Government about the future of Northern Ireland.

21. **Mr. Winnick:** To ask the Secretary of State for Northern Ireland if he will make a statement on the latest position regarding talks over Northern Ireland.

Sir Patrick Mayhew: I refer hon. Members to the answer I gave earlier today to my hon. Friend the Member for Mid Staffordshire (Mr. Fabricant).

Transport Links

22. **Mr. David Shaw:** To ask the Secretary of State for Northern Ireland what proposals he has to improve transport links between business locations in Northern Ireland and the port of Dover to facilitate exports by Northern Ireland businesses.

Mr. Atkins: A programme of improvements to Northern Ireland's ports, airports, road and rail systems commenced in 1989. The programme's main aim is the improvement of Northern Ireland's transport links with Great Britain and the continent. It will run until the end of this year by which time some £180 million will have been spent, of which £120 million is being contributed by the European Community through the Northern Ireland transportation operational programme. Northern Ireland businesses will benefit from the enhancements to the region's road and rail networks and ports and airports.

Glass-fronted Fires

23. **Mr. A. Cecil Walker:** To ask the Secretary of State for Northern Ireland what representations he has received about problems relating to glass-fronted fires in Housing Executive houses.

Mr. Atkins: The Government have received representations from Members of Parliament, a general practitioner and a private individual. These representations were concerned mainly about possible effects on health. The most recent representations to the Department were in October 1991.

Homelessness

24. **Ms Quin:** To ask the Secretary of State for Northern Ireland how many people are currently homeless in Northern Ireland; and what action the Government are taking to provide accommodation for the homeless.

Mr. Atkins: It is not possible to give a figure for the total number of homeless people in Northern Ireland at any specific point in time. However, I am advised by the chief executive of the Northern Ireland Housing Executive that at 5 March 1993 the number of households living in temporary accommodation secured for them under the homeless provisions of the Housing (Northern Ireland) Order 1988 was 370.

The Housing Executive has statutory responsibility for dealing with homelessness, and arranges both temporary

and permanent accommmodation throughout Northern Ireland. Its housing selection scheme gives top priority particularly to families accepted as homeless. In addition, the Housing Executive and other local bodies provide extensive advice to those who are homeless, or are threatened with homelessness.

Balance of Trade (Republic)

25. **Mr. Ian Bruce:** To ask the Secretary of State for Northern Ireland what is the balance of trade between the Republic of Ireland and Northern Ireland in the latest year for which figures are available.

Mr. Atkins: The information requested is not available from United Kingdom Government sources. However, I refer my hon. Friend to tables 9A and 9B of Trade Statistics (December 1991) published by the Central Statistics Office, Dublin, a copy of which is in the Library.

General Practitioners

26. **Mr. John Marshall:** To ask the Secretary of State for Northern Ireland what is that latest estimate of the number of general practitioners in Northern Ireland.

Mr. Hanley: As at 1 March 1993 there were 948 general practitioners in Northern Ireland.

Electricity Privatisation

27. **Mr. Foulkes:** To ask the Secretary of State for Northern Ireland when he expects to announce arrangements for the privatisation of Northern Ireland Electricity.

Mr. Atkins: Arrangements for the privatisation of NIE are kept under constant review and I hope to be able to make an announcement about this in the near future.

Eastern Health Board

28. **Sir James Kilfedder:** To ask the Secretary of State for Northern Ireland if he will establish a full and public inquiry into the finance and administration of the Eastern health board.

Mr. Hanley: My noble Friend has no plans to establish such an inquiry.

Constitutional Talks

29. **Mr. Soley:** To ask the Secretary of State for Northern Ireland what discussions he has held on the future constitutional position of Northern Ireland with representatives of *(a)* the Irish or *(b)* the United States Government.

Sir Patrick Mayhew: I met the Irish Foreign Minister, Mr. Spring, on 22 January and, in a formal intergovernmental conference, on 3 February. On both occasions constitutional issues were among the subjects we discussed. I have had no discussions with representatives of the United States Government on the future constitutional position of Northern Ireland.

The United Kingdom Government's position is widely understood: the present status of Northern Ireland as a part of the United Kingdom will not change without the consent of a majority of the people who live there.

Health Service

Ms Rachel Squire: To ask the Secretary of State for Northern Ireland if he will review the proposal of the Eastern health board to move the maternity service from the Jubilee unit in Belfast City hospital.

Mr. Hanley: The Eastern health and social services board is presently consulting the public on its purchasing intentions for acute hospital services. If these consultations result in firm recommendations from the board for major changes in the provision of services, including maternity services, these will require the endorsement of my noble Friend, Lord Arran, before they can be implemented.

Ms Rachel Squire: To ask the Secretary of State for Northern Ireland if he will *(a)* remove the Eastern health board from health care planning and *(b)* establish an independent inquiry into the health care needs of the people in the area of the Eastern health board.

Mr. Hanley: The Eastern health and social services board has direct responsibility as an agent of the Department of Health and Social Services for the health and personal social care of the residents in its area. There are no plans to remove the board from health care planning.

There is no need for an independent inquiry into the health care needs of the people in the area of the Eastern board. The board is required to assess the health of its population in devising its purchasing plans and I am content that it does so satisfactorily.

Departmental Functions

Mr. Duncan: To ask the Secretary of State for Northern Ireland if he will make a statement on the work of the Department of Health and Social Security (Northern Ireland) since 1979.

Mr. Hanley: Since 1978-79, expenditure on health and personal social services in Northern Ireland has increased by 38 per cent. after allowing for general inflation. Cost improvement programmes have also generated savings of nearly £83 million for investment in services to patients and clients.

Over the same period, levels of activity have increased by 33 per cent. Since 1981 the number of hospital in-patients has risen by 12 per cent. from 249,198 to 278,960; the number of day cases has increased sixfold, from 9,853 to 60,094; the number of operations has risen by 29 per cent.; and the number of out-patient attendances has risen by 17 per cent., from 1·7 million to 2·0 million. Considerable investment has been made in key regional services including cardiac surgery, orthopaedics and the treatment of end stage renal failure.

There have also been substantial increases in the numbers of professional staff; there are now 19 per cent. more doctors and dentists; 53 per cent. more general dental practitioners; 17 per cent. more hospital doctors; 28 per cent. more general practitioners; 5 per cent. more nurses and midwives; and 111 per cent. more qualified social workers. Particular emphasis has been placed on the training and development of professional staff. The training budget currently stands at £15 million a year.

Since 1979, perinatal and infant mortality rates in Northern Ireland have been reduced from 16·6 and 14·8 to 8·4 and 7·3 respectively. A confidential inquiry into

stillbirths and deaths in infancy to reduce further the numbers of stillbirths and deaths in infancy was launched in January 1993.

Through the emphasis on developing community services, there has been a reduction of 37 per cent. and 38 per cent. respectively in the number of patients in psychiatric and mental handicap hospitals.

A code of practice under the Mental Health (NI) Order 1986 was published in 1992. This gives guidance in relation to the admission of patients to hospitals and the reception of patients into guardianship under the order and in relation to the medical treatment of patients suffering from mental disorder.

A major study was commissioned to evaluate the outcome of community care for long stay patients discharged from psychiatric and mental handicap care since 1987.

Implementation of the major reforms flowing from "Promoting Better Health", "Working for Patients" and "People First" will lead to better management of the resources available and better services to patients and clients.

Six health and social services trusts will become operational from 1 April 1993 and four more have been approved but must await a change in legislation before they can be set up. A further three units have been invited to develop applications for a third round.

Twenty GP fund holders will begin to manage their own budgets from 1 April 1993 and a further 34 have expressed an interest in a second wave.

The charter for patients and clients published in March 1992 provides a framework for action to raise the quality of health and personal social services and to make these more responsive to the needs of patients and clients.

The social security benefits system has been maintained and reformed on the same basis as in the rest of the United Kingdom. The cash value of pensions and other long-term benefits have been secured in real terms.

In July 1991 a Social Security Agency was established as part of the next steps initiative, and in 1992 it published a customer charter setting out the standard of service the public has a right to expect. The agency attracted around 850 jobs to Northern Ireland provided services to the benefit network in Great Britain.

A child support agency for Northern Ireland is being established from 5 April 1993. Also, a regional child support agency centre is being established to provide back office services to Great Britain in relation to the assessment and collection of child maintenance.

Adoption law and practice were brought broadly into line with the rest of the United Kingdom. A major new guide on the management of child abuse was issued to health and social services boards in 1989.

Since 1979 aid to the voluntary sector has been increased by 228 per cent. in real terms. The Department has taken responsibility for the community volunteering scheme since April 1992. It was previously administered by the Department of Economic Development.

In 1992 the Registered Homes (NI) Order set out new legislation on the registration and inspection of private and voluntary sector residential care homes and nursing homes.

ENVIRONMENT

Urban Regeneration

Mr. Frank Field: To ask the Secretary of State for the Environment if he will list for each year since 1981 *(a)* at year-on-year prices and *(b)* at current prices, the total amount of moneys made available to (i) urban programme authorities for urban regeneration in the categories (1) urban development corporation, (2) urban programme, (3) city grant, or urban regeneration grant or urban development grant, (4) derelict land grant, (5) city challenge, (6) housing action trusts, (7) estate action, (8) safer cities, (9) urban crime fund, (10) task forces, (11) city action teams, (12) transport policies and programme, (13) supplementary transport grant and (14) other programmes available relating to linkage between economic, social and physical regeneration.

Mr. Robin Squire: Several Government Departments contribute to urban regeneration through a wide range of programmes under the action for cities initiative. Since 1981, my Department's own programmes have spent as follows:

Programmes operating only in urban priority areas (£ million)

Year	Urban Development Corporations		Urban Programme[1]		City Grant (inc UDG and URG)		Programmes City Challenge		Housing Action Trusts		Task Forces		City Action Teams	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B
1981-82	36	67	94	175	—	—	—	—	—	—	—	—	—	—
1982-83	62	108	160	278	—	—	—	—	—	—	—	—	—	—
1983-84	95	158	156	259	8	13	—	—	—	—	—	—	—	—
1984-85	88	139	278	439	15	24	—	—	—	—	—	—	—	—
1985-86	86	129	254	381	24	36	—	—	—	—	—	—	—	—
1986-87	89	129	237	344	24	35	—	—	—	—	—	—	—	—
1987-88	160	220	246	338	28	39	—	—	—	—	5	7	—	—
1988-89	255	327	224	287	28	36	—	—	—	—	23	29	—	—
1989-90	477	574	223	268	39	47	—	—	—	—	20	24	4	5
1990-91	607	677	226	252	45	50	—	—	—	—	21	23	8	9
1991-92	602	628	238	248	41	43	—	—	10	10	21	22	8	8
1992-93	515	515	243	243	60	60	64[2]	64[2]	27	27	23	23	4	4

A Year-on-year.
B Current prices.
[1]Includes for 1984-85 onwards other Government Departments' contributions to Urban Programme.
[2]Programme also supported by £19 million per year from the Housing Corporation.

ii. Programmes operating nationally (ie not exclusive to UPAs)

£ million

Year	*Programmes*[1]			
	Derelict Land Grant		*Estate Action*[2]	
	A	*B*	*A*	*B*
1981-82	30	56	—	—
1982-83	61	106	—	—
1983-84	67	111	—	—
1984-85	68	107	—	—
1985-86	73	109	—	—
1986-87	78	113	—	—
1987-88	77	106	—	—
1988-89	68	87	—	—
1989-90	54	65	—	—
1990-91	62	69	175	195
1991-92	77	80	265	276
1992-93	95	95	347	347

A. Year on year.
B. Current prices.
[1] The Urban Crime Fund is not targeted to a specific local authority but made available to Merseyside, Northumbria and West Yorkshire Police Authorities.
[2] Due to change in Housing Capital Finance system, outturn figures not available prior to 1990-91.

Further details of these programmes and those for which other Departments are responsible, including the Home Office's safer cities programme and Department of Transport policies and programmes, are in the relevant departmental annual reports and public expenditure White Papers.

Local Government Finance

Mr. Trotter: To ask the Secretary of State for the Environment what is the difference in the level of Government grant and business rates per head of the population and per household between Hampshire county council, Basingstoke and Deane district, and Newcastle metropolitan authority.

Mr. Robin Squire: The amounts of revenue support grant (RSG) and income from the uniform business rate (UBR) per head of resident population and per household for 1993-94 for the authorities requested are as follows:

Local Authority	*RSG £ per head*	*RSG £ per household*	*UBR £ per head*	*UBR £ per household*
Hampshire	214	558	205	537
Basingstoke and Deane	26	71	35	94
Newcastle upon Tyne	408	1,001	213	521
Tyne and Wear Fire and Civil Defence Authority	19	47	8	20
Northumbria Police Authority	23	58	20	49

The total support for a metropolitan area includes the RSG and UBR given to the relevant fire and civil defence and police authorities. The household figures are taken from the 1991 census results.

Council Tax

Mr. Gordon Prentice: To ask the Secretary of State for the Environment if he will list the number of properties in council tax H band and the percentage of the total in *(a)* Pendle, *(b)* the City of Westminster, *(c)* Wandsworth and *(d)* Ribble Valley.

Mr. Robin Squire: The information requested is as follows:

Local Authority	*Number of dwellings in council tax band H*	*Percentage of dwellings in counci tax band H*
Pendle	67	0·2
Westminster	13,829	13·0
Wandsworth	1,668	1·4
Ribble Valley	263	1·3

Notes: The figures shown above are based upon the number of dwellings on the proposed valuation list provided to local authorities between 15 November and 1 December 1992.

Public Bodies

Dr. Wright: To ask the Secretary of State for the Environment how many appointments to the public bodies listed in "Public Bodies" for his Department were made from names supplied by the public appointments unit; and if he will list them.

Mr. Howard: "Public Bodies 1992" identifies 3,287 appointments to public bodies sponsored by my Department. Of these nearly 2,400 appointments are to valuation tribunals, members of which are appointed by local authorities. For the remainder, the public appointments unit is usually asked to supply names for consideration alongside names offered by other sources, including professional and representative groups and self-nominations. No central record is maintained of the sources of names of appointees. In some cases appointees were nominated from more than one source but, from the information readily available, it appears that the following appointments were principally from names supplied by the public appointments unit:

Body and Member

Commission for the New Towns
Lady Marsh

London Docklands Development Corporation
Mr. J. M. Pickard *(Chairman)*
Lord Cocks
Sir Christopher Foster
Mr. R. Rankin
Mr. R. Spinney
Lady Cobham
Mr. W. Jack

London Pensions Fund Authority
Mr. C. J. Messer *(Chairman)*
Councillor E. D. Barkway

Merseyside Development Corporation
Sir Desmond Pitcher *(Chairman)*
Mrs. P. Ridley
Mr. E. Clark

National Rivers Authority
Mr. J. Taylor

North Hull Housing Action Trust
Ms M. Foers

Dr. Wright: To ask the Secretary of State for the Environment what percentage share of total departmental spending was accounted for by non-departmental public bodies in each year since 1979.

Mr. Howard: The percentage share of total expenditure by my Department accounted for by non-departmental public bodies since 1986-87 was as follows:

Year	*Percentage*
1986-87	10·8
1987-88	11·1
1988-89	10·0
1989-90	12·7
1990-91	7·1
1991-92	5·9

Information before 1986-87 is not readily available on a consistent basis.

Redundant Service Men

Ms Janet Anderson: To ask the Secretary of State for the Environment what assessment he has made of the possible additional demands on local housing authorities and housing associations from redundant British service men and women returning home from overseas; and if he will make a statement.

Mr. Baldry: I refer the hon. Member to the reply I gave to my hon. Friend the Member for Gosport (Mr. Viggars) on 27 January 1993, *Official Report* col. *763*.

Travellers

Mr. Robert Banks: To ask the Secretary of State for the Environment when he expects to make a statement following the appeal on the proposed gipsy site at Bickerton, near Wetherby.

Mr. Baldry: A local inquiry was held in October last year into the compulsory purchase order for acquisition of this site. The inspector's report has been received and is currently being considered. I expect the decision to be issued shortly.

Rent Deposit Schemes

Mr. Battle: To ask the Secretary of State for the Environment if he will list the local authorities in England which have operated a rent deposit scheme since May 1992; and if he will make a statement.

Sir George Young: I refer the hon. Member to the reply that my hon. Friend gave to the hon. Member for Dulwich (Ms Jowell) on 16 March 1993 *Official Report*, column *82*.

Compulsory Competitive Tendering

Mr. Morgan: To ask the Secretary of State for the Environment what representations he had received from the Cleaning and Support Services Association in relation to the Transfer of Undertakings (Protection of Employment) Regulations 1981 and compulsory competitive tendering by local authorities.

Mr. Robin Squire: My right hon. Friend has received a number of written representations from the Cleaning and Support Services Association, and officials from my Department have also met with the director general to discuss his association's concerns.

The association has been sent a copy of the statement and guidance note on the Transfer of Undertakings (Protection of Employment) (TUPE) Regulations 1981 which my right hon. Friend the Chancellor of the Duchy of Lancaster issued on 11 March *Official Report*, columns 648-49) and a copy of the statement on TUPE in relation to compulsory competitive tendering by local authorities made by my right hon. Friend the Secretary of State on the same day *(Official Report*, columns 662-64).

Business Rates

Mr. James Hill: To ask the Secretary of State for the Environment what proposals he is making to introduce modifications to the uniform business rate to help small business.

Mr. Robin Squire: As announced by my right hon. Friend the Chancellor of the Exchequer in his Budget statement on 16 March, we propose in 1993-94 to freeze in real terms the rates bills of those ratepayers whose bills would otherwise increase under the transitional arrangements. This change is worth £320 million to businesses in 1993-94 and £220 million in 1994-95. It follows the £1.25 billion package which the Government announced last year to relieve the burden of rates on businesses, many of which will see reductions in their rate bills in 1993-94 as their remaining gains from the 1990 reforms come through.

Commercial Peat Extraction

Mr. Kevin Hughes: To ask the Secretary of State for the Environment, pursuant to his answer of 8 December, *Official Report*, columns *575-76*, what action he will take to ensure that the sites involved in the English Nature-Fisons agreement are not subject to further damage from further commercial peat extraction.

Mr. Maclean: This is a matter for English Nature and I am confident that it is pursuing it vigorously. The vegetated areas previously planned for peat extraction on Thorne and Hatfield moors, Wedholme flow and Glasson moss are intact and intended to remain so. Water levels have been successfully raised and the prime areas of these SSSIs are now in much better condition than before negotiation started. Peat excavation has now ceased on SSSI areas owned by Fisons in Somerset and plans to raise water levels are well advanced. The agreement with Fisons will be designed to minimise damage to those areas where peat excavation may continue.

Mr. Kevin Hughes: To ask the Secretary of State for the Environment, pursuant to his answer of 8 December, *Official Report*, column 575, what progress has been made in finalising the agreement between English Nature and Fisons to secure areas of lowland peatland of conservation importance including Thorne and Hatfield moors; and if he will make a statement.

Mr. Maclean: English Nature and Fisons are reaching the final stages of discussions to conclude the leaseback arrangements on the land being worked for peat. They have agreed outline heads of terms for an agreement relating to the future moors management to accompany the leaseback and terms concerning the conveyance of Fisons' currently unworked peatlands to English Nature. Because of the complexity of this transaction the legal stages in the conveyance may be lengthy.

Aluminium Sulphate

Mr. Mackinlay: To ask the Secretary of State for the Environment what regulations exist, laying down safety standards for the production of aluminium sulphate and emissions from that process into the atmosphere.

Mr. Maclean: Emissions from the production of aluminium sulphate are subject to control under part III of the Environmental Protection Act 1990 if they give rise to a statutory nuisance. Exposure to aluminium sulphate at the workplace is subject to the general provisions of the Health and Safety at Work etc. Act 1974 and, in particular, the Control of Substances Hazardous to Health Regulations 1988. Under these regulations, aluminium sulphate has been assigned an occupational exposure standard of 2mg/m³, averaged over an eight-hour period.

City Challenge

Mr. Betts: To ask the Secretary of State for the Environment how much *(a)* public and *(b)* private expenditure has been invested to date in each of the city challenge areas in schemes associated with city challenge.

Mr. Robin Squire: Latest estimates are as follows:

City Challenge Pacemaker	*Expenditure £000's* *Private sector 1992-93*	*Public sector 1992-93*
Bradford	10,195	7,629
Dearne Valley	6,428	24,889
Lewisham	16,955	4,286
Liverpool	20,200	7,775
Manchester	6,250	16,300
Middlesbrough	3,035	2,900
Newcastle	2,927	8,916
Nottingham	1,950	936
Tower Hamlets	7,691	8,538
Wirral	32,482	14,000
Wolverhampton	9,500	4,800

Note:
Public sector excludes £7·5 million City Challenge annual funding in each area.

These are the latest estimates supplied by city challenge pacemakers for the year ending 31 March 1993. Final outturns will be available from annual reports, due in September 1993.

Chemical Plants (Pollution)

Mr. Mackinlay: To ask the Secretary of State for the Environment what regulations exist to protect adjoining residents from pollution by chemical plants.

Mr. Maclean: Under part I of the Environmental Protection Act 1990, prescribed processes require authorisation by Her Majesty's inspectorate of pollution, and chemical plants fall into this category. In granting authorisation, the enforcing authority must seek to ensure that the best available techniques not entailing excessive cost, are employed to prevent or minimise the release of any substance prescribed for any medium.

HMIP has prepared guidance in the form of process guidance notes for inspectors, on the standards to be applied to the processes it controls. The first nine notes in the chemical sector which, cover organic chemical processes were published on 27 January in preparation for the processes coming under integrated pollution control from 1 May 1993. These notes are publicly available for the benefit of operators and other interested parties. Further guidance notes for the chemical sector will be published during 1993.

Copies of the guidance notes have been placed in the Library.

London Forum

Mr. Tony Banks: To ask the Secretary of State for the Environment (1) what functions, responsibilities and overall remit have been given to the London Forum; and who drew up the brief;

(2) what expenses will be paid to members of the London Forum; what staff are at their disposal; and where the forum will be based;

(3) to whom the London Forum will report; and what arrangements are being made for Parliament to consider the forum's work;

(4) if he will give details of the budget allocated for the London Forum;

(5) what targets he has set for the London Forum to achieve in terms of increasing tourism and employment in London;

(6) why he considered it necessary to set up the London Forum;

(7) what consideration was given to choosing members of elected local authorities to serve on the London Forum;

(8) if meetings of the London Forum will be open to the public and press; and if he will make a statement;

(9) who chose the members of the London Forum; and what criteria were used in determining membership.

Sir George Young: My right hon. Friend is convening the London Forum. It will be a private sector company which will look to the private sector for its funding.

Sir Allen Sheppard was invited by my right hon. Friend to be chairman. Members from the private sector have been invited to join the board by Sir Allen, following consultation with interested parties including the CBI, the London Chamber of Commerce and Industry, and my right hon. Friend. As a private sector company it will be for the Forum to draw up its business plan and to decide its working methods.

Mr. Tony Banks: To ask the Secretary of State for the Environment who is paying for the launch of the London Forum at the Regent hotel on 29 March; and what is the cost.

Sir George Young: My Department will meet the costs of the launch event for the London Forum, which are estimated to be around £15,000.

Housing, Manchester

Mr. Lewis: To ask the Secretary of State for the Environment what proportion of the sums announced in the autumn statement for the purchase of existing houses was allocated to housing associations in Greater Manchester.

Mr. Baldry: Allocations were not made to particular local authority areas, but rather to housing associations working in larger areas, who were asked to ensure a reasonable distribution of purchases across local authority areas. A total of 6·8 per cent. of funds have been allocated to the Housing Corporation's north west region.

Housing Associations

Mr. Lewis: To ask the Secretary of State for the Environment what is the total number of houses acquired by housing associations using the sums allocated in the autumn statement from *(a)* unsold houses from builders, *(b)* unsold houses from owner/occupiers and *(c)* repossessions.

Mr Baldry: Of the 12,611 properties purchased by 12 March 6,891 were bought from builders or developers, 4,824 were private treaty sales, and 559 were repossessed properties purchased from lenders.

Mr. Lewis: To ask the Secretary of State for the Environment what is the total number of house bought by housing associations using the sums allocated for this purpose in the autumn statement *(a)* nationally and *(b)* in Greater Manchester.

Mr. Baldry: Of the 12,611 properties purchased in England by 12 March, 691 were in Greater Manchester.

Waste Trade

Mr. Llew Smith: To ask the Secretary of State for the Environment what estimate he has made of the annual value of the trade in waste.

Mr. Eggar: I have been asked to reply.

The total value of United Kingdom trade for trade commodity headings containing an element of waste was £770 million in exports and £1,090 million in imports during 1991. The vast majority of this material was non-hazardous.

Local Authority Employees

Mr. Nigel Jones: To ask the Secretary of State for the Environment what was the total number of full-time equivalent local authority employees in England, in each financial year since 1979-80, stating separately how many of the total were teachers; and if he will make a statement.

Mr. Robin Squire *[holding answer 12 March 1993]:* The information is as follows:

Year (at March)	*FTE's—All Services (000s)*	*FTE'S Lecturers and Teachers (000s)*
1980	1,960	538
1981	1,924	528
1982	1,891	520
1983	1,890	516
1984	1,893	514
1985	1,892	509
1986	1,903	507
1987	1,918	508
1988	1,936	510
1989	1,921	504
1990	1,900	484
1991	1,890	478
1992	1,866	475

Source: Joint Staffing Watch for England.

Notes: 1. In April 1989 approximately 23,000 full-time equivalent lecturers and teachers were lost from local authority employment when polytechnics and further education institutions transferred to the private sector.

2. Between January 1990 and January 1992 approximately 7,000 full-time equivalent teachers have been lost to the local authority sector because schools have opted to become self-governing state (grant-maintained) schools.

Housing Benefit

Mr. Alton: To ask the Secretary of State for the Environment if he will make a statement on his assessment of the effect of benefit tapers on low wage earners and of the effects on the unemployed and low wage earners of changes in levels of subsidy to the social housing sector.

Mr. Burt: I have been asked to reply.

Benefit tapers ensure that low wage earners who are able to increase their income by working harder, or for longer hours, do not lose all or more of any increase in earnings because of the withdrawal of income-related benefits. The current system of tapers concentrates help on those at the bottom of the income scale.

Housing benefit is available to people who are in or out of work, to meet reasonable rents or reasonable rent increases.

Mr. Alton: To ask the Secretary of State for the Environment what action the Government are taking to prevent an increase in the number of unemployed people dependent on housing benefit to pay their rent.

Mr. Burt: I have been asked to reply.

We have no plans to change the rules for housing benefit.

NATIONAL HERITAGE

Royal Opera House

Sir Thomas Arnold: To ask the Secretary of State for National Heritage what progress has been made towards agreeing the future financing of the royal opera house; and if he will make a statement.

Mr. Brooke: It is for the Arts Council of Great Britain to decide on appropriate funding for the three companies which make up the royal opera house. In 1993-94 it will receive a grant of £19,521,000.

International Initiatives Fund

Mr. Morgan: To ask the Secretary of State for National Heritage, pursuant to his answer to the hon. Member for Falmouth and Camborne (Mr. Coe) of 9 March, *Official Report*, columns *512-13*, what proposals he has in relation to the funding of and responsibility for the international initiatives fund, as regards its repartition between English, Scottish and Welsh arts organisations.

Mr. Brooke: From 1994-95 the funding for the international initiatives fund, which is currently administered by the Arts Council of Great Britain, will be shared out amongst the English, Scottish and Welsh arts councils in the following proportions: England 83·7 per cent, Scotland 10·45 per cent. and Wales 5·85 per cent.

Arrangements will be put in place to facilitate policy and executive coherence between the three arts councils on international work.

TV Licence Evasion

Dr. Godman: To ask the Secretary of State for National Heritage how many persons were proceeded against for television licence evasion in *(a)* Inverclyde, *(b)* Strathclyde region and *(c)* Scotland as a whole in each of the past seven years.

Mr. Brooke: The information is not available in the form requested. Statistics on prosecutions for television licence evasion are recorded for each TV licensing enforcement office (TVLEO) area. Glasgow TVLEO area covers Inverclyde and most of Strathclyde, but statistics specifically for Inverclyde and Strathclyde are not separately recorded. Information covering the Glasgow TVLEO area and Scotland as a whole in the years for which figures are available is set out in the table.

Year	Number of Prosecutions	
	Glasgow TVLEO area	Scotland
1988	2,675	12,185
1989	3,754	12,937
1990	2,563	11,736
1991	3,899	16,998
1992	3,895	15,102

Museums

Mr. Dalyell: To ask the Secretary of State for National Heritage what support his Department gives to museums concerning *(a)* the second world war and *(b)* the intelligence services.

Mr. Key: The Department of National Heritage provides grant-in-aid in support for national museums and galleries including the Imperial War museum, which holds collections associated with the second world war and the intelligence services. The Government also provide support to the museums in the regions through the Museums and Galleries Commission and its network of area museum councils, which may assist museums holding such collections.

EMPLOYMENT

Unemployment Benefit

Mrs. Dunwoody: To ask the Secretary of State for Employment how much money in unemployment benefits is paid in total to unemployed persons between the ages of *(a)* 20 to 30 years, *(b)* 31 to 40 years, *(c)* 41 to 50 years and *(d)* 51 to 60 years.

Mr. Burt: I have been asked to reply.

The information is not available in the form requested.

SOCIAL SECURITY

Public Bodies

Dr. Wright: To ask the Secretary of State for Social Security how many appointments to the public bodies listed in "Public Bodies" for his Department were made from names supplied by the public appointments unit; and if he will list them.

Miss Widdecombe: None.

Pensions

Mr. Knox: To ask the Secretary of State for Social Security if he will publish figures for 1992 showing the numbers and percentages of *(a)* men and *(b)* women who reached state pension age with entitlement to (i) a full category A old age pension or national insurance invalidity pension, (ii) a full category B old age pension or NI invalidity pension equivalent and (iii) no basic old age or invalidity pension.

Miss Widdecombe: The information is not available in the form requested.

The available information regarding recipients of retirement pension resident in Great Britain at 31 March 1992 is in the table:

thousands

	Men aged 65	Women aged 60
Full category A retirement pension	180·0	46·1
Full category B retirement pension (widow/widower)	—	4·0
Full category B retirement pension (married woman)[1]	n.a.	23·1

Notes:

1. The standard rate of category B retirement pension payable to a married woman is approximately 60 per cent. of the full category A rate.

(i) Information regarding the individual ages and rates of notional entitlement to retirement pension is not available in respect of invalidity benefit recipients who have attained pensionable age.

(ii) The following main categories of benefit recipients are not shown in the table:

people receiving pension at less than the full rate;
women receiving pension partly on their own and partly on their husbands' contributions;
people receiving invalidity benefit post-pensionable age.

Provisional population estimates for mid-1991, the latest date for which information is available, show 264,300 men aged 65 and 297,300 women aged 60 resident in Great Britain.

European Community (Incomes)

Mr. Knox: To ask the Secretary of State for Social Security what is the most recent estimate of the number of *(a)* families and *(b)* people in each member state of the EC with incomes below 50 per cent. of average earnings; and what are the comparable figures for 1975 and 1985.

Mr. Burt: Information comparing incomes with average earnings is not available. Information on the distribution of people below fractions of average income in the United Kingdom is available in my Department's publication "Households Below Average Income: A Statistical Analysis 1979-1988-89", copies of which are in the Library. Comparable information on other member EC states is not available.

Income Support

Mr. Knox: To ask the Secretary of State for Social Security, pursuant to his answer of 15 February to the hon. Member for Ealing, North (Mr. Greenway) *Official Report*, column *100*, on claims for income support in 1992-93, what percentage of families claimed income support, distinguishing between families above state pension age and those of working age, and showing two-parent families with children and one-parent families, separately.

Mr. Burt: The latest available information is in the table.

Family type	Percentage of all IS recipients
All Families	37·0
Families over Pension Age	2·6
Families under Pension Age	34·4
All Couples with children	9·4
Couples over pension age, with children	0·1
Couples under pension age, with children	9·3
All Lone Parents	20·0
Lone Parents over pension age	0·1
Lone Parents under pension age	19·9

Notes:

1. *Source:* Income Support Statistics Annual Enquiry, May 1991.
2. Percentages quoted are those of the Income Support caseload. It is not possible to give percentages of the total population for each of the specified groups.
3. Pension age is defined as 65 for men, 60 for women. Only the age of the claimant has been taken into account for this reply.
4. Temporarily separated cases have been treated as single.

Child Benefit

Mr. Olner: To ask the Secretary of State for Social Security in what circumstances child benefit is continued after a child is abducted and taken out of the United Kingdom by one of its parents.

Mr. Burt: There is nothing in child benefit legislation relating specifically to child abduction cases. When a child and one parent leave the United Kingdom permanently child benefit normally ceases from the date of departure; after eight weeks if the absence is temporary. Exceptions are that child benefit might be payable to parent abroad with the child if the parent has gone to work in a European Community country, or a country with which the United Kingdom has a reciprocal social security agreement, and remains liable to pay United Kingdom national insurance contributions; also if they have gone abroad temporarily and remain liable to pay United Kingdom income tax.

Lone Parents

Mr. Knox: To ask the Secretary of State for Social Security what percentage of families with children were one-parent families, in each member state of the EC, in 1975 and the latest date available.

Mr. Burt: In Great Britain the proportion of families with dependent children headed by a lone parent has increased from 10 per cent. in 1975 to 19 per cent. in 1990 —source: "General Household Survey". Comparable figures are not available for 1975 for other EC countries.

Table 1 provides the best available estimates of the proportion of all families with children aged under 18 headed by a lone parent at the end of the 1980s. The estimates were published in a report to the European Commission in 1992. They should be treated with caution because the information and definitions used to derive them are not completely comparable.

Table 1
Estimates of the numbers of lone parent families as a proportion of all families with children under the age of 18 at the end of the 1980s

	Per cent.
Great Britain	17
Denmark	15
France, Germany	11-13
Belgium, Ireland, Luxembourg, Netherlands, Portugal	9-11
Greece, Spain, Italy	5-6

Source: "Lone Parent Families in the European Community". A report to the European Commission, Jo Roll 1992.

Mr. Hall: To ask the Secretary of State for Social Security what percentage of lone parents in the area of the Benefits Agency office which includes Warrington, South claimed income support at the latest available date.

Mr. Burt: The administration of income support is a matter for Mr. Michael Bichard, the chief executive of the Benefits Agency. He will write to the hon. Member with such information as is available, and a copy will be placed in the Library.

Letter from Michael Bichard to Mr. Mike Hall, dated 17 March 1993:

As Chief Executive of the Benefits Agency it is my responsibility to answer questions about relevant operational matters. I am therefore replying to your recent Parliamentary Question to the Secretary of State for Social Security asking what percentage of lone parents in the area of the Benefits Agency Office which includes Warrington, South claimed Income Support at the latest available date.

The Income Support Management Information Statistics for the end of February 1993 show that 7,120 customers within the Benefits Agency's North Cheshire District, which includes the constituency of Warrington, South, received the Lone Parent Premium within their Income Support entitlement. However, general population statistics on lone parents are only available for Great Britain as a whole. We are therefore unable to express this number of customers as a percentage of the total number of lone parents in the District's catchment area.

I hope you find this reply helpful. A copy of this letter will appear in the *Official Report* and a copy will be placed in the Library.

Independent Living Fund

Mr. Jon Owen Jones: To ask the Secretary of State for Social Security what provision has been made for those people who are eligible for the independent living fund but have missed the deadlined for final applications.

Mr. Scott: No specific provision has been made. Local authorities have primary responsibility for providing care for all disabled people.

The Independent Living (1993) Fund will be open to new applications from 1 April.

Social Security Expenditure

Mr. Knox: To ask the Secretary of State for Social Security if he will show expenditure on social security as percentages of gross domestic product in each member state of the EC in 1975, 1985 and the latest year available.

Mr. Burt: Information is not available to compare social security expenditure in each member state of the EC. Comparisons are made of social protection expenditure, which embraces a greater range of functions and includes items such as the supply of health services. A comparison of social protection expenditure is in the table.

Expenditure on social protection as percentage of GDP

Member state	1975	1985	1989
Belgium	24·2	29·3	26·7
Denmark	25·8	27·8	29·6
Germany	29·7	28·2	27·3
Greece	n/a[2]	15·4	[1]16·3
Spain	n/a[2]	17·8	17·3

Member state	1975	1985	1989
France	22·9	28·8	28·0
Ireland	19·7	24·0	20·6
Italy	19·6	22·5	23·2
Luxembourg	22·4	25·5	25·6
Netherlands	26·7	31·1	30·2
Portugal	n/a[2]	16·1	18·1
United Kingdom	20·1	24·4	[1]20·6

Source: Eurostat.
[1] Estimate.
[2] Not an EC member in 1975.

Part-time Study

Ms Walley: To ask the Secretary of State for Social Security if he will review the 21 hours rule regarding eligibility for payment of benefit to those wishing to study for fewer than 21 hours per week and who are out of work.

Mr. Burt: The 21-hour rule enables unemployed claimants of income support to follow part-time education courses while continuing their search for work. We have no plans to review this rule.

Social fund

Mr. Fabricant: To ask the Secretary of State for Social Security what the 1993-94 gross budget for the discretionary part of the social fund will be.

Mr. Scott: I am pleased to announce that the social fund gross discretionary budget for 1993-94 will be £346 million. £95 million will be allocated to grants, £250 million to loans and £1 million will be held as a contingency reserve. The new allocations represent an overall increase of £44 million—nearly 15 per cent—over the gross budget at April 1992.

The social fund continues to provide valuable help to large number of people. Between April 1992 and January 1993 almost 1·5 million non-repayable grants and interest-free loans were made. This is nearly 200,000 more than during the same period last year—an increase of 14 per cent. the increase from April will allow even more people to be helped. Details of the allocations for individual districts will be announced shortly.

Animal Carers

Mr. Sproat: To ask the Secretary of State for Social Security when he expects to receive the report from the inquiry into the self-employed status of animal carers and the firm, Animal Aunts.

Miss Widdecombe: We hope to receive the inquirer's report by the end of this month.

Housing Benefit

Mr. George Robertson: To ask the Secretary of State for Social Security (1) if he will provide for each district and islands council in Scotland for each year since 1990-91 *(a)* the numbers and amounts of discretionary payments and their percentage in relation to total housing benefit expenditure and *(b)* the numbers and amounts of housing benefit overpayments and the amount as a percentage of the authority's overall housing benefit expenditure;

(2) if he will provide for each district and islands council in Scotland for each available year from 1990-91 *(a)* a breakdown of the numbers of housing benefit claimants, by rent rebate and rent allowance categories and the total amounts paid under each heading and *(b)* the numbers and amounts of backdated housing benefit payments and the amount paid as a percentage of each local authority's housing benefit expenditure.

Mr. Burt: *[holding answer 11 March 1993]:* The available information has been placed in the Library.

SCOTLAND

Consultant Posts

Mrs. Fyfe: To ask the Secretary of State for Scotland if he will list the number of vacant consultant posts in *(a)* mental illness, *(b)* child and adolescent psychiatry, *(c)* forensic psychiatry, *(d)* mental handicap, *(e)* old age psychiatry and *(f)* psychotherapy; and if he will give the number of vacant posts as a percentage of all posts in these specialties.

Mr. Stewart: Information on the total number of vacant consultant posts is not available centrally. The table shows information collected about consultant posts which had been vacant for six months or longer in the year ended 30 September 1991, the latest date for which information is available.

Long-term vacancies in consultant posts by selected specialty; numbers at 30 September 1991.

Specialty	Number	Long-term vacancies as per cent of all consultants in post
General psychiatry	5	2
Child and adolescent psychiatry	2	5
Forensic psychiatry	1	9
Mental handicap	1	7
Old age psychiatry	2	29
Psychotherapy	1	11

Long-term vacancies are defined as established paid posts which have been unoccupied for a period of at least six months during the year up to 30 September.

Mrs. Fyfe: To ask the Secretary of State for Scotland how many consultant posts in *(a)* mental illness, *(b)* child and adolescent psychiatry, *(c)* forensic psychiatry, *(d)* mental handicap, *(e)* old age psychiatry and *(f)* psychotherapy, have been vacant for (i) longer than one year and (ii) longer than two years.

Mr. Stewart: The information requested is not available centrally.

Community Care

Mrs. Fyfe: To ask the Secretary of State for Scotland if he will make available to the public information on the arrangements made between health boards and social work departments concerning care in the community.

Mr. Stewart: Leaflets describing the changes which will take place in community care arrangements are currently being widely distributed.

Mrs. Fyfe: To ask the Secretary of State for Scotland what guidance has been given to local authorities to ensure

than an individual's right to choose to be placed in residential or nursing home care is observed, when assessed under care in the community provisions.

Mr. Stewart: The draft of "Direction on Choice of Residential Accommodation and Associated Guidance" has been sent to local authorities and others for comment. Following consideration of the comments the direction and guidance in final form will be issued shortly.

Dr. Godman: To ask the Secretary of State for Scotland what advice has been given to primary care and hospital staff about the joint discharge arrangements between social work departments and health boards; and if he will make a statement.

Mr. Stewart: I refer the hon. Gentleman to the answer I gave to the hon. Member for Glasgow, Maryhill (Mrs. Fyfe) on 17 March at column *275*.

Children (Legal Procedures)

Mr. Olner: To ask the Secretary of State for Scotland if he will seek to amend the Family Law Act 1986, to make court orders to hand over children directly enforceable throughout the United Kingdom without the need for further enforcement proceedings and applications for leave aid.

Lord James Douglas-Hamilton: The current procedures set out in the Family Law Act 1986 are based on well-researched recommendations made by the Law Commission and the Scottish Law Commission in their joint "Report on Custody of Children—Jurisdiction and Enforcement within the United Kingdom" (Law Com No. 138) (Scot Law Com No. 91). As the Family Law Act 1986 has application in the various jurisdictions throughout the United Kingdom any proposal to change the rules in Scotland would require consideration at the same time within the other jurisdictions. I have no evidence that the current arrangements are not working satisfactorily or that they give rise to unnecessary delays.

Mr. Olner: To ask the Secretary of State for Scotland what steps are being taken to ensure that in all proceedings relating to child abduction—article 12 of the United Nations convention on the rights of the child—are applied with respect that the wishes of the child should be ascertained by appropriately trained professionals and given consideration, if necessary, through separate legal representation in the light of the child's age and understanding.

Lord James Douglas-Hamilton: It is already the practice of the Scottish courts, in considering any matter which relates to the welfare of a child, to afford the child the opportunity in appropriate cases of putting his or her views to the court, and to seek a report from a trained professional.

In its report on "Family Law" (Scot Law Com No. 135), the Scottish Law Commission, among other matters, recommends that in considering whether to make an order relating to parental responsibilities or rights, or guardianship, a court should be required to give due consideration to any relevant views of the child concerned which are properly before it, taking account of the child's age and maturity. The commission also recommends that rules of court should ensure that a child who is capable of forming his or her own views and who wishes to have his or her views put directly before a court in any proceedings relating to parental responsibilities or rights, or guardianship, has a readily available procedural mechanism for doing so. We are currently giving careful consideration to these recommendations.

Mr. Olner: To ask the Secretary of State for Scotland if he will extend the passport office's powers to block the issue of a passport to cover objections made by the reporter to the children's panel on the basis of a children's hearing supervision requirement.

Mr. Charles Wardle: I have been asked to reply.

United Kingdom passports are issued in the United Kingdom at the discretion of the Home Secretary exercising the royal prerogative. The Passport Agency will accept an objection to the issue of a passport from the reporter to the children's panel if a warrent for the apprehension of a child has been issued with a view to detention in a place of safety.

Council House Sales

Mr. Home Robertson: To ask the Secretary of State for Scotland if he will make a statement on the information that he has received from East Lothian district council and other sources about proxy purchasing of council houses by tenants who qualify for high discounts on behalf of third parties; and if he will introduce amendments to the Housing (Scotland) Act 1987 to prevent such practices.

Lord James Douglas-Hamilton: East Lothian district council wrote to the Scottish Office Environment Department last month referring to two cases which the council believes represent an abuse of the right-to-buy legislation. The Department is currently considering the information provided, and the council will receive a reply as soon as possible.

Scottish Homes

Mr. Home Robertson: To ask the Secretary of State for Scotland what representations he has received on behalf of Scottish Homes tenants who want to choose their local district or islands councils as alternative landlords; and if he will introduce an amendment to the Housing (Scotland) Act 1987 to include that option in the choices available to tenants.

Lord James Douglas-Hamilton: My right hon. Friend has received about 20 individual representations on this matter. He has no plans to make any changes to the present arrangements regarding sales of Scottish Homes' stock to alternative landlords under large scale voluntary transfer procedures or individual tenants' choice provisions. It has been made clear in guidance to Scottish homes that large scale sales of Scottish Homes' stock to a local authority should be considered only where there are special circumstances which do not compromise the Government's and Scottish Homes' policy objective of tenure diversification. It is expected that such circumstances will rarely arise.

Magazines

Mr. McFall: To ask the Secretary of State for Scotland if he will introduce legislation to make it illegal to distribute magazines depicting illegal and offensive weapons.

Lord James Douglas-Hamilton: It is an offence, under section 141 of the Criminal Justice Act 1988, to offer for sale or to expose or possess for the purpose of sale any weapons of a description specified by statutory instrument. We are willing to consider expanding the list of weapons so specified if we are notified of additional items that have no legitimate uses and can be clearly defined in law.

We have no plans at present to prohibit all advertising of illegal or offensive weapons or the distribution of such advertisements.

School Budgets

Mr. Maclennan: To ask the Secretary of State for Scotland what representations he has received about difficulties faced by school boards in meeting their statutory duty to approve school budgets prior to the start of the financial year.

Lord James Douglas-Hamilton: The only statutory obligation on school boards in relation to school budgets is the duty imposed by section 9 of the School Boards (Scotland) Act 1988 to approve a headteacher's proposals as to how funds provided by the education authority for the purchase of books and other teaching materials should be spent. No representations have been received on this subject.

Mr. Maclennan: To ask the Secretary of State for Scotland what steps he will take to ensure that information on resources allocated to a school in a financial year is available to the school's board prior to the start of that financial year.

Lord James Douglas-Hamilton: Education authorities have a duty, under section 17(4) of the School Boards (Scotland) Act 1988 and the School Boards (Financial Information) (Scotland) Regulations 1990, to provide a budget statement to school boards by 5 April for the following financial year. I shall shortly be issuing guidelines for schemes of devolved school management which will involve further information on resources being made available to school boards.

Education Authorities

Mr. Beggs: To ask the Secretary of State for Scotland if he will publish a list of education authorities in Scotland with the total number of pupils for which each education authority is responsible.

Lord James Douglas-Hamilton: The information requested was published in the Scottish Office Education Department statistical bulletin, "Schools, Pupils and Teachers in Scotland" (Edn/A11993/1, tables 3, 5, 7 and 9). A copy of the bulletin is in the House of Commons Library.

Class Sizes

Dr. Godman: To ask the Secretary of State for Scotland what measures he has taken recently to reduce the number of school classes to below 30 per teacher; and what pupil-to-teacher ratio he has as an educational policy objective.

Lord James Douglas-Hamilton: Responsibility for the size of classes in Scottish schools rests with education authorities, in consultation with headteachers, and not with central Government. The current class size maxima are set out in the "Scheme of Conditions of Service for Teachers". The normal maximum for single stage primary classes and stage S1-S2 in secondary schools is 33 pupils per class, and 30 per class in S3-S6.

The latest available statistics (school census 1991) indicate that 87 per cent. of primary and 99 per cent. of secondary classes have 30 or fewer pupils.

The latest pupil to teacher ratios in Scottish primary and secondary schools are 19·5:1 and 12·4:1 respectively. We have no set target or objective but these figures can be compared with the equivalent ratios of 20·3:1 and 14:1 of 10 years ago.

Medical Negligence

Dr. Godman: To ask the Secretary of State for Scotland in what circumstances legal aid is given in cases concerning complaints of medical negligence; and how many cases of medical negligence were supported by legal aid in each of the past five years in *(a)* Strathclyde region and *(b)* Scotland as a whole.

Lord James Douglas-Hamilton: Legal aid is available for cases of medical negligence subject to the standard tests of reasonableness, probable cause and financial means. As with other cases involving personal injury, the maximum disposable income entitling an applicant in a medical negligence case to civil legal aid is £7,500 per year, as compared with £6,800 per year for other civil cases.

In 1991-92, 1,843 grants of civil legal aid were made in reparation cases, which include cases involving allegations of medical negligence. No further breakdown of cases within that category, or by location, is available.

EC Committee of the Regions

Dr. Godman: To ask the Secretary of State for Scotland what consultations he has held in relation to the setting up of meetings with interested parties concerning Scottish representation in the United Kingdom delegation to the Committee of the Regions; what provisions he is considering for the funding of a secretariat and other ancillary services; and if he will make a statement.

Mr. Stewart: The Government are considering the arrangements for nominating the United Kingdom representatives on the Committee of the Regions and what arrangements should be put in place to keep them informed of United Kingdom policy interests.

Secure Units

Dr. Godman: To ask the Secretary of State for Scotland what recent assessment he has made of the effectiveness of existing secure facilities for young people; and if he will make a statement.

Mr. Stewart: Secure accommodation has to be approved by the Secretary of State and for this purpose each unit is inspected formally every three years by the social work services inspectorate of the Scottish Office and by Her Majesty's inspectors of schools. During these inspections regard is paid to the care plans for each child, educational provision, scope for social development, etc. Follow-up monitoring visits are paid. In addition to these inspections a review of the provisions of secure

accommodation throughout Scotland and the way in which it is meeting current needs will be carried out in the course of the current year.

Children's Homes

Dr. Godman: To ask the Secretary of State for Scotland what recent reports he has received concerning the management and functioning of children's homes in *(a)* Strathclyde and *(b)* Scotland as a whole; what plans he has to change the way in which such institutions are managed; and if he will make a statement.

Mr. Stewart: A recent review of residential child care throughout Scotland was conducted by the Scottish Office's chief inspector for social work services. His report "Another Kind of Home" was published in December 1992 and its recommendations, including those on the training and recruitment of staff for children's homes, will be taken into account in the forthcoming White Paper on child care policy and law.

Nursing Homes

Dr. Godman: To ask the Secretary of State for Scotland what plans he has to ensure that all elderly residents in nursing homes are registered with locally based general practitioners; and if he will make a statement.

Mr. Stewart: All nursing home residents have the right to seek the services of the general practitioner of their choice. The Nursing Homes Registration (Scotland) Regulations 1990 require the registered person to maintain a register of all patients which includes details of the resident's general medical practitioner. The health board, as the registering authority, is responsible for ensuring that requirements of the regulations are met.

Defendants (No Fixed Address)

Dr. Godman: To ask the Secretary of State for Scotland how many persons ordered to appear at district courts in Strathclyde were of no fixed address in the latest year for which figures are retrievable.

Lord James Douglas-Hamilton: The information requested is not collected centrally.

Pupil Exclusions

Dr. Godman: To ask the Secretary of State for Scotland what educational options are available to those schoolchildren who have been *(a)* temporarily and *(b)* permanently excluded from their schools because of anti-social behaviour.

Lord James Douglas-Hamilton: This is a matter for parents, who have a duty to provide efficient education for their child, and for education authorities, which have a statutory duty to ensure the provision of adequate and efficient education for all children of school age in their areas. Options which may be appropriate, according to the individual circumstances, can include home tutoring, transfer to another school or entry to a special or independent school.

NHS Charges

Dr. Godman: To ask the Secretary of State for Scotland what plans he has to introduce a system of charging patients for elements of care while in NHS hospitals; and if he will make a statement.

Mr. Stewart: My right hon. Friend has no plans to introduce such a system. The purpose of the NHS in Scotland is to provide health care on the basis of clinical need, irrespective of the individual's ability to pay.

Crime, Strathclyde

Dr. Godman: To ask the Secretary of State for Scotland how many criminal offences were committed in total and by category of offence in Strathclyde region in each of the six months up to the latest available date.

Lord James Douglas-Hamilton: The available information for April-September 1992 is given in the table.

Number of crimes and offences recorded by the police April-September 1992
Strathclyde Region

	April	*May*	*June*	*July*	*August*	*September*
Total crimes	29,312	28,456	26,130	25,804	25,544	25,976
Non-sexual crimes of violence	1,544	1,541	1,269	1,228	1,207	1,258
Crimes of indecency	226	241	260	232	240	261
Crimes of dishonesty	21,052	20,315	18,765	18,489	18,349	18,329
Fire-raising, vandalism etc.	4,502	4,291	3,485	3,661	3,558	3,567
Other crimes	1,988	2,068	2,351	2,194	2,190	2,561
Total offences	16,357	17,232	15,791	15,967	16,540	17,050
Miscellaneous offences	5,710	6,447	5,688	5,592	5,407	5,534
Motor vehicle offences	10,647	10,785	10,103	10,375	11,133	11,516
Total crimes and offences	45,669	45,688	41,921	41,771	42,084	43,026

Police Officers, Strathclyde

Dr. Godman: To ask the Secretary of State for Scotland if he will list for each of the past 10 years the number of police officers in the Strathclyde police force area per head of population, together with the actual numbers.

Lord James Douglas-Hamilton: The information requested, for the most recent 10-year period for which population figures are available, is set out in the following table:

Year	Population of Strathclyde Region	Ratio of Police Officers to population of Strathclyde Region	Actual strength of Strathclyde Police as at 31 December
1982	2,398,938	1:351	6,833
1983	2,383,077	1:350	6,816
1984	2,373,422	1:349	6,792
1985	2,358,727	1:346	6,816
1986	2,344,585	1:346	6,769
1987	2,332,537	1:344	6,773
1988	2,316,739	1:342	6,768
1989	2,311,200	1:336	6,887
1990	2,306,000	1:339	6,804
1991	2,296,300	1:338	6,790

Nursing Home Residents

Dr. Godman: To ask the Secretary of State for Scotland if he will list the guidelines about the degree to which palliative treatment ought to be given by general practitioners to elderly residents of nursing homes.

Mr. Stewart: The Scottish Health Service Advisory Council report "The Care of the Dying and Bereaved in Scotland", published in 1991, sets out general guidelines for good practice in the care of the dying. Health boards, as the registering authority under the Nursing Homes Registration (Scotland) Regulations 1990, expect nursing homes to follow central guidelines as a condition of their registration.

Integrated Administration and Control System Scheme

Mrs. Ray Michie: To ask the Secretary of State for Scotland when he intends to issue details of the integrated administration and control system scheme; and if he will make a statement.

Sir Hector Monro: On current printing schedules, the issue of details of the integrated administration and control scheme to Scottish farmers will commence on Monday 22 March. Most farmers will have the literature on or before 26 March.

Children in Care

Dr. Godman: To ask the Secretary of State for Scotland how many complaints he has received in each of the past five years concerning the treatment of children in care; on how many occasions in such cases he has ordered an inquiry to be made; and if he will make a statement.

Mr. Stewart: Most complaints relating to the treatment of children in care are directed to the relevant local authority which has statutory responsibility for dealing with such complaints under section 5B of the Social Work (Scotland) Act 1968. Where individuals have brought matters to the attention of my right hon. Friend, officials of the Scottish Office will generally make informal inquiries, but there have been no more than two or three minor complaints in each of the past few years. There have been two formal inquiries under section 99 of the Children Act 1975 in the last five years, following complaints made to the Secretary of State: the inquiry into child care policies in Fife and the Orkney inquiry.

Textbooks

Dr. Godman: To ask the Secretary of State for Scotland what was the amount spent on textbooks per pupil in *(a)* primary schools and *(b)* secondary schools in each year since 1983 in real terms.

Lord James Douglas-Hamilton: The information is contained in the following table. It has been compiled from local authority financial returns, which do not distinguish between text and library books.

Expenditure per pupil on text and library books adjusted to 1991-92 prices using the GDP deflator.

	Primary £	Secondary £
1983-84	14·32	21·26
1984-85	14·47	20·96
1985-86	12·81	19·36
1986-87	15·22	23·21
1987-88	12·21	17·07
1988-89	13·82	22·83
1989-90	13·89	20·08
1990-91	14·45	22·90

Housing

Dr. Godman: To ask the Secretary of State for Scotland what proposals he has made about the charter programme for a complaints procedure for housing tenants, for people on waiting lists and for homeless applicants; and if he will make a statement.

Lord James Douglas-Hamilton: The tenants charter for Scotland was published in December 1991 and includes a section entitled "If Things Go Wrong". Complaints by public sector tenants or people on waiting lists should be taken up with the relevant landlord, and each landlord should have a proper complaints procedure. Local authorities have a statutory duty to notify homeless applicants in writing of their decision on applications for housing, giving reasons for a refusal; and the homelessness code of guidance recommends an appeals procedure. If people are not satisfied with the way a complaint has been dealt with by a public sector landlord, they can ask for their case to be investigated by the local government ombudsman.

Bridges, River Clyde

Dr. Godman: To ask the Secretary of State for Scotland what proposals he has for the construction of road bridges across the River Clyde.

Lord James Douglas-Hamilton: My right hon. Friend has no proposals for the construction of trunk road bridges over the River Clyde. However, I understand that Strathclyde regional council, which is the local roads authority for the area, has proposals for two new low-level bridges adjacent to the Kingston bridge.

Water and Sewerage Services

Mr. Welsh: To ask the Secretary of State for Scotland what *(a)* telephone communications, *(b)* written correspondence and *(c)* discussions have taken place between each of the 10 regional water companies in England and Wales and any of their subsidiaries and (i)

himself, (ii) other Scottish Office Ministers and (iii) Scottish Office officials on his consultative document on the future of water and sewerage services in Scotland; and if he will provide details of the dates when such contacts took place.

Mr. Lang: Three of the 10 water and sewerage companies in England and Wales responded to the consultation paper "Investing For Our Future". A meeting was subsequently held by officials with representatives of one of those companies, at the company's request. Comprehensive records of telephone calls are not kept.

Fraud

Mr. Darling: To ask the Secretary of State for Scotland how many prosecutions have been brought in Scotland in respect of fraud cases in each year since 1985 in *(a)* each sheriffdom and *(b)* in the High Court.

Lord James Douglas-Hamilton *[holding answer 15 March 1993]*: The information requested is given in the table:

	1985	*1986*	*1987*	*1988*	*1989*	*1990*	*1991*
Persons called to the High Court in Scotland on a charge of fraud (includes statutory fraud)	20	14	25	19	21	12	19
Persons called to the Sheriff Court in each Sheriffdom in Scotland on a charge of fraud (includes statutory fraud)							
Sheriffdom							
Grampian, Highland and Islands	348	330	328	317	362	418	374
Tayside, Central and Fife	590	701	742	675	698	717	625
Lothian and Borders	498	656	702	461	534	532	526
Glasgow and Strathkelvin	352	340	271	244	365	415	243
North Strathclyde	349	315	325	369	395	528	424
South Strathclyde, Dumfries and Galloway	394	340	331	400	407	450	387
Total called to sheriff courts[1]	2,531	2,682	2,699	2,467	2,763	3,065	2,580

[1] Includes cases where the court of origin is not known.

Written Answers to Questions

Friday 19 March 1993

DEFENCE

Service Bands

Mr. Colvin: To ask the Secretary of State for Defence, pursuant to his answer of 5 March, *Official Report*, column *342*, why the band of the Prince of Wales's Own Regiment is not due to deploy with the regiment to Bosnia; what duties bandsmen of the Cheshire Regiment have carried out in Bosnia; who will carry out those duties during deployment of the Prince of Wales's Own Regiment; and if he will make a statement.

Mr. Archie Hamilton: Bandsmen of the Cheshire Regiment, deployed in Bosnia with the battalion, are being used primarily as medics and drivers. As an integral part of the battalion, the tasking and deployment of the band of the Prince of Wales's Own Regiment is at the discretion of the commanding officer. In this case, he has decided to employ the band on rear party duties as he has sufficient drivers and medics elsewhere in the battalion.

Missiles Programme

Mr. Pike: To ask the Secretary of State for Defence what representations he has received about the future of the United Kingdom medium-range surface-to-air missile programme; and if he will make a statement.

Mr. Aitken: A number of representations have been received. Work on the evaluation of MSAM tenders was completed last September and we are now assessing the options in the context of our overall defence requirements. No decision has yet been made.

Nuclear Weapons Testing

Mr. Hutton: To ask the Secretary of State for Defence what payments have been made by Her Majesty's Government to the United States Government in each year since 1979 in respect of the environmental costs of the British nuclear weapons testing programme; and if he will make a statement.

Mr. Aitken: The United Kingdom pays the cost levied by the United States authorities for each test on an individual basis. Included in the costs are payments covering arrangements for the management and disposal of radioactive wastes associated with the test, but none are made specifically in respect of environmental issues. The wastes are disposed of by the United States under recognised procedures.

Military Service

Sir John Hunt: To ask the Secretary of State for Defence what steps he is taking to make the terms of military service more attractive.

Mr. Archie Hamilton: My Department remains committed to ensuring that the terms and conditions of service for the regular and volunteer reserve forces are designed to attract the highly motivated men and women who are required by the armed forces and are seeking a rewarding and challenging career.

WEU Reserve Forces

Sir John Hunt: To ask the Secretary of State for Defence if he will make it his policy to co-ordinate policy towards improving conditions for reserve service men among the member states of the Western European Union.

Mr. Archie Hamilton: There is already discussion on and co-ordination of policy towards reserve service men between the United Kingdom and its allies, including the member states of the Western European Union. This takes place under the auspices of the Western European Union, the National Reserve Forces Committee, and the Interallied Confederation of Reserve Officers.

Service Housing

Ms Janet Anderson: To ask the Secretary of State for Defence what information he has about the housing needs of redundant British service men and women returning home from overseas; and if he will make a statement.

Mr. Archie Hamilton: All service personnel selected for redundancy are invited to say where they intend to settle when they leave and what their housing intentions are. The replies from those made redundant in 1992-93 indicated that some 50 per cent. of personnel already owned their own homes and that the majority (over 75 per cent.) were confident about their housing arrangements. The replies also indicated that resettlement will be spread across the country and that the number of housing applications to individual local authorities is unlikely to be significant. For those with no firm plans for housing arrangements, the joint services housing advice office can provide comprehensive guidance on housing options. We will continue to monitor the situation.

Gulf War

Mr. Llew Smith: To ask the Secretary of State for Defence what is his latest assessment of the number of Iraqi *(a)* military personnel and *(b)* civilians killed during the Gulf war.

Mr. Archie Hamilton: My Department has no authoritative information on which to assess the number of casualties sustained by Iraq during the Gulf conflict.

Eurofighter 2000

Dr. Strang: To ask the Secretary of State for Defence when he expects a contract to be placed for the development of a laser warner for Eurofighter 2000.

Mr. Aitken: Following a review of the operational requirement, we have concluded that a laser warner is a necessary part of the defensive aids suite for the RAF's Eurofighter 2000 aircraft. Following an international competition, Eurofighter GmbH will be awarding a sub-contract for development of the equipment to GEC-Ferranti. The order, which will be worth nearly £20 million, will support some 100 jobs in the Edinburgh area. At the moment this is a United Kingdom-only requirement, although Spain will be retaining the option to fit the equipment later.

HOME DEPARTMENT

Public Bodies

Dr. Wright: To ask the Secretary of State for the Home Department how many appointments to the public bodies listed in "Public Bodies" for his Department were made from names supplied by the public appointments unit; and if he will list them.

Mr. Kenneth Clarke: Details of the appointments for which my Department is responsible which have been made from names supplied by the public appointments unit are not readily available. My Department regularly consults the public appointments unit for names of suitably qualified candidates for consideration for a wide range of appointments.

Departmental Spending

Dr. Wright: To ask the Secretary of State for the Home Department what percentage share of total departmental spending was accounted for by non-departmental public bodies in each year since 1979.

Mr. Kenneth Clarke: The percentage of total Home Office expenditure accounted for by grant funding to non-departmental public bodies is as follows:

Financial year	*percentage*
1979-80	2·0
1980-81	2·1
1981-82	1·5
1982-83	1·6
1983-84	1·7
1984-85	1·6
1985-86	1·7
1986-87	1·8
1987-88	1·8
1988-89	2·0
1989-90	2·0
1990-91	2·3
1991-92	2·6

Racehorse Doping

Mr. Meale: To ask the Secretary of State for the Home Department (1) if he will call for a report from the chief constable of Devon and Cornwall police on the progress of his inquiries into the doping of the racehorse Her Honour;

(2) if he will call for a report from the chief constable of Surrey on the progress of his inquiries into the doping of the racehorse Flash of Straw at Yarmouth in 1992;

(3) when his Department was informed about the circumstances surrounding the doping of the racehorses Norwich and Bravefoot at Doncaster in 1990;

(4) when his Department was informed about the circumstances surrounding the doping of the racehorse Flash of Straw at Yarmouth in 1992;

(5) if he will call for a report from the chief constable of South Yorkshire on the progress of his inquiries into the doping of the racehorses Norwich and Bravefoot at Doncaster in 1990;

(6) what proposals he has to amend the law relating to the doping of racehorses for gain;

(7) when his Department was informed about the circumstances surrounding the recent doping of the racehorse Her Honour.

Mr. Peter Lloyd: I refer the hon. Member to the reply that I gave to his questions on 15 March at column *43*.

I have no plans to call for reports from the police.

As to the law, there is no offence of illegal doping as such. The question of criminal charges would be a matter for the prosecuting authorities, depending on the circumstances of the case.

Immigration Appeals

Mr. Vaz: To ask the Secretary of State for the Home Department what is the current number of outstanding appeals to the immigration appeals tribunal and the immigration tribunal.

Mr. John M. Taylor: I have been asked to reply.

As of this month, there were 750 applications for leave to appeal outstanding before the immigration appeals tribunal, and 177 appeals. There were 19,077 cases outstanding before the immigration adjudicators; of those, 11,334 are estimated to be cases where the parties have not yet indicated their readiness to proceed, and 364 cases are estimated to be paper cases, which will not require an oral hearing.

LORD CHANCELLOR'S DEPARTMENT

Departmental Spending

Dr. Wright: To ask the Parliamentary Secretary, Lord Chancellor's Department what percentage shares of total departmental spending was accounted for by non-departmental public bodies in each year since 1979.

Mr. John M. Taylor: Figures for the period 1979 to 1983 are not available. The percentage shares of total departmental spending accounted for by non-departmental public bodies in each year since are: 0·85 per cent. in 1983-84; 0·65 per cent. in 1984-85; 0·71 per cent. in 1985-86; 0·8 per cent. in 1986-87; 1·15 per cent. in 1987-88; 57·88 per cent. in 1988-89; 60·93 per cent. in 1989-90; 61·93 per cent. in 1990-91 and 60·45 per cent. in 1991-92 the last financial year for which figures are available. The substantial increase from 1988-89 onwards is as a result of the setting up of the Legal Aid Board, which has assumed responsibility from the Law Society for the administration of the legal aid fund. Expenditure in relation to legal aid for 1983-88 is not included in the figures above since this was not expenditure accounted for by an NDPB.

House Repossessions

Mr. Hall: To ask the Parliamentary Secretary, Lord Chancellor's Department how many house repossession orders were made in the county courts in each year since 1978-79 involving houses in the Warrington South constituency.

Mr. John Taylor: The earliest year for which information is available is 1987. The table shows the total number of mortgage possession orders made in Warrington county court during each year from 1987 to 1992. These figures cover properties throughout Warrington. They do not indicate how many houses have been repossessed through the courts as not all of the orders will have resulted in the issue and execution of warrants of possession. The figures relating solely to properties in the

Warrington South constituency could be obtained only at disproportionate cost. The 1992 figures are provisional and are liable to revision to take account of late amendments.

Mortgage possession orders[1] *made in Warrington County Court during 1987-1992*

	Number
1987	202
1988	75
1989	119
1990	174
1991	276
1992	326

[1] Including suspended orders

Probate Service

Mr. McAllion: To ask the Parliamentary Secretary, Lord Chancellor's Department, pursuant to his answer of 26 October, *Official Report* c. *436-37*, what progress has been made in relation to the improvements in the probate service referred to; when a report on these improvements will be available; and if he will make a statement.

Mr. John M. Taylor: Following the report by the Comptroller and Auditor General of February 1992, a review of the organisation and working methods of the probate service is being undertaken internally. The review is expected to be concluded shortly.

Public Bodies

Dr. Wright: To ask the Parliamentary Secretary, Lord Chancellor's Department how many appointments to the public bodies listed in "Public Bodies" for his Department were made from names supplied by the public appointments unit; and if he will list them.

Mr. John M. Taylor: Six of the current appointments made by the Lord Chancellor to bodies listed in "Public Bodies" are people whose names were suggested by the public appointments unit. They are:

Mr. M. Acland, Mr. D. Sinker and Ms V. Boakes (Legal Aid Board).
Mrs. J. O'Dell OBE (Authorised Conveyancing Practitioners Board).
Mr. W. Hyde (Council on Tribunals).
Ms. U. Prashar (Advisory Committee on Legal Education and Conduct).

Embryology

Mr. Jopling: To ask the Parliamentary Secretary, Lord Chancellor's Department what delays there have been in producing guidance for the courts by his Department in connection with section 30 of the Human Fertilisation and Embryology Act 1990; and what steps he is taking to ensure that no further delays are caused in completing the work.

Mr. John M. Taylor: Before the court rules can be drafted the policy in respect of the regulations on which the court rules are based has to be settled. The complexity of this has meant that this has only recently been achieved. Work is now proceeding with a view to the rules coming into force as soon as possible.

Legal Aid

Mr. Vaz: To ask the Parliamentary Secretary, Lord Chancellor's Department how many applications have been made in the last two months for legal aid for immigration casework.

Mr. John M. Taylor: The information requested is not available. However, in January and February this year the Legal Aid Board paid 2,358 and 4,100 bills respectively, for work done on immigration and nationality matters under the green form scheme.

ENVIRONMENT

Housing

Dr. Wright: To ask the Secretary of State for the Environment what proposals he has under the charter programme for a complaints procedure for tenants, for people on waiting lists and for homeless applicants.

Sir George Young: The council tenants charter sets out how a tenant or an applicant for housing can make a complaint about his or her authority. Complaints can be made by using an authority's complaints procedure or by making representations to their local councillor.

Dr. Wright: To ask the Secretary of State for the Environment what proposals he has under the charter programme to guarantee citizens basic rights to housing when in need.

Sir George Young: Local authorities do have a duty under part III of the Housing Act 1985 to secure accommodation for particular categories of homeless household.

Parliamentary Questions

Mrs. Dunwoody: To ask the Secretary of State for the Environment on how many occasions in the current Session two or more questions by an hon. Member have been linked together for written answer.

Sir George Young: This information can be provided only at disproportionate cost.

New Build, Ealing

Mr. Harry Greenway: To ask the Secretary of State for the Environment, pursuant to his answer of 15 March, if he will instruct the Housing Corporation to cease purchasing newly built properties in the London borough of Ealing; and if he will make a statement.

Mr. Baldry: The guidelines described in my answer of 15 March are still in place. I have no plans to request the Housing Corporation to vary them. Of the 198 purchases approved in the London borough of Ealing by 26 February, the latest date for which a breakdown by vendor type is available, 18 were new properties purchased from builders or developers.

Environmental Protection Act 1990

Mr. Jenkin: To ask the Secretary of State for the Environment when he intends to publish the consultation paper reviewing the coverage of the controls under part I of the Environmental Protection Act 1990.

Mr. Maclean: This consultation paper meets a commitment in the White Paper to review the scope of the controls under part I of the Environmental Protection Act. It invites comment on some suggestions for rationalising the coverage of the controls and clarifying certain process definitions in the regulations.

I am looking forward to receiving comments from the wide range of industry and trade associations, environmental groups, and enforcing authorities who are being sent copies.

A copy of the consultation paper has been placed in the Library of both houses.

The consultation paper, entitled "Environmental Protection Act 1990 Part I, review of the prescribed processes and substances regulations", is available from room B350, Romney house, 43 Marsham street, telephone 071 276 8322. Comments are invited by 31 May and should be sent to the same address.

Local Government Finance

Mr. Spearing: To ask the Secretary of State for the Environment if he will take steps to ensure that the resources available within capping limits to any one local authority are equal to the total sum of its respective standard spending assessments.

Mr. Robin Squire: My right hon. and learned Friend does not intend to cap any authority budgeting at or below the level of its standard spending assessment.

House Renovation Grant System

Lady Olga Maitland: To ask the Secretary of State for the Environment on what date he plans to introduce changes to the house renovation grant system.

Sir George Young: We now plan that the changes will take effect on 5 April to coincide with adjustments to housing benefit on which the means test for house renovation grants is based. Amending regulations to implement changes to the means test to improve targeting of resources on low income applicants and to make consequential changes to the prescribed application forms were laid before Parliament on 15 March. An order introducing a limit of £50,000 on mandatory renovation grants and amending regulations revising the cost limits for minor works assistance were also laid.

These changes will be separately notified to local housing authorities and a departmental circular will be issued shortly.

Property Services Agency

Mr. Simon Hughes: To ask the Secretary of State for the Environment if he will place in the Library a copy of his Department's investigation unit's report into fraud, tax evasion and security lapses in the PSA Building Management South-East Contracting, Southwark; and if he will make a statement.

Mr. Redwood *[holding answer 18 March 1993]:* The central inquiry unit within PSA's internal audit department is conducting an investigation into various allegations made about the Building Management South East's contracting division which deals with directly employed labour throughout the BM south east area.

The investigation has not so far revealed any evidence of fraud, apart from the discovery of a small piece of undercharged work which is to be the subject of disciplinary proceedings. It has, however, revealed that there were departures from good practice in terms of management and personnel controls. The financial and administrative management of the division has been strengthened and the contracts of two temporary staff are being terminated. The inquiry is continuing to see whether there were any irregularities in contract letting and breaches of security and I shall make a further statement when it is complete.

It is not normal practice to put internal audit reports in the Library.

Chinchilla

Mr. Morley: To ask the Secretary of State for the Environment in what circumstances an application for a licence or planning permission has to be made to local authorities in respect of commercial or large-scale keeping and breeding of chinchilla.

Mr. Baldry *[holding answer 16 March 1993]:* There is no separate licence required for the keeping of chinchilla. Nor is there any additional stipulation under planning legislation beyond the normal requirement for planning permission which applies to any development of land.

City Challenge

Mr. Betts: To ask the Secretary of State for the Environment how many jobs have been created to date in each of the city challenge areas by schemes associated with city challenge.

Mr. Robin Squire *[holding answer 18 March 1993]:* I will write to the hon. Member.

HOUSE OF COMMONS

Members' Staff

Mr. Meacher: To ask the right hon. Member for Berwick-upon-Tweed, as representing the House of Commons Commission, what is the number of whole-time equivalent staff employed by the Fees Office to administer pension arrangements for hon. Members' staff; and what was, for the latest year for which information is available, the cost of these staff including non-salary costs and office costs.

Mr. Beith: Two full-time members of the Fees Office work exclusively on administering the pension arrangements for hon. Members' staff. The salary costs for these staff are £38,591 pa. In addition, managerial staff are involved from time to time, but no separate record of this work is kept. The non-salary and office costs are not separately maintained.

Mr. Meacher: To ask the Lord President of the Council if he will give for the latest available year *(a)* the number of staff employed by hon. Members and paid through the office costs allowance and *(b)* the number of hon. Members employing one, two, three, four, five and five or more members of staff who are paid through the office costs allowance.

Mr. Newton: As at 28 February 1993, the latest date for which figures are available, a total of 1,607 separate employments were authorised by hon. Members to be paid from the office costs allowance.

At the same date the number of hon. Members employing staff paid directly from the office costs allowance can be classified as follows:

118 Members employ 1 staff
230 Members employ 2 staff
193 Members employ 3 staff
72 Members employ 4 staff
21 Members employ 5 staff
6 Members employ 6 staff
3 Members employ 7 staff

Mr. Meacher: To ask the Lord President of the Council if he will give for the latest available year *(a)* the maximum sum available to an hon. Member to make pension contributions in respect of a person employed by him/her and paid out of the office costs allowance, *(b)* the amount paid out in respect of this provision, *(c)* the number of staff for whom pension provision is made and *(d)* the number of (i) pension contracts or schemes and (ii) pension companies into which payments are made.

Mr. Newton: For the year ended 31 March 1992, the latest year for which details are available, the information requested is as follows:

(a) £2,899 subject to a limit in respect of each person employed of 10 per cent. of the salary paid to that person, *(b)* £1,037,001, *(c)* 994, *(d)* (i) this information is not held, *(d)* (ii) 55.

Older People (Exhibition)

Mr. Clappison: To ask the Chairman of the Administration Committee if he has considered an application for an exhibition relating to the Abbeyfield Society and the European Year of Older People to be displayed in the Upper Waiting Hall.

Mr. Michael J. Martin: I understand that under procedures agreed by the Administration Committee arrangements have been made for the exhibition to be held in the Upper Waiting Hall from 5 to 9 July.

Departmental Returns

Mr. Spearing: To ask the Lord President of the Council if he will estimate the annual number of reports or returns made to Parliament by Departments of state consequent to the requirements in Acts of Parliament, or instruments arising therefrom, listing them so far as possible.

Mr. Newton: Information supplied from the Library for Session 1991-92 is as follows:

	Number
1. Unprinted papers	
SI's	728
Returns/Reports and Accounts	92
Departmental Statements of Guarantee	17
Government Observations on Petitions	41
Memoranda laid before Select Committees	36
Treasury Minutes	6
Oxbridge University Statutes	9
Speaker's communication of SI coming into force before being laid	7
Miscellaneous remainder	21
Total	957
2. Unprinted Commands	15
3. House of Commons Papers	616
4. Command Papers	159

TRANSPORT

Traffic Calming Measures

Ms Walley: To ask the Secretary of State for Transport how many local roads are considered to require traffic calming measures; and what is his estimate of when all these measures will be completed at the current rate of progress.

Mr. Kenneth Carlisle: It is for local highway authorities to determine which of their local roads would benefit from traffic calming, and the rate at which measures can be introduced.

Hereford Bypass

Ms Walley: To ask the Secretary of State for Transport what was the cost of promoting and developing plans for the A49-A465 Hereford bypass.

Mr. Kenneth Carlisle: The Department has to date charged about £3·6 million to the Roads Vote in the course of promoting and developing plans for this bypass. This sum has mainly been spent on consultant's fees and the purchase of land. Departmental staff costs could be produced only at disproportionate cost.

Selby Bypass

Mr. Alison: To ask the Secretary of State for Transport what stage has been reached in his Departmental key event programme for the construction of the Selby bypass as published in September 1987; and what slippage has occurred.

Mr. Keneth Carlisle *[pursuant to his reply of Tuesday 16 March 1993 Vol. 221 c. 148].*

The publication of a draft compulsory purchase order is expected to occur in the summer of 1994.

EMPLOYMENT

European Social Fund

Ms Quin: To ask the Secretary of State for Employment what is the average length of time taken within the United Kingdom for processing European social fund applications.

Mr. Michael Forsyth: Applications for assistance from the European social fund (ESF) are now generally processed by the Department's ESF unit within six weeks of receipt. We have put a good deal of effort into improving performance in this area over the past few years.

PRIME MINISTER

General van der Westhuizen

Mr. Rogers: To ask the Prime Minister which Government officials have meetings with or conducted business with General van der Westhuizen in South Africa or Chile in each year since 1980.

The Prime Minister: The United Kingdom military attachés in Pretoria were in contact with Lieutenant-General Pieter van der Westhuizen, as chief of staff

intelligence (South African military intelligence service), in the normal course of their duties, until their withdrawal in 1985. Our ambasador in South Africa also had occasional contacts during General van der Westhuizen's period as secretary to the State Security Council between 1985 and 1987.

During the period of Lieutenant-General van der Westhuizen's appointment as South African ambassador to Chile from 1987-91, our ambassador in Santiago had occasional contacts with him as a colleague on the diplomatic circuit.

DTI (Security Services)

Mr. Rogers: To ask the Prime Minister what is the policy of the Government in relation to the transfer of secret intelligence service or security service personnel to the Department of Trade and Industry; and if he will make a statement on the range of functions those personnel carry out in the Department of Trade and Industry.

The Prime Minister: It is not the Government's policy to comment on staffing arrangements with respect to the security and intelligence services. Members of these services would, however, be regarded no differently from other Crown servants for the purposes of transfer to employment elsewhere in the public service.

Citizens Charter

Ms Hoey: To ask the Prime Minister which Cabinet Committees deal with the citizens charter programme.

The Prime Minister: Citizens charter issues requiring collective discussion would normally fall within the remit of the Ministerial Committee on Home and Social Affairs. In addition, I chair six-monthly ministerial meetings to monitor progress and agree future priorities for the charter programme.

EDUCATION

Education Authorities

Mr. Beggs: To ask the Secretary of State for Education if he will publish a list of education authorities in England with the total number of pupils for which each education authority is responsible.

Mr. Forth: The latest figures available are for January 1992, when the number of special and mainstream school pupils of compulsory school age for which each local education authority in England was responsible, excluding sixth form college students, was:

	Number
City	59
Camden	15,831
Greenwich	29,769
Hackney	24,007
Hammersmith	12,413
Islington	18,694
Kensington	7,297
Lambeth	27,750
Lewisham	27,953
Southwark	25,096
Tower Hamlets	27,446
Wandsworth	22,087
Westminster	11,545
Barking	20,343
Barnet	33,387
Bexley	29,896
Brent	32,839
Bromley	33,003
Croydon	36,537
Ealing	34,593
Enfield	34,889
Haringey	24,676
Harrow	24,017
Havering	31,149
Hillingdon	29,974
Hounslow	26,923
Kingston	14,954
Merton	17,525
Newham	33,481
Redbridge	29,888
Richmond	12,977
Sutton	21,044
Waltham Forest	27,480
Birmingham	151,406
Coventry	42,076
Dudley	40,054
Sandwell	41,083
Solihull	25,920
Walsall	39,051
Wolverhampton	35,489
Knowsley	25,026
Liverpool	67,766
St. Helens	25,830
Sefton	38,938
Wirral	46,605
Bolton	37,362
Bury	23,301
Manchester	59,384
Oldham	32,754
Rochdale	30,869
Salford	28,558
Stockport	36,693
Tameside	29,988
Trafford	28,301
Wigan	42,712
Barnsley	29,236
Doncaster	43,423
Rotherham	36,582
Sheffield	61,454
Bradford	76,342
Calderdale	27,735
Kirklees	53,603
Leeds	93,088
Wakefield	42,232
Gateshead	26,095
Newcastle	33,883
North Tyne	25,977
South Tyne	21,046
Sunderland	42,554
Isles of Scilly	286
Avon	117,767
Bedfordshire	76,781
Berkshire	99,307
Buckinghamshire	92,950
Cambridgeshire	88,574
Cheshire	133,931
Cleveland	83,735
Cornwall	61,413
Cumbria	64,584
Derbyshire	124,532
Devon	125,726
Dorset	75,509
Durham	82,143
East Sussex	74,678
Essex	205,308
Gloucestershire	68,455
Hampshire	191,786
Hereford and Worcester	89,557
Hertfordshire	130,359
Humberside	121,047
Isle of Wight	15,995
Kent	206,183

	Number
Lancashire	190,638
Leicestershire	124,479
Lincolnshire	78,793
Norfolk	93,740
North Yorkshire	88,103
Northamptonshire	83,857
Northumberland	43,711
Nottinghamshire	134,147
Oxfordshire	67,838
Shropshire	54,624
Somerset	57,556
Staffordshire	142,989
Suffolk	82,049
Surrey	107,032
Warwickshire	63,011
West Sussex	83,741
Wiltshire	74,344

Engineering and Science

Mrs. Bridget Prentice: To ask the Secretary of State for Education what percentage of British students in higher education establishments in England, Scotland, Ireland and Wales are currently pursuing courses of study in *(a)* engineering and *(b)* a pure science.

Mr. Boswell: The proportion of United Kingdom domiciled undergraduates in each country studying engineering and science in the academic year 1991-92 were:

	Engineering	Percentages science[1]
England	13	25
Wales	11	25
Scotland	14	26
Northern Ireland[2]	9	31

[1] Defined as all science subjects excluding engineering and technology, and medicine and dentistry.
[2] Universities only.

Secondary Schools, London

Mrs. Bridget Prentice: To ask the Secretary of State for Education (1) for each of the London boroughs, how many children failed to get into any secondary school in the borough in which they live for the 1992-93 academic year; and what percentage of the total number of schoolchildren in London who started at secondary school in the 1992-93 academic year have had to go to school in neighbouring boroughs;

(2) how many children in each of the London boroughs failed to get into their first choice of secondary school for the academic year 1992-93.

Mr. Forth: This information is not collected centrally.

Grant-maintained Schools

Mrs. Ann Taylor: To ask the Secretary of State for Education, pursuant to his answer of 6 November, *Official Report*, column *478*, what is the latest information he has on how many *(a)* primary and *(b)* secondary schools in each local education authority in England are eligible to apply for grant-maintained status; how many in each case have held ballots under section 61 of the Education Reform Act 1988; and how many ballots in each case resulted in votes to seek grant-maintained status.

Mr. Forth: All maintained primary, secondary and middle schools are eligible to apply for self-governing (grant-maintained) status. The table gives estimated numbers of eligible schools by LEA, and for each LEA the number of schools which have balloted and the number of yes votes. Middle schools are divided into primary and secondary schools as deemed.

Authority	Primary	Secondary	Ballots held		Yes votes	
			Primary	Secondary	Primary	Secondary
Rochdale	75	14	3	3	3	1
Salford	89	21	0	3	0	1
Stockport	110	18	0	2	0	0
Tameside	82	19	0	5	0	3
Trafford	78	16	0	5	0	4
Wigan	125	23	0	1	0	1
Barnsley	96	15	1	2	1	0
Doncaster	127	34	2	1	2	0
Rotherham	115	19	0	0	0	0
Sheffield	161	32	8	6	6	4
Bradford	167	86	0	7	0	5
Calderdale	90	14	1	4	1	4
Kirklees	160	36	2	5	0	3
Leeds	247	27	0	0	0	0
Wakefield	130	39	1	0	1	0
Gateshead	82	13	0	1	0	0
Newcastle upon Tyne	82	22	0	1	0	0
North Tyneside	61	27	0	2	0	1
South Tyneside	59	11	0	0	0	0
Sunderland	106	18	0	0	0	0
Isles of Scilly	4	1	0	0	0	0
Avon	368	59	2	3	0	2
Bedfordshire	217	69	3	16	3	10
Berkshire	272	50	5	10	5	10
Buckinghamshire	287	41	8	9	6	8
Cambridgeshire	262	40	9	22	7	16
Cheshire	455	71	6	10	4	4
Cleveland	201	53	0	2	0	0
Cornwall	245	32	1	0	1	0
Cumbria	308	39	6	12	6	12
Derbyshire	449	57	11	20	6	13
Devon	441	63	3	8	1	5

Authority	Primary	Secondary	Ballots held		Yes votes	
			Primary	Secondary	Primary	Secondary
Dorset	201	47	2	14	1	13
Durham	298	44	0	1	0	0
East Sussex	221	38	0	1	0	0
Essex	572	82	33	63	31	60
Gloucestershire	262	27	6	28	5	22
Hampshire	576	97	16	18	14	16
Hereford and Worcester	288	78	1	6	0	4
Hertfordshire	424	82	8	23	5	19
Humberside	353	64	1	2	1	0
Isle of Wight	46	21	0	0	0	0
Kent	570	108	15	65	14	61
Lancashire	603	105	1	14	1	8
Leicestershire	332	82	0	8	0	5
Lincolnshire	288	43	19	24	16	24
Norfolk	388	47	14	16	11	12
North Yorkshire	396	61	2	1	0	0
Northamptonshire	268	54	10	20	9	14
City	1	0	0	0	0	0
Camden	41	11	0	1	0	1
Greenwich	79	15	0	0	0	0
Hackney	70	10	1	1	1	0
Hammersmith	39	9	1	1	1	1
Islington	57	9	0	0	0	0
Kensington and Chelsea	27	4	0	1	0	1
Lambeth	78	9	1	4	1	4
Lewisham	71	14	1	1	1	0
Southwark	76	13	1	5	1	5
Tower Hamlets	73	13	0	2	0	1
Wandsworth	71	7	5	8	3	7
Westminster	41	8	0	0	0	0
Barking	55	8	0	0	0	0
Barnet	89	19	4	5	2	5
Bexley	62	16	2	5	2	4
Brent	64	12	2	11	2	9
Bromley	76	6	2	13	2	12
Croydon	99	20	0	6	0	4
Ealing	90	8	2	8	2	6
Enfield	70	17	0	4	0	4
Haringey	77	9	0	0	0	0
Harrow	54	11	0	2	0	1
Havering	74	19	0	5	0	4
Hillingdon	70	8	7	13	7	13
Hounslow	63	14	0	2	0	2
Kingston upon Thames	36	9	0	4	0	4
Merton	49	12	1	1	0	0
Newham	67	14	0	1	0	1
Redbridge	56	14	0	2	0	1
Richmond upon Thames	39	8	0	0	0	0
Sutton	43	9	1	8	1	8
Waltham Forest	60	17	0	2	0	2
Birmingham	336	79	3	18	2	13
Coventry	110	19	0	0	0	0
Dudley	83	22	1	7	1	5
Sandwell	112	19	0	3	0	1
Solihull	69	14	1	2	1	1
Walsall	106	19	1	10	0	6
Wolverhampton	103	18	1	4	0	4
Knowsley	68	11	0	3	0	1
Liverpool	197	36	0	3	0	2
St. Helens	73	13	0	1	0	0
Sefton	94	23	0	1	0	0
Wirral	106	23	0	2	0	2
Bolton	104	17	1	3	1	3
Bury	72	15	2	0	1	0
Manchester	175	31	0	1	0	0
Oldham	99	16	0	1	0	0
Northumberland	143	61	0	0	0	0
Nottinghamshire	425	84	1	6	0	3
Oxfordshire	240	44	1	2	1	0
Shropshire	213	38	3	6	3	6
Somerset	228	39	2	1	1	1
Staffordshire	416	85	2	10	2	5
Suffolk	255	77	0	1	0	0
Surrey	369	47	15	12	13	12
Warwickshire	244	33	0	10	0	9
West Sussex	245	44	0	3	0	0
Wiltshire	291	41	6	9	4	5

Mrs. Ann Taylor: To ask the Secretary of State for Education how many ballots in England on grant-maintained status have resulted in participation rates *(a)* above 79 per cent., *(b)* between 70 and 79 per cent., *(c)* between 60 and 69 per cent., *(d)* between 50 and 59 per cent. and *(e)* below 50 per cent.

Mr. Forth: Participation rates for ballots on grant-maintained status in England are given in the table. Where a second ballot has been held following a first ballot with a turnout of under 50 per cent, only the participation rate of the deciding ballot is included.

	Number
over 79 per cent.	113
70-79 per cent.	232
60-69 per cent.	350
50-59 per cent.	246
under 50 per cent.	29

Teacher Training

Mrs. Ann Taylor: To ask the Secretary of State for Education which schools have offered to take over teacher training; and on what basis.

Mr. Boswell: A number of primary and secondary schools have expressed an interest in bidding for funds to provide school-based training for teachers under the arrangements outlined in my right hon. Friend's announcement of 4 March. The text of that announcement was placed in the Library.

Mrs. Ann Taylor: To ask the Secretary of State for Education on what basis the City Technology College Trust will be given responsibility for school-based training of technology teachers; what financial arrangements he has made with the Smallpeice Trust and the City Technology College Trust for their participation in such training; and what is the proposed relationship between institutions of higher education and the trusts in respect of the training carried out.

Mr. Boswell: My right hon. Friend announced on 4 March that he has agreed to provide funds for the City Technology College Trust to organise and finance postgraduate school-based training for technology teachers in secondary schools. These funds will supplement those made available by the Smallpeice Trust. The courses will provide training in accordance with my right hon. Friend's requirements for the accreditation of initial teacher training.

Mrs. Ann Taylor: To ask the Secretary of State for Education of he will publish all the advice received by him to date from the Council for the Accreditation of Teacher Education in respect of the discussion paper, "Curriculum Organisation and Classroom Practice in Primary Schools."

Mr. Boswell: The Council for the Accreditation of Teacher Education (CATE) submits its advice to my right hon. Friend in confidence and it is not normally published. CATE's advice will contribute to proposals for the initial training of primary teachers which will be issued for consultation in April.

Value Added Tax

Mr. Morgan: To ask the Secretary of State for Education what assessment he has made of the impact of the imposition of value-added tax on capital expenditure by colleges of higher and further education after 1 April.

Mr. Boswell: The allocation of capital grant to the Further Education Funding Council for 1993-94 includes provision for the cost of value-added tax. Colleges of higher education, which are funded by the Higher Education Funding Council for England, are already liable for value-added tax on capital expenditure.

School Curriculum and Assessment Authority

Mrs. Ann Taylor: To ask the Secretary of State for Education what considerations led him to alter the proposed terms of service of the chairman of the School Curriculum and Assessment Authority.

Mr. Forth: In a reply to my hon. Friend the Member for Canterbury (Mr. Brazier) my right hon. Friend informed the House on 4 December 1992, *Official Report* columns *397-98*, that management consultants had been appointed to help draw up a list of appropriate candidates with the qualities and skills necessary to a successful chairman for the School Curriculum and Assessment Authority. The terms and conditions of service for the post were determined in the light of the results of that search and of the functions proposed for the authority.

Reading Ages

Mrs. Ann Taylor: To ask the Secretary of State for Education if he will publish the full data upon which he based his evidence to the Education Select Committee on 11 March concerning the reading ages of secondary school children.

Mr. Forth: The data were drawn from an internal evaluation, commissioned by SEAC, of the 1992 pilot English tests for 14-year-olds. Some 12,000 pupils from 102 schools took part in the pilot. Complete information is available for some 9,300 pupils. The sample as a whole was deliberately constructed to have a disproportionately high number of pupils (over 1,000) with special educational needs, with 3 per cent. of the total sample having statements of special needs. Excluding these pupils from the calculations, for a sample of 8,100 pupils, achievements in reading were as follows:

approximately 9 per cent. achieved level 7 and above —above average achievement for 14-year-olds;
58 per cent. achieved levels 5 and 6—about the average for 14-year-olds;
29 per cent. achieved levels 3 and 4—which are the levels expected for typical pupils aged 9 to 11;
4 per cent. achieved levels 1 and 2—which are the levels expected for pupils aged 5 to 7.

WALES

Education Colleges (Capital Expenditure)

Mr. Morgan: To ask the Secretary of State for Wales what assessment he has made of the effect of the imposition of value added tax on all capital expenditure projects initiated by colleges of higher and further education after 1 April; what consultations he has had with the appropriate funding councils on this; and if he will make a statement.

Sir Wyn Roberts: Institutions of higher education are already liable for value added tax on expenditure in connection with capital projects. Further education institutions will become liable for value added tax when they leave the local authority sector on 1 April. This new liability for value added tax was taken into account in setting the provision for the further education sector in the 1992 public expenditure survey.

NORTHERN IRELAND

Somme Heritage Centre

Mr. John D. Taylor: To ask the Secretary of State for Northern Ireland if planning permission has been given for the Somme heritage centre at Whitespots, Bangor road, Newtownnards; and if work has commenced on site.

Mr. Atkins: Outline planning permission was granted on 10 August 1992. An application for full planning permission is currently with the Department of the Environment for determination. I understand that site preparation has commenced.

Road Schemes

Mr. John D. Taylor: To ask the Secretary of State for Northern Ireland what were the major capital road schemes programmed in 1991 for each year from 1991-92 to 1994-95; and what was the estimated cost of each scheme.

Mr. Atkins: The information is as follows:

Financial year and proposed schemes	*Total estimated cost* [1] *£ million*
1991-92	
Killead by-pass	0·9
M2 Crosskennan slip roads	0·5
Ballymaconaghy road, Belfast: Stage 2	0·4
Forster Green, Belfast	1·6
Purdysburn road, Belfast: Stage 1	0·8
Queen's Quay, Londonderry (repairs)	0·2
Queen's Quay, Londonderry	3·1
T4 Mullan's Corner, dualling	1·2
High street—Hamilton road, Bangor	1·7
Strabane by-pass: Stage 1—roadworks	1·9
A5 Ballygawley—Londonderry improvement schemes	0·3
M1—M12 link road, Craigavon	1·8
1992-93	
Balmoral avenue—Malone road, Belfast	0·6
Great Victoria street—Sandy row, Belfast	1·4
Greenmount link, Coleraine: Stages 3 and 4	0·4
Newry by-pass: Stage 2	3·6
Newry by-pass: Stage 3—bridge	1·9
Church street—Scotch street, Downpatrick	1·4
Balloo road, Bangor: Stage 3	0·4
Comber by-pass: Stage 2	2·5
Omagh through-pass: Stage 2	2·6
A5 Ballygawley—Londonderry improvement schemes	0·3
1993-94	
A26 Antrim—Ballymena dualling: Stage 2	2·7
A2 Silverstream—Ravenhill, Carrickfergus	2·8
Cromac street, Belfast	0·9
Purdysburn road, Belfast: Stage 2	0·6
A2 Shore road, Belfast: Stage 4	0·8
Strand road, Londonderry: Stage 2	0·9
Newry by-pass: Stage 3 roadworks	4·2
A29 Carland bridge, Dungannon	1·5
A5 Ballygawley—Londonderry improvement schemes	0·3
1994-95	
Northern distributor, Ballymena: Stage 1	2·2
Purdysburn road, Belfast: Stage 3	0·7
Bankmore street, Belfast	1·2
Westlink—Sandy row, Belfast	3·2
Knock road, Belfast: Stage 1	4·9
Glendermott road, Londonderry	0·6
T4 Fourmile and Buskhill (dualling)	3·0
Market street, Downpatrick	0·5
North Lisburn feeder, Lisburn	2·3
A5 Ballygawley—Londonderry improvement schemes	0·3
Anne street—Thomas Street, Dungannon	0·3

[1] At 1991 prices.

Mr. John D. Taylor: To ask the Secretary of State for Northern Ireland what are the major capital road schemes programmed in 1933 for each year from 1993-94 to 1996-97; and what is the estimated cost of each scheme.

Mr. Atkins: The information is as follows:

Financial year and proposed schemes	*Total estimated cost £ million*
1993-94	
Killead By-Pass	0·9
Newry By-Pass: Stage 2	4·1
A5 Burndennett	0·3
Newry By-Pass: Stage 3 (Bridge)	2·1
1994-95	
Greenmount Link, Coleraine: Stages 3 and 4	0·3
Anne St./Thomas St., Dungannon	0·7
A5 Magheramason	0·7
Newry By-Pass: Stage 3 (Roadworks)	5·5
1995-96	
Purdysburn Road, Belfast: Stage 1	0·8
Omagh Through-Pass: Stage 2	2·9
1996-97	
A5 Leckpatrick	0·4
Forster Green Junction, Belfast	1·6
Balmoral Avenue/Malone Road Junction, Belfast	0·3
Northern Distributor, Ballymena	2·2
Balloo Road, Bangor: Stage 3	0·5
Ballymaconaghy Road, Belfast: Stage 2	0·5
A29 Carland Bridge, Dungannon	1·7
A26 Antrim-Ballymena: Stage 2	2·7

The precise timing of these schemes will depend on the completion of the statutory processes and the availability of finance at the time.

Mr. John D. Taylor: To ask the Secretary of State for Northern Ireland what were the major capital road schemes programmed in 1990 for each year from 1990-91 to 1993-94; and what was the estimated cost of each scheme.

Mr. Atkins: The information is as follows:

Financial year and proposed schemes	Total estimated cost £ million (at 1990 prices)
1990-91	
T8 Castledawson By-pass	3·0
Ballymaconaghy Road, Belfast: Stage 1	0·1
Purdysburn Road, Belfast: Stage 1	0·8
Ballymaconaghy Road, Belfast: Stage 2	0·6
Castlereagh Roundabout, Belfast	0·6
Jordanstown Road, Belfast	0·2
Greenmount Link, Coleraine: Stage 5	0·6
Bushmills Road, Coleraine	0·7
Queen's Quay, Londonderry (Repairs)	0·2
A48 Donaghadee Road, Newtownards	1·0
Dunmurry By-pass: Stage 2D	2·8
Strabane By-pass: Stage 1	1·0
A5 Ballygawley/Londonderry Improvement Schemes	0·3
1991-92	
Killead By-pass	1·5
M2 Crosskennan Slip Roads	0·6
Great Victoria Street/Sandy Row, Belfast	1·5
Forster Green Junction, Belfast	0·9
Queen's Quay, Londonderry	2·0
T4 Mullan's Corner dualling	1·8
Church Street/Scotch Street, Downpatrick	1·0
High Street/Hamilton Road, Bangor	1·3
Balloo Road, Bangor, Stage 3	0·4
Strabane By-pass Stage 1—Road works	2·1
A5 Ballygawley/Londonderry Improvement Schemes	0·3
1992-93	
Cromac Street, Belfast	1·0
Balmoral Avenue/Malone Road, Belfast	1·0
Greenmount Link, Coleraine: Stages 3 and 4	0·5
Newry By-pass: Stage 2	3·4
Newry By-pass: Stage 3, Bridge	1·8
Comber By-pass: Stage 2	2·6
Omagh Through-pass: Stage 2	2·7
A5 Ballygawley/Londonderry Improvement Schemes	0·3
1993-94	
A26 Antrim/Ballymena Dualling: Stage 2	3·1
A2 Silverstream/Ravenhill, Carrickfergus	3·2
Shore Road, Belfast: Stage 4	0·9
Purdysburn Road, Belfast: Stage 2	0·8
Knock Road, Belfast: Stage 1	5·6
Strand Road, Londonderry: Stage 2	0·9
Newry By-pass: Stage 3—Roadworks	3·9
A29 Carland Bridge Dungannon	1·5
A5 Ballygawley/Londonderry Improvement Schemes	0·3

Housing

Mr. A. Cecil Walker: To ask the Secretary of State for Northern Ireland how many habitable vacant dwellings administered by the Northern Ireland Housing Executive exist in each of the district council areas.

Mr. Atkins: I am advised by the Chief Ececutive of the Northern Ireland Housing Executive that at 26 February 1993 the number of habitable vacant dwellings, in each district council area was as follows:

District	Habitable vacant dwellings
Antrim borough council	4
Ards borough council	8
Armagh district council	6
Ballymena borough council	14
Ballymoney borough council	4
Banbridge district council	4
Belfast city council	58
Carrickfergus borough council	9
Castlereagh borough council	29
Coleraine borough council	2
Cookstown district council	4
Craigavon borough council	—
Derry city council	3
Down district council	3
Dungannon district council	9
Fermanagh district council	5
Larne borough council	11
Limavady borough council	1
Lisburn borough council	4
Magherafelt district council	—
Moyle district council	—
Newry and Mourne district council	5
Newtownabbey borough council	10
North Down borough council	3
Omagh district council	1
Strabane district council	—

These figures do not include vacant properties which require repairs, improvements or rehabilitation, those which are being used to house tenants temporarily displaced while their existing dwellings are being repaired/improved or those awaiting demolition.

Parliamentary Constituencies

Mr. Beggs: To ask the Secretary of State for Northern Ireland when the Boundary Commission for Northern Ireland will begin the next general review of parliamentary constituencies in Northern Ireland.

Sir Patrick Mayhew: The commission has given notice of its intention to begin a general review directly. The Boundary Commissions Act 1992 provides that the commission's report shall be submitted not later than 31 December 1994. Under the Northern Ireland Constitution Act 1973, the commission must also submit a supplementary report recommending the number of members to be returned by each of the proposed parliamentary constituencies in any elections which may be held to the Northern Ireland Assembly.

Departmental Functions

Mr. Brazier: To ask the Secretary of State for Northern Ireland if he will make a statement on the work of the Department of the Environment (Northern Ireland) since 1979.

Mr. Atkins *[holding reply sent on 18 March]:* Since 1979, the Department of the Environment has made very significant progress in conserving and improving the quality of the built and natural environment in Northern Ireland.

1. *Housing*

Housing condition surveys shows that the level of unfitness declined from 14·1 per cent. in 1979 to 8·4 per cent. in 1987 and that the proportion of dwellings lacking at least one basic amenity declined from 17·9 per cent. to 5·5 per cent. The level of home ownership, which was 52 per cent. in 1979 is now 66 per cent. Over 53,000 Housing Executive dwellings have been sold to sitting tenants and

nearly 12,000 households, of whom around 6,000 have graduated to full ownership, have been helped into owner-occupation through the co-ownership scheme. The output of the private house-building industry is currently running around 5,750 starts per year compared to 4,127 in 1979 after peaking at 7,418 in 1987. The housing situation of people unable to purchase their own dwellings has also improved with a fall in the Housing Executive's urgent waiting list from nearly 19,000 in 1981 to under 10,000 at present. Funding by the Department has enabled housing associations to make a significant contribution to the housing effort particularly in the provision of suitable housing for the elderly and people with special needs.

2. *Roads and transport*

£379 million has been invested in the further development of the road system including, for example, construction of the Foyle Bridge, the Westlink in Belfast, the dualling of large stretches of the Antrim-Ballymena and Hillsborough-Newry roads, bypasses at Strabana, Newry, Castledawson and work recently commenced on the cross-harbour rail and road links in Belfast. A new urban traffic control system has been installed to help control traffic in Belfast. This period has also seen considerable upgrading and expansion of the facilities at Aldergrove airport and extensive improvements at Belfast, Londonderry, Larne and Warrenpoint ports.

In 1989 the Department gained approval from the European Commission for a comprehensive programme for new transport infrastructure in Northern Ireland, involving total expenditure of over £189 million which includes £128 million of assistance from the European regional development fund. This will also facilitate major improvements to the region's strategic access routes to outside markets, and major improvements to the rail network and to the region's overall transport infrastructure.

3. *Urban regeneration*

There have also been very considerable improvements as a result of a range of urban programmes throughout Northern Ireland. Belfast city centre has been rejuvenated, with a huge expansion of retail opportunities including major shopping complexes such as Ross's Court and the Spires, extensive new office blocks, large numbers of new restaurants, places of entertainment and city centre pedestrianisation and conservation projects. Areas of inner-city deprivation have been helped through the work of nine action teams. The Laganside Corporation has been established to regenerate vacant and under-used riverside land, and a new weir on the River Lagan is nearing completion. Belfast and Londonderry have both had successful enterprise zones. Londonderry has also seen significant economic improvement, with public and private investment in the last two years whether spent or planned totalling over £230 million for new retail outlets, offices, restaurants and multi-storey car parking, creating 2,500 full and part-time jobs. A special Londonderry regeneration initiative aimed at targeting the needs of people in the most disadvantaged areas of the city, was announced in 1989 and continues in operation.

An extensive programme of economic and environmental improvement schemes is also being carried out in Londonderry, Belfast and the provincial towns.

4. *Water*

During this period the Department has maintained a high level of community service in the supply of drinking water and in the treatment of sewage. A substantial programme of works, costing over £430 million has enabled the Department to cope with a continuous rise in demand for water and to effect improvement of water quality in Northern Ireland's lakes and waterways particularly Loughs Neagh and Erne and the River Lagan. Progress during the period has left the Department well placed to effect the further programme of works to ensure compliance with the EC directives on drinking water, sewage treatment and the quality of bathing water.

5. *Local government*

New legislation during the period has helped improve the efficiency effectiveness and accountability of District Councils by introducing compulsory competitive tendering for a range of services, by vesting new powers in the Local Government Auditor, including a power to carry out the value for money studies (8 such studies have been carried out), and introducing new measures designed to improve the conduct of council business.

6. *Efficiency improvements*

As part of the next steps agency policy, a Rate Collection Agency was established in 1991, and an Ordnance Survey Agency and Driver and Vehicle Testing Agency were set up on 1 April 1992. Within Ordnance Survey, a major achievement since 1979 has been the development of the Northern Ireland geographical information system, a computer system through which all public utility and Government Department services will be linked. as a result of an efficiency scrutiny in 1989, the Land Registry has reduced its stock by 56 per cent. in the last four years, and has also secured significant improvements in completion terms for case work.

7. *Environmental protection*

Considerable progress has been made in protecting and enhancing the environment in Northern Ireland during this period, and this work has been accelerated following the setting up of the new, comprehensive Environment Service in November 1990. Since 1979, 215 river water quality stations have been installed to monitor and control water pollution. Three major pieces of legislation have been introduced to protect and keep open rights of way; to designate areas of outstanding natural beauty (with four having been designated, covering 147,000 hectares and two more soon to be designated covering a further 70,000 hectares); to designate areas of special scientific interest (where 38 areas already designated cover 47,330 hectares); and to protect certain plants and animal species.

During the same period, 4,550 buildings of architectural or historical importance have been listed, many of which were facing demolition and have now been restored again; 725 monuments have been scheduled as being of archaeological or historical importance; a further 32 monuments have been taken into state care and their public representation improved, and 160 rescue and evaluation archaeological digs have been completed. The Department, in its work since 1979, has been placing greater emphasis on public awareness of the archaeological and built heritage and the need to protect the environment, including the opening of a Monuments and Buildings Record for Northern Ireland in 1992.

These are very considerable achievements to improve the quality of life for the people of Northern Ireland, to protect its unique physical attributes and to ensure that further physical developments take place in a way which enhances the environment.

To maintain and improve upon the high quality of Northern Ireland's river and estuarine waters, water quality management plans for the River Erne and River Foyle catchments are being prepared in line with White Paper commitments. These plans will enable the Department to set comprehensive standards of water quality, against which existing and proposed uses can be judged.

Discharges from the Department's sewage treatment works to waterways are also being regularly and systematically sampled, in order to determine appropriate standards for the required consents for such discharges.

To safeguard the high quality of Northern Ireland's bathing waters, systematic water quality sampling is being extended to a further nine bathing waters, in addition to the 16 identified under the EC Bathing Waters Directive.

Since 1979, grants of £4·9 million to district councils have enabled 43,000 houses to convert to burn smokeless fuel. The Government is engaged in a study of sulphur dioxide and smoke levels to ensure compliance with Directive 80/779/EEC. The results of this research will form the basis of future strategies to combat these pollutants.

Proposals for a new system of air pollution control have been published for consultation and a consultation paper on a future strategy for waste management will also be published. A new Litter Order will be put in operation by the end of 1993.

Greater freedom of access to environmental information is a right enshrined in the citizens charter. Public registers of premises authorised or registered to keep, use or dispose of radioactive material under the Radioactive Substances Act of 1960, are now held by the Environment Service and all district councils in Northern Ireland.

8. *Planning*

A new Belfast urban area plan has been through public inquiry and has now been adopted for the period up to 2001. A review of housing land in the plan area has been announced. Sixteen other area plans were adopted covering all of Northern Ireland except Craigavon and two rural area around Belfast. Thirty conservation areas have been designated since 1979 bringing the total number to 39. Also the planning service has been reviewing its rural planning policy in conjunction with interested parties. The results of the review bill will be announced soon.

MINISTRY OF AGRICULTURE, FISHERIES AND FOOD

Milk and Potato Industries

Dr. Strang: To ask the Minister of Agriculture, Fisheries and Food how many people were employed at the latest available date in *(a)* the potato industry and *(b)* the milk industry in England and Wales.

Mr. Gummer: With regard to the milk industry, I refer my hon. Friend to the reply given to the hon. Member for East Londonderry (Mr. Ross) on 2 March 1993 at column 77.

Comparable information is not readily available for potatoes.

Fisheries Council

Mr. David Nicholson: To ask the Minister of Agriculture, Fisheries and Food what was the outcome of the Fisheries Council in Brussels on 18 March; and if he will make a statement.

Mr. Curry: I attended the Council of Fisheries Ministers in Brussels on 18 March 1993 together with the Parliamentary Under-Secretary of State for Scotland, my hon. Friend the Member for Dumfries (Sir Hector Monro).

The main issue at this meeting was consideration of the state of the market. I emphasised that the situation is serious, and that there are a variety of causes. For the United Kingdom, the problem is clearly being made worse by the violent action of French fishermen. I obtained an assurance from the French Minister that France will take more vigorous action to restore trading activity to normal and to protect consignments exported from Britain to France.

Problems are also being caused by imports from outside the Community. The Council noted that the minimum import prices, recently introduced, are not working effectively. All Ministers agreed to ensure rigorous enforcement of these and the Community's hygiene rules. The Council asked the Commission to make proposals for better control of direct landings by third country vessels, to consider the case for extension of the minimum import prices to further species of fish, and to open talks with the exporting countries most involved about co-operation to stabilise the market. Responsibility for market management lies with the Commission, who will with member States collect fuller data on the state of the market and who will consider whether further initiatives are needed.

The Council provided directions for further work on the proposed new control regulation, with a view to final decisions being taken in the summer. I made clear to the Council the importance we attach to achieving improved enforcement throughout the Community.

There was a preliminary discussion about the Commission's report, required by treaty, on the operation of the accession arrangements for Spain and Portugal.

NATIONAL FINANCE

Cigarette Duty

Ms. Primarolo: To ask the Chancellor of the Exchequer what was the average amount of VAT and excise duty levied on a packet of cigarettes in real terms in each of the past five years; and what was the total revenue from VAT and excise duty in real terms in each of the past five years.

Sir John Cope: The information is as follows:

Table 1
Average amount of VAT and Excise duty in 1992 prices levied on a packet of cigarettes (pence)

	Duty	*VAT*
1987-88	126·6	26·9
1988-89	124·6	26·2
1989-90	117·0	25·3
1990-91	117·1	25·1
1991-92	127·4	31·2
1992-93	135·0	32·9

Table 2
Total VAT and Excise duty revenue in 1992 prices from tobacco
£ million

	Duty	*VAT*
1987-88	6,178	1,307
1988-89	6,000	1,267
1989-90	5,532	1,187
1990-91	5,850	1,212
1991-92	6,290	1,324

Table 1 is based on typical, post Budget prices of a packet of 20 king size cigarettes. The VAT figures in Table 2 are based on consumer expenditure estimates. These figures have all been deflated by the RPI.

Petrol Duties

Ms Primarolo: To ask the Chancellor of the Exchequer what was the total revenue from all taxes on leaded and unleaded petrol per gallon in each of the last five years.

Sir John Cope: The information is as follows:

	Revenue per gallon (pence)		
	Duty	*VAT*	*Total*
Leaded			
April 1988	93	22	115
April 1989	93	24	117
April 1990	102	26	128
April 1991	118	33	151
April 1992	126	34	160
Unleaded			
Estimate 1988	84	21	105
April 1989	81	23	104
April 1990	89	25	114
April 1991	102	31	133
April 1992	107	31	138

April figures are used as the tables are based on a post-Budget price.

Foreign Exchange Transactions

Mr. Cousins: To ask the Chancellor of the Exchequer if he will publish tables showing the daily average value of foreign exchange transactions on the London markets each month from September 1992 to the end of January 1993 and the share of spot and forward market transactions in these daily averages; and if he will give the shares of each major currency in these transactions.

Mr. Nelson: Data on foreign exchange transactions on the London markets are not collected at the frequency requested. However, in its November, 1992 *Quarterly Bulletin*, the Bank of England published data on the foreign exchange market in London, taken from a survey in April 1992.

Repayment of Bills

Mr. Flynn: To ask the Chancellor of the Exchequer what progress has been made in his policy of improving the prompt payment of bills by Government contractors to their sub-contractors.

Mr. Nelson: All Government Departments have confirmed that they have introduced a clause in their contracts for goods and services which requires the supplier or contractor to pay its suppliers or subcontractors promptly.

Inheritance Tax

Mr. Gordon Prentice: To ask the Chancellor of the Exchequer if he will take steps to ensure that landowners claiming full exemption from inheritance tax are obliged to publicise in the relevant local press on a periodic basis the full extent of public access to their land.

Mr. Dorrell: The owner of land that has been conditionally exempted from inheritance tax is already required to publicise the agreed public access arrangements. The extent of the publicity depends on the facts of each case. The owner will generally be required to take specific steps to publicise public access, for example by advertising the access arrangements in a local tourist office or town hall.

The appropriate heritage advisory agency, for example the Countryside Commission for scenic land in England, is able to supply information about public access to heritage land including conditionally exempt land, although land will not be identified as conditionally exempt. In addition, in England and Wales, a member of the public who wants information about public access in a specific area can contact the footpaths officer of the appropriate county council or national park authority. Details of footpaths and public access also often appear on maps and in commercial publications, particularly for major tourist areas.

Animal Skin Sales (Tax)

Mrs. Fyfe: To ask the Chancellor of the Exchequer what investigations the Inland Revenue is undertaking into underpayment of income tax associated with earnings from the sale of animal skins by huntsmen.

Mr. Dorrell: The Inland Revenue is making inquiries about the possible failure by members of hunts to declare income from the sale of animal skins. Details of these inquiries are confidential.

Mrs. Fyfe: To ask the Chancellor of the Exchequer what estimate has been made of the amount of tax unpaid by failure to declare earnings from the sale of skins of dead animals acquired when obtaining raw meat for hounds.

Mr. Dorrell: No such estimate has been made.

Debt Servicing

Ms Harman: To ask the Chancellor of the Exchequer what is the annual cost of servicing a debt requirement of £27 billion.

Mr. Portillo: The annual cost of servicing any particular borrowing requirement depends upon the level and structure of interest rates, the rate of inflation and the type of debt issued.

Developing Countries (Debt)

Mr. Burns: To ask the Chancellor of the Exchequer what progress Her Majesty's Government has made in tackling the problem of developing countries' external debt during 1992.

Mr. Nelson *[pursuant to his answer, 16 February 1993, c. 122-23]:* An incorrect figure was shown in the third paragraph of the answer. For completeness the amended answer is restated in full as follows:

Her Majesty's Government have made substantial progress in dealing with developing country debt issues during 1992.

The Government are directly responsible for official bilateral debts. Proposals for rescheduling or restructuring such debts are dealt with multilaterally through the Paris Club of creditor countries.

The Paris Club reached agreements with 18 countries during 1992, involving the rescheduling or restructuring of over US$21·5 billion of bilateral official debt. Three agreements were with middle income countries (Argentina, Brazil, and Bulgaria), and a further four were with lower middle income countries (Cameroon, Ecuador, Jordan, and Morocco) who benefited from more generous rescheduling arrangements involving longer grace and repayment periods (known as "Houston" terms).

I am delighted to announce, however, that the majority of agreements, eleven in all, were concluded on Trinidad terms. The countries concerned were Bolivia, Ethiopia, Equatorial Guinea, Guinea Republic, Honduras, Mali, Sierra Leone, Tanzania, Togo, Uganda, and Zambia. This follows from the Paris Club's decision in December 1991 to begin implementing the initiative of my right hon. Friend the Prime Minister for providing concessional relief to the very poorest indebted countries.

In addition to the countries listed above, Nicaragua and Benin benefited from Trinidad terms in 1991, and Mauritania in 1993, making 14 beneficiaries in all so far.

Trinidad terms provide for the equivalent of cancellation of up to half of the eligible debt consolidated by the agreements. Each agreement contains an undertaking by creditors to consider the case for a reduction in the whole stock of the debtor countries' eligible debt to the Paris Club after a period of proven economic and financial responsibility. During 1992 Trinidad terms agreements covered over US$3 billion of debt entailing the forgiveness of over US$1 billion over the life of the agreements. Including Nicaragua, Benin, and Mauritania, over US$4 billion of debt has been restructured under Trinidad terms, and about US$1½ billion forgiven over the life of the agreements.

Maintenance Cases

Mr. Hall: To ask the Chancellor of the Exchequer what information he has on the turn-over rate of maintenance cases by the courts in Warrington, South.

Mr. John M. Taylor: I have been asked to reply.

Table 1 shows the number of orders for maintenance made in matrimonial proceedings and under the Children Act in Warrington county court during 1992. Table 2 shows the total number of orders for maintenance made by the Warrington and Halton magistrates courts during 1991, the latest year for which information is available. The number of orders made in those courts under the Children Act are given for 1992. The 1992 figures are provisional and are liable to revision to take account of late amendments.

Orders made for maintenance in Warrington county court during 1992

	Number
Ancillary relief:	
Orders made pending divorce	14
Fixed term orders	27
Orders made pending further order	27
Orders for child	136
Children Act applications for maintenance:	
Orders made	1

Table 2
Orders made for maintenance by the Warrington and Halton magistrates courts during 1991 and 1992

	Number
1991—not including Children Act figures	
Orders made	11
1992—Children Act applications for maintenance	
Orders made	78

SOCIAL SECURITY

Means-tested Benefits

Mr. Knox: To ask the Secretary of State for Social Security if he will publish figures showing the numbers and percentages of families receiving one or more means-tested benefits in 1979 and the latest available year.

Mr. Burt: The information is in the table.

Benefit	*1979 Recipients (000)s per cent.*	*1991 Recipients (000)s per cent.*
Supplementary benefit income support	488 (6·8)	1,320 (19·5)
Family income supplement/ family credit	76 (1·1)	435 (6·4)
Housing benefit	—	39 (0·6)
Community charge benefit	—	99 (1·5)

Notes:
1. For the purposes of the answer, families are defined as couples or single people with children.
2. There are no statistics available for housing benefit and community charge benefit for 1979 as no similar scheme existed at that time.
3. All figures have been rounded to the nearest thousand.
4. The figures give the numbers of families receiving each of the benefits. Some families receive more than one of these benefits, but it is not possible to give a reliable estimate of the numbers of such cases.
5. Income support replaced supplementary benefit in 1988.
6. Family credit replaced family income supplement in April 1988.

Child Support

Mr. Stern: To ask the Secretary of State for Social Security, pursuant to his answer of 9 March, *Official Report*, columns *530-31*, on the Child Support Agency, if he will list all those benefits or payments administered by his Department to which a taper of 90 per cent. or greater can be applicable.

Mr. Burt: Income in excess of disregarded amounts is taken fully into account for the purposes of income support. None of the other income-related benefits attract a taper of 90 per cent. or more. However, where a number of other income-related benefits are in payment the combination of more than one benefit taper will occasionally produce a marginal deduction rate in excess of 90 per cent.

For the purpose of child support maintenance, where an absent parent falls within the protected income

provision the income subject to the 90 per cent. deduction rate will include all social security benefits with the exception of attendance allowance, disability living allowance, pensioner's Christmas bonus, social fund payments and the first £10 of war disablement pension or war widow's pension.

Mr. Stern: To ask the Secretary of State for Social Security, pursuant to his answer of 9 March, *Official Report*, column *530*, on child support, if he will make a statement on the reasons for differentiating between corporate non-contributory pension schemes and all other pension schemes in framing the rules for the calculation of child support maintenance.

Mr. Burt: The child support maintenance system has followed the rules in the income-related benefits in allowing only half of any contribution to an occupational or personal pension scheme to be deducted from earnings.

An employee who is a member of a personal or occupational pension scheme pays a reduced national insurance contribution and less income tax in recognition of the separate pension contribution. If no account were taken of the pension contribution, the lower tax and national insurance contribution would produce a higher figure for net income and, therefore, a higher assessment of child support maintenance. Therefore, the Government believe it is reasonable to take some account of a parent's actual contributions to occupational or personal pension schemes.

However, it would not be right to allow individuals to forgo current income in order to benefit themselves at a later date, and thereby to reduce the maintenance payable for their children. Taking some account of pension contributions is justified as the individual will stand to gain through enhanced pension entitlement.

There is no straightforward way of achieving a similar result for a person who is a member of a non-contributory scheme because actual contributions would be difficult to ascertain.

Pensioners

Mr. Frank Field: To ask the Secretary of State for Social Security, pursuant to his answer of 12 March, *Official Report*, column 751, if he will further break down the data showing the age of the pensioners with an income of less than £5,000 per year into separate tables for single pensioners and pensioner couples.

Miss Widdecombe: Estimates are in the table.

	Age 60-64	*65-69*	*70-74*	*75-79*	*80+*
Percentage of single pensioners gross income less than £5,000 pa[1]	9	24	16	28	23
Percentage of pensioner couples gross income less than £5,000 pa[1]	0	31	22	34	13

Notes:

[1] Owing to small sample sizes, the estimates quoted are liable to a significant degree of error.
The age of a couple is taken to be the age of the husband.

Mr. Frank Field: To ask the Secretary of State for Social Security if he will give the percentage break down of all pensioner units in the age groups *(a)* 60 to 64 years, *(b)* 65 to 69 years, *(c)* 70 to 74 years, *(d)* 75 to 79 years and *(e)* 80 plus years.

Miss Widdecombe: Estimates are in the table.

	Age 60-64	*65-69*	*70-74*	*75-79*	*80+*
Percentage of all pensioner units	7	33	18	26	16

Notes:

(a) A pensioner unit is a single person aged over state pensionable age (SPA) or a couple where the husband is aged over SPA.
(b) The age of a couple is taken to be the age of the husband.
(c) The distribution of all pensioner units is an estimate based on the 1988 Family Expenditure Survey data adjusted to United Kingdom totals.

Fraud

Dr. Godman: To ask the Secretary of State for Social Security on how many occasions social security fraud was detected in *(a)* Inverclyde, *(b)* Strathclyde and *(c)* Scotland as a whole in each of the past three years; how many persons were proceeded against; and of these how many were convicted by the courts.

Miss Widdecombe: The administration of benefits is a matter for Mr. Michael Bichard, the chief executive of the Benefits Agency. He will write to the hon. Member with such information as is available and a copy will be placed in the Library.

Letter from Mr. M. Bichard to Dr. Norman Godman, dated 18 March 1993:

As Chief Executive of the Benefits Agency, it is my responsibility to answer questions about relevant operational matters. I am therefore replying to your recent Parliamentary Question to the Secretary of State for Social Security asking on how many occasions social security fraud was detected in *(a)* Inverclyde, *(b)* Strathclyde and *(c)* Scotland as a whole in each of the past three years; how many persons were proceeded against; and of these how many were convicted by the courts.

I regret that I am unable to provide separate figures for Inverclyde or Strathclyde as the Benefits Agency is organised in Areas which do not always correspond geographically to town or county boundaries.

The Sector Fraud organisation has only been in existence since January 1991 and the first full year for which figures are available is the year ended April 1992. During this period a total of 26,600 social security investigations into Fraud were undertaken in Scotland by officers of the Benefits Agency.

In the year ending 31 March 1990, 1,185 cases were sent for consideration of proceedings in Scotland as a whole. Of this number 1,084 were convicted by the courts. In the year ending 31 March 1991 the number of cases submitted was 1,037 of which 887 resulted in convictions and in the year ending 31 March 1992 the figures were 847 submissions and 785 convictions.

You may be interested to know that from the year commencing April 1992 we have been compiling prosecution statistics for each of our operational areas. This will enable us to provide, from the year ending April 1993, information for smaller geographical areas.

I hope that you find this reply helpful. A copy will appear in the Official Report and a copy will also be placed in the Library.

Part-time Study

Ms Walley: To ask the Secretary of State for Social Security if he will liaise with Stoke on Trent college to ensure that students studying for fewer than 21 hours a week and available for work can claim benefit in order to continue studies.

Mr. Burt: The administration of income support is a matter for Mr. Michael Bichard, the chief executive of the Benefits Agency. He will write to the hon. Member with such information as is available and a copy will be placed in the Library.

Letter from Mr. M. Bichard to Ms Joan Walley, dated 18 March 1993:

As Chief Executive of the Benefits Agency it is my responsibility to answer questions about relevant operational matters. I am therefore replying to your recent Parliamentary Question to the Secretary of State for Social Security asking if he will liaise with Stoke on Trent College to ensure that students studying less than 21 hours a week and available for work can claim benefit in order to continue studies.

I should explain that students are defined in the Income Support scheme as people aged between 19 and pension age who are attending a full-time course of study at an educational establishment.

It is Government policy that financial support for students from public funds should come from one source, the education system. The benefit system is not the appropriate means of funding or supplementing educational maintenance. The educational maintenance system is designed to provide for the particular needs and expenditure patterns of students. Most students following full-time courses are not entitled to Unemployment Benefit, Housing Benefit or Income Support during their course.

However, exceptions are made for certain groups, such as lone parents with a child under 16, and disabled students, who may claim Income Support throughout the year. A student's partner may also claim benefit at any time but will have to satisfy the normal conditions of entitlement.

The 21 hour rule in the Income Support scheme allows unemployed people, who have been receiving benefit, to spend their spare time usefully in part-time study while they continue their search for work. It is not intended to provide financial support for people who are primarily concerned with continuing their education. Where the course is designated full-time by the college concerned the 21 hour rule cannot apply, as it is only intended to help those in part-time education.

The decision whether a course of study is part-time or full-time is made by the independent adjudication authorities based on the individual circumstances of each case and the evidence, including that from the educational establishment concerned, before them in accordance with statute law and case law.

I understand from Mr. Proctor, the District Manager for the Benefits Agency's Stoke (North) District, that a liaison meeting was held in January between the Benefits Agency and the Deputy Director of Stoke on Trent College, in order to ensure that the College was fully informed about the rules governing students' entitlement to Income Support.

I hope you find this reply helpful. A copy will appear in the Official Report and a copy will also be placed in the Library.

Social Fund, Lewisham

Ms Ruddock: To ask the Secretary of State for Social Security what was the budget for the Lewisham district office social fund for the current year as set at 1 April 1992; if he will state *(a)* whether the budget was subsequently increased, *(b)* how much remains in the budget, *(c)* how many applicants have been refused a grant giving the reasons for refusal, *(d)* how many applicants have been refused a loan giving the reason for refusal and *(e)* how many applicants refused went on to appeal and how many of these appeals were successful.

Mr. Scott: The administration of the social fund is a matter for Mr. Michael Bichard, the chief executive of the Benefits Agency. he will write to the hon. Member and a copy will be placed in the Library.

Letter from Mr. M. Bichard to Ms Joan Ruddock, dated 18 March 1993:

As Chief Executive of the Benefits Agency, it is my responsibility to answer questions about relevant operational matters. I am therefore replying to the points raised in your recent Parliamentary Question to the Secretary of State for Social Security asking what was the budget for Lewisham District Office Social Fund for the current year as set at 1 April 1992; if he will state *(a)* whether the budget was subsequently increased, *(b)* how much remains in the budget, *(c)* how many applicants have been refused a grant giving the reasons for refusal, *(d)* how many applicants have been refused a loan giving reasons for refusal and *(e)* how many applicants refused went onto appeal and how many of these appeals were successful.

Details of the initial and subsequent budget allocations for Lewisham and Brixton District for the 1992-93 financial year are in the Library. The balance outstanding at 28 February 1993, the latest date for which figures are availabe, was £116,683 for grants and £304,374 for loans.

Information on the Social fund is not kept by Social Fund applicant, but rather by Social Fund application. Details of the numbers of grant and loan applications refused and of reasons for refusal are given at Appendix A.

There is no right of appeal against discretionary Social Fund decisions. Dissatisfied applicants may apply for a review of the decision, initially conducted within the District. During the period 1 April 1992 to 28 February 1993, 4,482 review applications were received by Lewisham and Brixton District, of which 1,053 resulted in a changed decision.

I hope you find this reply helpful. A copy of this leter will appear in the Official Report. Copies are also being placed in the Library.

APPENDIX A

Details of grant and loan refusals for the Lewisham and Brixton District—1 April 1992-28 February 1993 latest available data)

Reason for refusal	*Grants*	*Loans*
Not in receipt of Income Support (IS)	631	619
In receipt of IS for less than 26 weeks	—	1,448
Direction 4 not satisfied	5,600	—
Applicant excluded by Direction	4	17
No serious risk to health or safety	—	940
Requested amount below minimum allowable	19	86
Repeat application	434	505
Item excluded by Direction	312	376
Alternative item available	7	98
Help available from another source	23	160
Grant awarded on loan request	—	198
Savings over £500 meet cost	8	6
Savings over £1,000 meet cost (customer or partner over 60)	3	1
Enough money available to meet crisis	—	29
Total debt exceeds £1,000	—	54
Inability to repay	—	586
Insufficient priority	927	2,305
Other reasons	50	319
Totals	8,018	7,747

Benefits Agency

Mr. Cousins: To ask the Secretary of State for Social Security what pilot schemes for remote single site storage of line benefits case papers are being undertaken by the Benefits Agency; and where they are taking place.

Mr. Burt: The administration of storage facilities is a matter for Mr. Michael Bichard, the chief executive of the Benefits Agency. He will write to the hon. Member with such information as is available and a copy will be placed in the Library.

Letter from Mr. M. Bichard to Mr. Jim Cousins, dated 18 March 1993:

As Chief Executive of the Benefits Agency it is my responsibility to answer questions about relevant operational matters. I am therefore replying to your recent Parliamentary Question to the Secretary of State for Social Security asking what pilot schemes for remote single site storage of line benefits case papers are being undertaken by the Benefits Agency, and where they are taking place.

It is incumbent upon Benefits Agency District Managers to provide an efficient service to customers in the communities which they serve. As well as the implementation and ongoing operation of legislative provisions, they need also to take account of available resources and operational needs in the course of their management tasks. Some, therefore, as one of a number of measures designed to improve efficiency which will be of ultimate benefit to customers, have chosen to store benefit files at a location outwith the district. There are no specific pilot schemes.

As Districts are free to organise to best suit their area, it is not necessary for a record of how they choose to organise their filing systems to be kept centrally. However, I am aware of some Districts, and locations where benefits are centrally administered benefits who have chosen to store files remotely. A list of these are appended.

I hope you find this reply helpful. A copy will appear in the Official Report and a copy will also appear in the Library.

District
Wearside
Newcastle
Doncaster
Hull
Rother and Dearne
South Humberside
Bradford
Leeds Ridings
Central Staffordshire
Wolverhampton
Liverpool North
Wirral
South Cheshire
North Cheshire
Blackburn and Accrington
Preston
Glasgow South West
Glasgow East
Coventry
South Tees
Barnsley
East Yorkshire
Sheffield East
Sheffield West
Wakefield District
Kirklees District
Central Derbyshire
Walsall
South Cheshire
Liverpool South
Sefton
South West Lancashire
Oldham
North Cumbria
Wigan and Leigh
Glasgow West
Clyde Valley

Centrally administered benefits
Family Credit
Disability Working Allowance
Attendance Allowance
War Pensions
Invalid Care Allowance
Disability Living Allowance
(Residual) Mobility Allowance

Disability Living Allowance

Mr. Ron Davies: To ask the Secretary of State for Social Security when his Department received an appeal against a refusal of disability living allowance in respect of Mr. D. W. J. Partridge of 167 Sycamore court, Bargoed; and when he expects to adjudicate that appeal.

Mr. Scott: The administration of disability living allowance is a matter for Mr. Michael Bichard, the chief executive of the Benefits Agency. He will write shortly to the hon. Member and a copy will be placed in the Library.

Letter from M. Bichard to Mr. Ron Davies, dated 18 March 1993:

As Chief Executive of the Benefits Agency, it is my responsibility to answer questions raised about relevant operational matters. I am therefore replying to your recent Parliamentary Question to the Secretary of State for Social Security asking when the department received an appeal against a refusal of Disability Living Allowance (DLA) in respect of Mr. D. W. J. Partridge of 167 Sycamore court, Bargoed; and when he expects to adjudicate that appeal.

Communications with Mr. Partridge have revealed that he wrote to the Disability Living Allowance Unit (DLAU) requesting an appeal on or about 29 July 1992. Unfortunately, there is no trace of an appeal letter having been received.

On 12 August Mr. Partridge completed a DLA claim pack which was received at Cardiff Disability Benefits Centre on 17 August and in the DLAU on 26 August. On behalf of the Secretary of State, the date of receipt of the DLA claim pack has been accepted as the date of appeal.

Urgent action is now being taken to prepare the appeal submission and to forward the case to the Independent Tribunal Service (ITS) so that the appeal can be heard. We will request an urgent listing but as the ITS is entirely independent the timing of the hearing will ultimately rest with them.

I am sorry that there has been so little action following Mr. Partridge's appeal. You will be aware from my letter of 19 October 1992 to all MPs of the problems the Benefits Agency has faced since the launch of DLA and the positive steps being taken to improve the situation. Since then, further steps have been taken to ensure that appeals are promptly actioned including recruiting additional staff to prepare appeal submissions.

I am sorry that Mr. Partridge did not receive the standard of service to which every customer is entitled. Such matters are not taken lightly and every effort is being made to improve the quality of service to all our customers. I have written to you separately and in greater detail about this matter.

I hope that you find this reply helpful. A copy will appear in the Official Report and a copy will also be placed in the Library.

NATIONAL HERITAGE

Hotel Classification

Mrs. Dunwoody: To ask the Secretary of State for National Heritage if the English tourist board will extend its system of classification for British hotels so as to indicate which serve plated food in their dining rooms.

Mr. Key: The English tourist board has no plans to extend the scope of its accommodation classification and grading schemes at the moment. Whether or not it does so in the future will depend on its assessment of whether such extension is necessary to meet the needs of both the industry and its customers.

Radio Licences

Mrs. Anne Campbell: To ask the Secretary of State for National Heritage how many local radio licences it is estimated will be issued by the Radio Authority by 2000.

Mr. Brooke: The number of local radio licences to be issued is a matter for the Radio Authority to decide, taking account of its responsibilities under the Broadcasting Act 1990.

Red Hot Television

Mr. Gale: To ask the Secretary of State for National Heritage what steps he plans to take in connection with the television service Red Hot Television formerly known as Red Hot Dutch.

Mr. Brooke: The Government have today notified the broadcaster of the television service "Red Hot Television" and the European Commission that they propose to take action against this service under article 2.2 of the EC Broadcasting Directive (89/552/EEC). Article 2.2 provides for a member state to take action against a service coming from another member state where that service manifestly, seriously and gravely infringes article 2·2 of the Broadcasting Directive, which deals with the protection of minors, because of the content of its programme material.

Article 2.2 lays down a 15-day period for consultations with the transmitting state and the Commission. If it is not possible to reach an amicable settlement during this period, the Government will take steps to restrict re-transmission of the service within the United Kingdom. To this end, I propose to make an order under section 177 of the Broadcasting Act 1990 proscribing "Red Hot Television". The Independent Television Commission notified me on 15 October 1992 and 1 February 1993 that it considers this service to be an unacceptable foreign satellite service within the meaning of section 177 of the Broadcasting Act 1990. Subject to the outcome of the consultations required by the directive, I am satisfied that the making of such an order would be in the public interest and compatible with the international obligations of the United Kingdom. The making of an order under section 177 would have the effect of activating, once the order was in force, the criminal offences of supporting a proscribed foreign satellite service specified in section 178 of the Broadcasting Act 1990.

TRADE AND INDUSTRY

Iraq (Sanctions)

Mr. Robin Cook: To ask the President of the Board of Trade if he will list the companies and individuals currently being investigated by his Department in connection with breaches of sanctions against Iraq.

Mr. Heseltine: It is not the Government's practice to discuss any investigations, on-going or otherwise, in which DTI is involved.

Oil Exploration

Mr. Wigley: To ask the President of the Board of Trade if he will make it his policy to hold a public inquiry into any proposals from oil exploration companies for development and exploitation of oil resources under the sea in Caernarfon Bay or Cardigan Bay.

Mr. Eggar: Any company seeking to develop offshore reserves must apply to my Department for development consent under the Petroleum and Submarine Pipe-lines Act 1975, and obtain other approvals and clearances as necessary from the relevant authorities, e.g. planning approval for onshore terminals. It would not be appropriate for me to pre-judge the application of these procedures. Obviously I am well seized of the environmental sensitivities surrounding these areas and in any licence award I will be imposing strict conditions on the licensees. Any development plan for such areas must also be accompanied by a satisfactory environmental impact assessment.

Crescent International Petroleum

Mr. Robin Cook: To ask the President of the Board of Trade what representations his Department has received concerning the role of Crescent International Petroleum in trading with Iraq.

Mr. Heseltine: I am aware of allegations that have been made against Crescent International Petroleum concerning trading with Iraq. If any evidence is found to substantiate allegations that the company has acted unlawfully the proper course of action would be to pass it on to the appropriate authorities. The issues raised fall within the remit of Lord Justice Scott's inquiry and he is free to consider them if he thinks it appropriate to do so.

FOREIGN AND COMMONWEALTH AFFAIRS

Iran

Mrs. Bridget Prentice: To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment he has made of the threat to regional stability posed by the current economic situation in Iran.

Mr. Douglas Hogg: We keep all developments which could affect regional stability under close review, including Iran's economic difficulties.

Mrs. Bridget Prentice: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement regarding the current state of diplomatic and economic relations between the Islamic Republic of Iran and the United Kingdom.

Mr. Douglas Hogg: We recognise Iran's regional importance and seek to develop our bilateral relationship with Iran. But as was made clear at the European Council at Edinburgh in December last year, the extent to which closer relations with and confidence in Iran can be developed will be determined by improvements in Iran's behaviour in a number of areas, in particular: the fatwa against Salman Rushdie; terrorism; and human rights.

We welcome the recent increase in trade between Britain and Iran. British exports to Iran in 1992 were £568·1 million: Iran's exports to Britain were £164·5 million.

Prisoners (France)

Mr. Gerrard: To ask the Secretary of State for Foreign and Commonwealth Affairs how many British citizens have been transferred to British prisons from French prisons under the convention for the transfer of sentenced persons; and what representations he has received about problems with the scheme as it affects British citizens in France.

Mr. Lennox-Boyd: Since 1985, one prisoner has been transferred to a British prison from France.

I have received no such representations.

Rhinoceroses

Mr. Tony Banks: To ask the Secretary of State for Foreign and Commonwealth Affairs what diplomatic representations he has made to Taiwan, South Korea and Yemen regarding the importation of rhinoceros horn.

Mr. Lennox-Boyd: In the last few months, the United Kingdom has strongly urged, and encouraged others to urge, the Taiwan, South Korean and Yemeni authorities to end the illegal rhino horn trade in their countries.

East Timor

Mrs. Bridget Prentice: To ask the Secretary of State for Foreign and Commonwealth Affairs what is his most recent assessment of the human rights situation in East Timor.

Mr. Goodlad: Our concerns about human rights in East Timor, including the disparity in sentencing of the military and civilians involved in the Dilli incident in November 1991 and the need for continuing International Committee of the Red Cross access to prisoners, were reflected in the Resolution on this issue, co-sponsored by the Community, which was adopted at the UN Commission on Human Rights in Geneva last week. We monitor the situation closely and maintain regular and useful dialogue with the Indonesians on human rights issues. We believe this is the best way of securing improvements.

Moscow Airport

Mr. Cousins: To ask the Secretary of State for Foreign and Commonwealth Affairs how many complaints involving the ill-treatment of British citizens as transit passengers at Moscow airport he has received; what representations he has made to the Russian authorities on such complaints; and what information as to the availability of consular assistance is made to transit passengers.

Mr. Lennox-Boyd: One such complaint has been received. The British embassy in Moscow has drawn the attention of the Russian authorities to the complaint by formal note. There is an information desk in the transit area at Moscow airport for the benefit of passengers. It is staffed by at least one English speaker at all times who can give the British embassy telephone number on request.

Members of the European Parliament

Mr. Spearing: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will publish a table showing the number of members of the European Parliament elected currently, an as proposed, by each member state together with the respective member to electorate ratios, the number of constituencies and the methods of election in each current or future election proposed or decided.

Mr. Goodlad: The following table sets out the information. The numbers of seats and proportion of population per MEP following the 1994 election are given in brackets:

Country	*Seats*		*Total population (million)*	*Population per MEP*		*Constituencies/voting system*
Belgium	24	(25)	10·0	416,667	(400,000)	Proportional representation in 2 regional constituencies (regional lists)
Denmark	16	(16)	5·1	318,750	(318,750)	Proportional representation in single constituency (national list)
Germany	81	(99)	79·4	980,247	(802,020)	Proportional representation in 10 Länder constituencies (regional and national lists). Nomination by House of Representatives for Berlin constituency
Ireland	15	(15)	3·6	240,000	(240,000)	Proportional representation in 4 multi-member constituencies. Single transferable vote
Greece	24	(25)	10·0	416,667	(400,000)	Proportional representation in single constituency (national list)
Spain	60	(64)	38·8	646,667	(606,250)	Proportional representation in single constituency (national list)
France	81	(87)	56·8	701,235	(652,874)	Proportional representation in single constituency (national list)
Italy	81	(87)	57·4	708,642	(659,770)	Proportional representation in 5 regional constituencies (regional lists)
Luxembourg	6	(6)	0·4	66,667	(66,667)	Proportional representation in single constituency (national list)

Country	Seats	Total population (million)	Population per MEP	Constituencies/voting system
Netherlands	25 (31)	14·7	588,000 (474,194)	Proportional representation in single constituency (national list)
Portugal	24 (25)	10·2	425,000 (408,000)	Proportional representation in single constituency (national list)
United Kingdom	81 (87)	56·9	702,469 (654,023)	Simple majority in 78 constituencies in England, Wales and Scotland. Proportional representation (STV) in single constituency in Northern Ireland

We are discussing the allocation of the United Kingdom's six extra seats and will take discussions soon. So far as we are aware, other member states have not announced how they intend to allocate their additional seats.

Prisoners (France)

Mr. Gerrard: To ask the Secretary of State for Foreign and Commonwealth Affairs what assistance is given by his Department to British citizens in obtaining evidence to prove their insolvency for purposes of release from contrainte par corps under the French penal code.

Mr. Lennox-Boyd: If requested by a prisoner, British consular officers in France will make inquiries with the French customs authorities about fines and can forward documents to the authorities. They cannot intervene to seek reductions in fines properly imposed by French courts.

Polly Peck

Mr. Rogers: To ask the Secretary of State for Foreign and Commonwealth Affairs what arrangements were made by his Department's agencies acting on its behalf with the Turkish Government and for Polly Peck plc in relation to shipping movements in the eastern Mediterranean in each year from 1981 to 1990.

Mr. Goodlad: None.

Grenada

Mr. Pickthall: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations his Department has made to the Government of Grenada in relation to the convictions of the former members of the People's Revolutionary Government of Grenada who were sentenced to death; and what information he has about the conditions under which Phyllis Coard is kept.

Mr. Lennox-Boyd: None. The death sentences on those convicted of the murder of Maurice Bishop were commuted to life imprisonment on 14 August 1991.

At present Mrs. Coard shares accommodation with one other female prisoner. She is allowed visitors, has access to medical and recreational facilities, and is employed in the prison tailor's workshop.

Nuclear Non-proliferation

Mr. Llew Smith: To ask the Secretary of State for Foreign and Commonwealth Affairs what is the policy of Her Majesty's Government towards member states of the nuclear non-proliferation treaty evoking their right under article X(i) of the treaty to withdraw from membership.

Mr. Douglas Hogg: The United Kingdom is determined to maintain and strengthen the non-proliferation treaty. We are therefore treating North Korea's announcement of its intention to withdraw from the treaty under article X(i) as a matter of great concern. We urge North Korea to reconsider its position.

Mr. Llew Smith: To ask the Secretary of State for Foreign and Commonwealth Affairs what meetings or communications he has had with his counterparts in *(a)* the United States of America and *(b)* Russia, in regard to the recent announcement by North Korea that it intends to withdraw from the nuclear non-proliferation treaty.

Mr. Douglas Hogg: Representatives of the Governments of the United Kingdom, the Russian Federation and the United States of America met on 17 March in Vienna to discuss their concern about the consequences of the announcement of the Government of the Democratic People's Republic of Korea to withdraw from the non-proliferation treaty. The subject was also discussed at a special session of the International Atomic Energy Authority Board of Governors on 18 March.

Ozone-Depleting Substances

Mr. Chris Smith: To ask the Secretary of State for Foreign and Commonwealth Affairs (1) what is the quantity of ozone-depleting substances recycled within his Department and returned to the manufacturer;

(2) what proportion of his Department's consumption of ozone-depleting substances become controlled waste in terms of section 33 of the Environmental Protection Act 1990 ;

(3) what action has been taken to ensure that ozone-destroying substances consumed by his Department are identified as controlled wastes when they are no longer in use;

(4) what quantity of HCFC 22 is purchases by the Department per annum;

(5) what the latest available figures are for his Department's total purchase of CFCs and HCFCs;

(6) if he will provide details from the maintenance and servicing record of the quantity and type of ozone-destroying chemicals used annually in his Department's refrigeration and air-conditioning equipment for servicing and in leakages; and what proportion is removed for recycling.

Mr. Goodlad: The information is being compiled and I will write to the hon. Gentleman shortly.

HEALTH

Complaints Procedure

Mr. David Atkinson: To ask the Secretary of State for Health what plans she has to extend the Hospital Complaints Procedure Act 1988 to the private sector; and if she will make a statement.

Mr. Sackville: None.

The patients charter established the right of patients to have any complaint about national health service services —whoever provides them—investigated and to receive a full and prompt written reply from the chief executive or general manager.

Leprosy Patients (Thalidomide)

Mr. Wigley: To ask the Secretary of State for Health (1) what guidelines have been produced by her Department for leprologists concerning advising patients about the neuropathic side-effects of thalidomide;

(2) how many leprosy patients in the United Kingdom treated with thalidomide have complained of symptoms described by Fullerton and O'Sullivan in the *Journal of Neurology, Neurosurgery and Psychiatry* 1968; 31; 543, table 1 in each of the last three years.

Mr. Sackville: I refer the hon. Member to the reply my right hon. Friend the Secretary of State gave the then hon. Member for Stoke on Trent, South (Mr. Ashley) on 3 March 1992 at column *157*.

A Department of Health memorandum on leprosy recommends that a member of the panel of leprosy opinion is invited to see and discuss the management of all new cases of leprosy. It is the doctors' responsibility to discuss the benefits and possible adverse reactions of any treatment with their patients.

No leprosy patient treated with thalidomide in the last three years is known to have complained of the symptoms described.

Mr. Wigley: To ask the Secretary of State for Health what research has been undertaken by her Department in the use of electrophysiological tests in leprosy patients to exclude the use of thalidomide neuropathy as part of the treatment.

Mr. Sackville: None.

The main agency through which the Government support biomedical and clinical research is the Medical Research Council (MRC) which receives its grant-in-aid from the Office of Science and Technology under the Chancellor of the Duchy of Lancaster. This is an independent body deciding what research to support on its own expert judgment. The council is always willing to consider for support soundly based new scientifc proposals in competition with other applications.

Pertussis Vaccine

Mr. Barry Field: To ask the Secretary of State for Health what progress has been made in connection with the clinical trials of the acellular pertussis vaccine which commenced in October 1987.

Mr. Sackville: Phase II (immunogenicity and reactogenicity) studies have been undertaken using acellular pertussis vaccine, administered according to the previous (prior to May 1990) immunisation schedule. These results were published in the Lancet in January 1991. Studies are presently being undertaken to compare the vaccine with conventional whole cell vaccine given in a two, three and four-month schedule as used in the United Kingdom. Additional studies are also being carried out to investigate the duration of antibodies following acellular pertussis vaccine. Phase III (vacine efficacy) studies are being undertaken in Sweden; results will not be available until 1995-96.

Mr. Barry Field: To ask the Secretary of State for Health how many reported reactions under the yellow card scheme have been received in which the pertussis vaccine was the vaccine alleged to be responsible for the reaction, in 1991 and 1992.

Mr. Sackville: Pertussis vaccine may be given as a single vaccine but is more usually given as a combined diphtheria, tetanus and pertussis (DTP) vaccine. The number of reports for each type of vaccine is as follows:

Vaccine	*1991*	*1992*
Pertussis	8	8
DTP	184	206

A report of a suspected adverse reaction does not necessarily mean that the reaction was caused by the vaccine.

Non-smokers

Mrs. Wise: To ask the Secretary of State for Health what studies she has commissioned into the levels and sources of carbon monoxide in the blood of non-smokers, including pregnant women.

Mr. Sackville: None. The main agency through which the Government support biomedical and clinical research is the Medical Research Council which receives its grant-in-aid from the Office of Science and Technology under the Chancellor of the Duchy of Lancaster. The Medical Research Council is an independent body deciding what research to support on its own expert judgment.

Studies have shown that in indoor air the major sources of carbon monoxide (CO) contamination are cooking and unflued heating. The main contribution of CO in outdoor air pollution is provided by motor vehicle emissions.

Complementary Therapists

Mr. Faulds: To ask the Secretary of State for Health if she will provide figures as to the number of complementary therapists employed as ancilliary staff in general practitioner practices.

Dr. Mawhinney: A total of 169 whole-time equivalent complementary therapists were employed in general practices in England in 1992.

Cot Deaths

Mr. James Hill: To ask the Secretary of State for Health what are the recorded numbers of cot deaths in the United Kingdom for each year since 1990.

Mr. Sackville: The information for England and Wales is shown in the table. Information relating to Scotland and

Northern Ireland are matters for my right hon. Friend the Secretary of State for Scotland and my right hon. and learned Friend the Secretary of State for Northern Ireland.

Cot Deaths (Sudden Infant Death Syndrome and, Sudden Infant Deaths) registered in England and Wales, 1990-91

	Sudden infant death Syndrome[1]		Sudden infant deaths[2]	
	1990	1991	1990	1991
Under 1 year of age	1,123	935	1,202	1,008
1 year and over[3]	32	39	44	43

[1] Sudden infant death syndrome (SIDS, ICD 9th revision 798·0) refers to cases where the death certificate identified it as either being (i) a main foetal mention (deaths under 28 days of age) or (ii) the underlying cause of death (28 days and over).

[2] Sudden infant deaths refer to all the cases where 'cot death', 'sudden infant death syndrome', or some similar term has been given on the death certificate even when other, perhaps more precise, conditions were also given.

[3] Only rarely is sudden infant death given as a cause of death in children aged over one year; this happened for seven sudden infant deaths in 1990 and for four in 1991.

Note: Provisional information for 1992 will be available shortly.

M25 Pollution

Mrs. Wise: To ask the Secretary of State for Health what studies she has made of the effects of air pollution in the area of the M25 corridor on the respiratory health of children in the area, and the incidence of asthma.

Mr. Sackville: None. The main agency through which the Government support biomedical and clinical research is the Medical Research Council (MRC), which receives its grant-in-aid from the Office of Science and Technology under the Chancellor of the Duchy of Lancaster. The MRC is an independent body deciding what research to support on its own expert judgment.

The concentrations of pollutants in the United Kingdom associated with traffic sources are in most circumstances below those assessed by the World Health Organisation (WHO) to have significant effects on health. The Department was represented at an air pollution workshop held by Surrey county council in July 1992 following concern expressed about pollution generated by the M25. The county council has since been in contact with the Department about the design of a study to investigate the possible effects of air pollutants.

Medicines Evaluation

Mr. Colin Shepherd: To ask the Secretary of State for Health if she will ensure that experts in herbal, homoeopathic, biochemic and anthroposophical medicines are appointed to the advisory committee, the Committee for Proprietary Medicinal Products and the Medical and Scientific Council of the Medicines Evaluation Agency which is to be established to oversee and monitor medicines in the European Community.

Mr. Sackville: There is already expertise in complementary therapies and herbal medicine available to the licensing authority from the advisory bodies established under section 2 and section 4 of the Medicines Act 1968. The Department is considering ways this can be supplemented to meet the demands of the EC Directive on homoeopathic medicinal products due to be implemented by 31 December 1993.

The Committee for Proprietary Medicinal Products (CPMP) comprises an elected President, delegates from the EC member states and a Secretariat provided by the European Commission. The United Kingdom delegate is the Director of the Medicines Control Agency. Individual national experts form part of the United Kingdom delegation to CPMP meetings. The composition of the delegation depends on the nature of the subjects to be discussed at any particular meeting.

The European Commission's proposal for a Scientific Council has now been abandoned.

Health Authorities (Funding)

Mr. Alfred Morris: To ask the Secretary of State for Health if she will review the problems of health authorities with inadequate funding for very urgent hospital treatment in the remaining weeks of the current financial year by reference to individual cases which have been drawn to her attention.

Mr. Sackville: National health service funding is at an all time high with more patients being treated than ever before. Within that total, emergency patients are treated immediately and urgent cases as soon as possible according to clinical priority. The NHS chief executive has written to all health authority and hospital general managers to ensure that patients who need urgent treatment are given the necessary priority.

Euthanasia

Mr. Lewis: To ask the Secretary of State for Health what studies she has commissioned into the question of euthanasia.

Mr. Sackville: None. Euthanasia is a matter for my right hon. Friend the Home Secretary. The House of Lords has recently established an ad hoc Select Committee on Medical Ethics to examine the issues surrounding this area. The Department of Health will give evidence to the Committee.

Pharmacies (Prescriptions)

Mrs. Lait: To ask the Secretary of State for Health how many pharmacies have a contract with the Kensington, Chelsea and Westminster family health service authority to dispense NHS prescriptions; and if she will list them.

Dr. Mawhinney: This information has been placed in the Library.

Mrs. Lait: To ask the Secretary of State for Health what representations she has received about the length of time taken by the British Pharmaceutical Society to register premises for the dispensing of prescriptions.

Dr. Mawhinney: None.

Dressings (Prescriptions)

Mr. Rowlands: To ask the Secretary of State for Health what is the total annual cost of drugs and dressings supplied on prescription; and what proportion of the total is taken by dressings.

Dr. Mawhinney: Expenditure on drugs and appliances in the family health services in England amounted to £2,317 million in 1991-92. The proportion taken by dressings was 1·88 per cent.

Drug Prescribing

Mr. Blunkett: To ask the Secretary of State for Health, pursuant to her answer to the hon. Member for Hastings and Rye (Mrs. Lait) on 16 February, *Official Report*, columns *159-60*, *(a)* if she will explain the difference between the definition of the 10 therapeutic categories, to which the selected list scheme will be extended, contained in that answer and the definitions given in DOH press notice H92/385 dated 12 November 1992 and *(b)* if she will list by reference to the British National Formulary those drugs which fall into the relevant 10 new therapeutic categories covered by the selected list scheme.

Dr. Mawhinney: The press notice used an abbreviated description of some of the British National Formulary (BNF) categories. The full description of each category, with the relevant BNF section number is shown in the table:

Name of category	*BNF section number*
Antidiarrhoeal drugs	1.4
Antihistamines, hyposensitisation and allergic emergencies	3.4
Hypnotics and anxiolytics	4.1
Appetite suppressants	4.5
Treatment of vaginal and vulval conditions	7.2
Contraceptives	7.3
Anaemias	9.1.1.-9.1.3
Rubefacients and other topical anti-rheumatics	10.3.2
Drugs acting on the ear and nose	12.1-12.2
Drugs acting on the skin	13

Mrs. Anne Campbell: To ask the Secretary of State for Health following the introduction of limited listing how many new medicines have been launched in *(a)* the initial seven categories and *(b)* in all categories.

Dr. Mawhinney: I refer the hon. Member to the replies I gave the hon. Member for Moray (Mrs. Ewing) on 9 February at columns *617* and *618*.

Botulism

Mrs. Dunwoody: To ask the Secretary of State for Health how many cases of botulism were reported last year in England and Wales.

Mr. Sackville: There were no confirmed cases of botulism in England and Wales last year.

Clinical Waste

Mrs. Dunwoody: To ask the Secretary of State for Health how many hospitals have incinerators larger than is required for dealing with their own clinical waste.

Mr. Sackville: This information is not available centrally. Some hospitals have incinerators larger than they require in order to dispose of waste from other hospitals or health services in their locality. Spare capacity may be used for income generation, and national health service authorities may enter into arrangements with private contractors for the construction of an incinerator which includes additional capacity for commercial disposal contracts. All national health service incinerators have to meet the requirements of environment protection legislation.

Departmental Offices

Mrs. Mahon: To ask the Secretary of State for Health what have been the costs of refurbishments at her Department's offices at the Elephant and Castle; how many flats in those premises have been refurbished; and who occupies the flats.

Mr. Sackville: £108,000 (excluding VAT) has been spent in 1992-93 in refurbishing Eileen house at the Elephant and Castle. The building has a small flat which is used as offices.

West Yorkshire Health Authority

Mrs. Peacock: To ask the Secretary of State for Health when she expects to announce the name of the chairman of the new West Yorkshire health authority.

Dr. Mawhinney: Shortly.

Regional Health Authorities

Mr. Blunkett: To ask the Secretary of State for Health what is her policy on the reduction in the number employed in a typical regional health authority; how many regional health authority staff she expects to be made redundant by 1 April in English regional health authorities; and if she will make a statement.

Dr. Mawhinney: I refer the hon. Member to the reply I gave him on 18 March.

It is for regional health authorities to determine how to achieve staff reductions and the need for redundancies will depend on their individual plans. I expect RHAs to avoid compulsory redundancies where possible, consistent with the need to reduce staffing levels, and to handle any that are unavoidable sensitively.

SCOTLAND

Legal Aid

Mr. Salmond: To ask the Secretary of State for Scotland what was the cost of administering legal aid in Scotland through local legal aid committees and the Law Society for Scotland in each of the last five years; and if he will make a statement.

Lord James Douglas-Hamilton: Since 1987 legal aid in Scotland has been administered by the Scottish Legal Aid Board. Information on the board's administrative costs is set out in the table.

Net administrative expenditure of the Scottish Legal Aid Board

	£ million
1987-88	4·426
1988-89	4·957
1989-90	5·568
1990-91	5·833
1991-92	6·644

During the same period the total sum disbursed by the Board has increased from £47·7 million to £79·8 million.

Regional Aid

Dr. Godman: To ask the Secretary of State for Scotland if he will set out by travel-to-work area the total amount of money received since 1983 in *(a)* regional assistance and *(b)* European rural development fund.

Mr. Stewart *[holding answer 18 March 1993]:* The information is not available in the form requested.

Dr. Godman: To ask the Secretary of State for Scotland what has been the amount of money made available to each travel-to-work area in *(a)* Strathclyde and *(b)* Scotland under the terms of objective 2; and if he will make a statement.

Mr. Stewart *[holding answer 18 March 1993]:* The information is not available in the form requested.

Hospital Staff (Working Hours)

Dr. Godman: To ask the Secretary of State for Scotland what was the average number of hours worked each week or month by *(a)* consultants, *(b)* junior hospital doctors and *(c)* nurses in (i) hospitals in Argyll and Clyde health board hospitals and (ii) hospitals throughout Scotland in each of the last five years.

Mr. Stewart *[holding answer 18 March 1993]:* The information requested is not available centrally. Hospital consultants are employed on professional contracts and whole-time and maximum part-time practitioners are expected to devote substantially the whole of their professional time to their duties in the NHS. Junior hospital doctors contract for a standard working week of 40 hours and such further agreed additional duty hours to be spent on-call or on shift work as are required to meet the needs of the service. In the Argyll and Clyde health board area as at 30 September 1992, 23 junior hospital doctors were contracted for duty of more than 83 hours per week and 151 for 83 hours or less. The comparable all-Scotland figures were 452 and 2,955. Nursing staff work a basic 37·5-hour week with little overtime commitment.

Community Care

Dr. Godman: To ask the Secretary of State for Scotland (1) if he will list those health boards and regional and island councils which do not provide community care programmes for all those persons who are receiving treatment from a consultant psychiatrist while residing in the community; and if he will make a statement;

(2) what plans he has to introduce a statutory right of access to a social worker and a community care programme for all of those persons who are being treated by a consultant psychiatrist and who live in the community; and if he will make a statement.

Mr. Stewart *[holding answer 18 March 1993]:* Under guidance issued in February 1992, health boards and social work departments are required to provide integrated local care programmes for people with a mental illness, including dementia, being discharged from hospital or already in the community. This multi-agency care programme approach which came into operation in June 1992 is designed to ensure that each individual has a care plan developed to meet their particular health and social needs.

General Practitioner Fund Holders

Dr. Godman: To ask the Secretary of State for Scotland if he will introduce into the patients charter a requirement that patients registered with a fund-holding general practitioner are informed as soon as that general practitioner's budget for any element of national health service provision is exhausted; and if he will make a statement.

Mr. Stewart *[holding answer 18 March 1993]:* No. At the end of each financial year, health boards are responsible for ensuring that budgets balance and that resources are available to meet all urgent needs.

Contaminated Land

Mr. Dalyell: To ask the Secretary of State for Scotland when he plans to make a statement on contaminated land in Scotland.

Mr. Stewart *[holding answer 18 March 1993]:* An announcement on contaminated land arrangements in Scotland, as provided for in section 143 of the Environmental Protection Act 1990, will be made shortly.

Mr. Dalyell: To ask the Secretary of State for Scotland what representations he has had from the Law Society on contaminated land.

Mr. Stewart *[holding answer 18 March 1993]:* The Law Society offered a number of comments on the consultation paper, issued in August 1991, on proposals for registers of land that may be contaminated. The comments mainly concerned blight and uncertainty within the property market. In September 1992 it also submitted further representations in association with others outlining alternative proposals relating to use of the planning system.

Dental Hospital

Mrs. Fyfe: To ask the Secretary of State for Scotland (1) when he expects the planned new dental hospital in Edinburgh to be built; (2) what plans he has to provide specialised dental facilities in a hospital setting when the dental school has closed.

Mr. Stewart *[holding answer 18 March 1993]:* My right hon. Friend is fully committed to providing such capital investment as is necessary to establish the new dental hospital.

It will be for the Edinburgh Royal Infirmary NHS Trust, if its application for trust status is approved, to take forward plans for a new dental hospital and to negotiate contracts for the provision of specialised dental services with prospective purchasing health boards.

Hospital Performance Data

Mrs. Fyfe: To ask the Secretary of State for Scotland whether he intends to publish performance data on hospitals.

Mr. Stewart *[holding answer 18 March 1993]:* The patients charter contained a commitment that all hospitals and other health units would publish annual reports which would set out information about their activity, quality of service and finances. These reports will be published with effect from April this year.

In addition we are considering what other comparative data about the performance of individual hospitals and other health services should be published.

Written Answers to Questions

Monday 22 March 1993

FOREIGN AND COMMONWEALTH AFFAIRS

Maastricht Treaty

Mr. Spearing: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will tabulate in the *Official Report*, for titles I, V, VI and VII of the Treaty on European union each article containing reference to *(a)* the Council, *(b)* the Commission, *(c)* the Court and *(d)* the Parliament of the European Economic Community; and what are the additional powers, responsibilities, or functions provided for each institution in each relevant article.

Mr. Garel-Jones: The information the hon. Member requires may be found in Command Paper 1934 and in the memorandum to the Foreign Affairs Committee entitled "Europe after Maastricht".

Sellafield

Mr. Flynn: To ask the Secretary of State for Foreign and Commonwealth Affairs when he will respond to the submission sent to him by an all-party group from Dail Eireann on 4 March regarding Sellafield and the proposed commissioning of the thermal oxide reprocessing plant.

Mr. Lennox-Boyd: My right hon. Friend the Secretary of State for Foreign and Commonwealth Affairs has not received the submission to which the hon. Member refers.

St. Helena

Dr. Marek: To ask the Secretary of State for Foreign and Commonwealth Affairs how many vehicles have been imported free of tax into St. Helena for each of the last 10 years for which records are available; and how many have since been exported.

Mr. Garel-Jones: Records are available from 1987 only. These show the following:

Year	*Vehicles imported free of tax*	*Vehicles exported*
1987	64	Nil
1988	30	Nil
1989	9	2
1990	24	Nil
1991	15	3
1992	20	4
Totals	162	9

Embassies

Sir Peter Emery: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list those British embassies abroad where there is a science and technology counsellor; and what steps he is taking to increase the number of such posts.

Mr. Goodlad: Five of our embassies—Bonn, Moscow, Paris, Tokyo and Washington—currently have science and technology counsellors. The level of staffing devoted to science and technology-related issues is frequently reviewed in the light of Whitehall reporting requirements and competing demands on FCO resources.

Russia

Dr. Goodson-Wickes: To ask the Secretary of State for Foreign and Commonwealth Affairs when the treaty signed between President Yeltsin and the Prime Minister on 9 November 1992 will be laid before this House.

Mr. Douglas Hogg: The treaty on the principles of relations between the United Kingdom and Russia is due to be laid before the House and published in the country series on 2 April 1993.

Kuwait

Lady Olga Maitland: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has made to the United Nations regarding the 750 missing Kuwaiti prisoners of war taken by the Iraqis during the Gulf war.

Mr. Douglas Hogg: We raise this question at each United Nations Security Council review of sanctions and will continue to do so until Iraq fulfils all its obligations under United Nations Security Council resolutions.

We fully support Kuwait's efforts through the International Committee of the Red Cross to establish the whereabouts of missing Kuwaiti and other citizens.

Government Communications Headquarters

Mr. Tony Lloyd: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement about recruitment policies at Government Communications Headquarters, and which groups are excluded on grounds of ethnic origin or parents' country of origin.

Mr. Hurd *[pursuant to his reply, 3 February 1993, c. 209]:* The second paragraph of my answer was inadvertently omitted. The full version is as follows.

No groups are excluded on grounds of ethnic origin. Members of staff at GCHQ must be British citizens, must never have held citizenship other than of the United Kingdom and colonies, and must not hold any nationality or citizenship in addition to British citizenship. As regards parents of applicants, the requirement is that each parent must always have been a Commonwealth citizen as defined by the British Nationality Act 1981.

If the applicant was not born—or did not take up residence in infancy—in the United Kingdom, each of the applicant's parents must be, or if deceased have been at the time of their death, a British citizen domiciled in the United Kingdom. These rules are at present under review, but I cannot say when this review will be completed or what its conclusions will be.

LORD CHANCELLOR'S DEPARTMENT

Magistrates, Wales

Mr. Alex Carlile: To ask the Parliamentary Secretary, Lord Chancellor's Department what is the total number of lay magistrates in Wales; and if he will make a statement.

Mr. John M. Taylor: The latest figures available show that there are 2,129 lay magistrates in Wales—930 women and 1,199 men. There are also two stipendiary magistrates in post and another authorised post to be filled. The Lord Chancellor's advisory committees in Wales advise him on the need for new lay magistrates and recommend suitable candidates to him for appointment. The objective is that each bench should broadly reflect the community it serves.

Mr. Alex Carlile: To ask the Parliamentary Secretary, Lord Chancellor's Department how many of the magistrates in Wales have a declared affiliation with a political party; if he will list the numbers who identify themselves with each party; and if he will make a statement.

Mr. John M. Taylor: This information could be provided only at disproportionate cost. When making recommendations for appointment the Lord Chancellor expects his advisory committees to put forward suitable candidates who broadly reflect the community which they will serve. In deciding which suitable candidates to recommend he expects them to take into account political affiliation, or the lack of it, as well as other factors such as gender, geography and occupation.

Legal Aid

Mr. Alex Carlile: To ask the Parliamentary Secretary, Lord Chancellor's Department what action he intends to take to ensure that all outstanding legal fees owed to lawyers by the civil legal aid scheme are paid promptly; and if he will make a statement.

Mr. John M. Taylor: Costs in civil legal aid cases do not become due until after they have been taxed by the court or assessed by the Legal Aid Board. The Legal Aid Board is responsible for payment of such costs after taxation or assessment and it is already their aim to pay them as promptly as possible. For the year 1992-93 the board had a target of paying 65 per cent. of solicitors' civil legal aid bills within six weeks of receipt, including assessment when appropriate. In the financial year to date, that is 1 April 1992 to 28 February 1993, this target has been surpassed, with almost 73 per cent. of bills being paid within that time.

Mr. Moss: To ask the Parliamentary Secretary, Lord Chancellor's Department what is the estimated number of take-ups of legal aid offers in each of the next three years.

Mr. John M. Taylor: The estimated number of civil legal aid certificates and criminal legal aid orders for each of the next three years is as follows:

Thousands

	1993-94	*1994-95*	*1995-96*
Legal aid certificates	302	329	357
Legal aid orders	614	622	630

Mr. Moss: To ask the Parliamentary Secretary, Lord Chancellor's Department what is the number of legal aid orders issued in criminal cases in each of the last three years.

Mr. John Taylor: I refer my hon. Friend to the answer I gave the hon. Member for Don Valley (Mr. Redmond) on 11 March at column *644*. Complete figures for 1992 are not yet available.

Mr. Moss: To ask the Parliamentary Secretary, Lord Chancellor's Department what percentage of offers of legal aid with payment of a contribution fell into arrears of contributions in each of the last three years.

Mr. John M. Taylor: The total number of civil cases where contributions were in arrears in each of the last three years was as follows:

	Number
1989-90	36,438
1990-91	43,243
1991-92	38,672

Mr. Moss: To ask the Parliamentary Secretary, Lord Chancellor's Department what percentage of offers of legal aid with payment of a contribution failed to be rectified by reassessment of payment or arrears, leading to a discharge of the certificate, in each of the last three years.

Mr. John M. Taylor: The information sought is not available in the form requested.

Mr. Moss: To ask the Parliamentary Secretary, Lord Chancellor's Department what plans he has to extend the consultation period for his proposals for changes to the legal aid procedure.

Mr. John M. Taylor: I have laid statutory instruments before this House to implement the changes to legal aid eligibility and will shortly be laying instruments to make other changes in relation to fees and payments made to lawyers in criminal legal aid cases.

Mr. Moss: To ask the Parliamentary Secretary, Lord Chancellor's Department what estimate he has made of the effect of his new proposals for legal aid eligibility on the level of income to the compensation recovery unit in each of the next three years.

Mr. John M. Taylor: No precise estimate has been made. Details held by the compensation recovery unit do not distinguish between those cases which have the benefit of legal aid and others. It is however likely that the practical effects of the legal aid proposals will be small. A large majority of the amounts recovered so far by the compensation recovery unit relate to employer liability and motor liability cases, and a great many of those will have been supported by trade unions or insurers respectively.

Mr. Moss: To ask the Parliamentary Secretary, Lord Chancellor's Department what percentage of offers of legal aid with payment of a contribution were not accepted under the current legal aid arrangements, in each of the last three years.

Mr. John M. Taylor: The number of contributory civil legal aid certificates issued and the number of offers of contributory civil legal aid made but not accepted in the last three years are as follows:

Year	Contributory legal aid certificates issued	Contributory legal aid offered but not taken up	Offers not taken up as percentage of offers made
1989-90	53,725	16,813	23·8
1990-91	55,339	16,164	22·6
1991-92	56,830	19,179	25·2

Mr. Moss: To ask the Parliamentary Secretary, Lord Chancellor's Department what is the estimated saving, after allowing for the statutory charge, which will result from the scrapping of the contribution taper for green form advice.

Mr. John M. Taylor: It is difficult to identify separately the effects of each element in the package of changes which has been announced. However, it is likely that the changes to eligibility for green form will save about £11 million by 1995-96.

Contact Centres

Mr. Olner: To ask the Parliamentary Secretary, Lord Chancellor's Department if he will make a statement about the provision of more contact centres where children can be visited with facilities for supervision.

Mr. John M. Taylor: Contact centres are funded by the voluntary and private sectors with assistance in some cases from local authorities and local area probation services. The Government have no plans to intervene.

Child Abduction

Mr. Olner: To ask the Parliamentary Secretary, Lord Chancellor's Department if he will make a statement about the extension of the application of the Hague convention to access rights.

Mr. John M. Taylor: The Hague convention on civil aspects of child abduction makes provision for access rights. There are no immediate plans to seek to extend such provision.

Mr. Olner: To ask the Parliamentary Secretary, Lord Chancellor's Department what steps he is considering to make United Kingdom legal aid available to parents seeking to recover children abducted to countries where such assistance is not available.

Mr. John M. Taylor: The principle behind the legal aid schemes in England and Wales and Northern Ireland is that they assist individuals, regardless of their nationality, to undertake proceedings in the English, Welsh and Northern Irish courts. It would not be appropriate to extend the schemes to cover proceedings in other jurisdictions, many of which will have their own legal aid schemes which provide assistance to United Kingdom citizens on the same basis as for their own citizens. The legal aid scheme in Scotland is the responsibility of the Secretary of State for Scotland.

Mr. Olner: To ask the Parliamentary Secretary, Lord Chancellor's Department what proposals he has to improve the training of lawyers, magistrates and judges in the areas of child abduction.

Mr. John M. Taylor: Specific responsibility for the training of lawyers lies with the Law Society and the Council for Legal Education. The Judicial Studies Board is responsible for the provision of training for the professional judiciary and advises on the training of lay magistrates. Magistrates have limited powers, in cases of abduction but would be advised by their justices' clerks. The subject is included as part of the general training for those members of the circuit judiciary dealing with family matters. Proceedings to which the Hague convention applies come before experienced family division judges. The board will carefully consider the recommendations made in the report, "Home and Away".

HOME DEPARTMENT

Women Prisoners

Ms Ruddock: To ask the Secretary of State for the Home Department how many women were on remand in prison at *(a)* 30 June 1991 and *(b)* 30 June 1992; and what proportion were subsequently not sentenced.

Mr. Peter Lloyd: A total of 387 women were held on remand in prison or in police cells on 30 June 1991; 378 women were held on 30 June 1992. Information on the proportions subsequently not sentenced is not available. Estimates from the courts remand data for females remanded in custody during magistrates courts proceedings or on committal to the Crown court are as follows:

Final court outcome for females remanded in custody

Outcome	Year 1990	1991
	Percentages	
Acquittal	18	22
Non-custodial sentence	57	52
Custody	25	26

Ms Ruddock: To ask the Secretary of State for the Home Department how many women were in prison on remand in *(a)* 1991 and *(b)* 1992; and of that total how many were (i) juveniles, (ii) young adults and (iii) adults.

Mr. Peter Lloyd: The average number of women held on remand, subdivided into adults and young persons, including juveniles, is as follows:

Female remand[1] prisoners: annual averages England and Wales

	1991	1992
Adults	310	318
Young persons	79	65
All female remand	389	383

[1] Includes those held in police cells.

There was one female juvenile, aged 15 or 16, held on remand on 30 June 1991 and none held on 30 June 1992.

Ms Ruddock: To ask the Secretary of State for the Home Department how many sentenced women were in prison in *(a)* 1991 and *(b)* 1992; and of that total, how many were (i) juveniles, (ii) young adults and (iii) adults.

Mr. Peter Lloyd: The average number of women prisoners held under sentence, subdivided into adult and young offender, including juveniles, prisoners, is as follows:

Female sentenced[1] prisoners: annual averages[2] England and Wales

	1991	1992
Adults	1,030	1,057
Young offenders	136	133
All sentenced females	1,166	1,189

[1] Including persons committed in default of payment of a fine; compensation order or costs.
[2] Components may not add to totals because of rounding.

There were five female juveniles, aged 15 or 16, on 30 June 1991 and eight female juveniles on 30 June 1992.

Ms Ruddock: To ask the Secretary of State for the Home Department how many sentenced women were in prison in (i) 1991 and (ii) 1992, respectively; and of that total, how many were convicted of *(a)* violence against the person, *(b)* sexual offences, *(c)* burglary, *(d)* robbery, *(e)* theft, handling, fraud and forgery, *(f)* drugs offences and *(g)* other.

Mr. Peter Lloyd: The number of women held under sentence on 30 June 1991 and 30 June 1992 by offence group is as follows:

Females under sentence on 30 June by offence group, England and Wales

Offences with immediate custodial sentence	1991	[1]1992
Violence against the person	189	190
Sexual offences	16	10
Burglary	39	50
Robbery	46	50
Theft, handling, fraud and forgery	217	240
Drugs offences	272	260
Other offences	176	160
Offence not recorded	181	190
Totals	1,136	1,150
In default of payment of fine	12	20
Totals all females all offences	1,148	1,170

[1] Provisional rounded estimates. Components may not add to totals because they have been rounded independently.

Ms Ruddock: To ask the Secretary of State for the Home Department how many sentenced women were in prison at *(a)* 30 June 1991 and *(b)* 30 June 1992; and what proportion of these women were serving (i) sentences up to 18 months, (ii) sentences between 18 months and three years, (iii) sentences between three years and less than life and (iv) life sentences.

Mr. Peter Lloyd: The number of women under sentence in prison was 1,148 on 30 June 1991 and 1,170 on 30 June 1992. The percentage breakdowns by sentence length are as follows:

Sentenced women in prison on 30 June England and Wales

Percentage

Sentence length	1991	1992
Up to 18 months	35	37
Over 18 months and up to three years	19	20
Over three years less than life	38	35
Life[1]	8	8

[1] Includes HMP, detention for life and custody for life.

Wolds Remand Centre (Assaults)

Ms Ruddock: To ask the Secretary of State for the Home Department how many assaults, major and minor, on prison staff have taken place at the Wolds remand centre between April and December 1992.

Mr. Peter Lloyd: There was a total of 16 assaults by prisoners on staff between 5 April and 31 December 1992.

Yugoslavia

Mr. Madden: To ask the Secretary of State for the Home Department how many nationals of the former Yugoslavia who entered the United Kingdom during 1992 as visitors have, to date, applied for their visit to be extended; and how many such applications have *(a)* been granted, *(b)* been refused and *(c)* are pending.

Mr. Charles Wardle: Available information is given in the table. Full information on the number of applications for extension of stay in this period is not yet available.

Variation of leave decisions[1] on nationals of the former Yugoslavia 1992

	Number
Extensions of stay as visitor	
Granted	113
Refused	36
Extensions of stay on other basis[2]	
Granted[3]	1,940
Refused	134

[1] Excluding dependants.
[2] Mainly as students, au pairs or on the basis of marriage.
[3] Excluding grants of settlement.

Karamjit Singh Chahal

Mr. Madden: To ask the Secretary of State for the Home Department if he will release Karamjit Singh Chahal from Bedford prison; and if he will make a statement.

Mr. Charles Wardle: I refer the hon. Member to the answer I gave him on 20 January, at column *255*.

Sunday Trading

Sir John Wheeler: To ask the Secretary of State for the Home Department when he will introduce legislation to reform Sunday trading law in England and Wales; and if he will make a statement.

Mr. Kenneth Clarke: We are continuing to prepare the various models for reform, in close consultation with the pressure groups, for inclusion in a Government Bill. We shall bring that Bill to the House when the parliamentary timetable allows. I will make available to hon. Members well before the summer recess a fully developed draft Bill together with a text explaining the detailed effect of its provisions.

Police Resources, Staffordshire

Ms Walley: To ask the Secretary of State for the Home Department if he will meet the chairperson of the Stoke-on-Trent police consultative committee to discuss police resources in Staffordshire.

Mr. Charles Wardle: My right hon. and learned Friend has not been asked for such a meeting. If a request were made, it would receive sympathetic consideration.

Uniformed Policemen

Mr. Gill: To ask the Secretary of State for the Home Department how many uniformed policemen are employed in England and Wales.

Mr. Charles Wardle: There were 128,045 male and female police officers employed by the police service at the end of December 1992.

Common European Time

Mr. Peter Bottomley: To ask the Secretary of State for the Home Department, pursuant to his answer of 15 March, on central European time, what power he has to adopt common European time on an experimental basis only.

Mr. Peter Lloyd: The adoption of central European time on an experimental basis would require fresh primary legislation similar to that enacted in 1968 for the purposes of the British standard time experiment.

Mr. Peter Bottomley: To ask the Secretary of State for the Home Department what estimate has been made of the effect in terms of numbers of *(a)* lives saved and *(b)* serious injuries avoided between now and 1995, on present trends, of introducing common European time.

Mr. Peter Lloyd: The only such estimates available are those relating to road traffic casualties. Estimates for 1991 are that some 140 deaths and 520 serious injuries could be saved by adopting central European time. Savings in subsequent years are likely to be of the same order.

Sex Offenders

Mr. Richards: To ask the Secretary of State for the Home Department if he will list the number of sex offenders who have re-offended while on bail in each police authority since 1987.

Mr. Jack: This information is not available.

Euthanasia

Mr. Lewis: To ask the Secretary of State for the Home Department what studies he has commissioned into the question of euthanasia.

Mr. Jack: My right hon. and learned Friend has commissioned no studies into euthanasia and has no plans to do so.

General Elections

Mr. Flynn: To ask the Secretary of State for the Home Department what proposals he has for greater transparency in financial contributions and contributions made in kind to political parties for general election expenses.

Mr. Peter Lloyd: We have no such proposals.

Animal Experiments

Mr. Bowden: To ask the Secretary of State for the Home Department what action he is taking to ensure that all animals reused in laboratories have been examined by a qualified veterinary surgeon and deemed fit and well for use in further experimental procedures under the Animals (Scientific Procedures) Act 1986.

Mr. Charles Wardle: The licence holder may call upon the advice of the named veterinary surgeon as appropriate. Although there is no general requirement that animals to be reused in scientific procedures must first be examined by a veterinary surgeon, such a requirement may be added as a condition to project licences when this is considered appropriate. There are no present plans to vary these arrangements.

Fines (Non-payment)

Mr. Cousins: To ask the Secretary of State for the Home Department how many warrants for non-payment of fines etc. were executed by police forces in each calendar year from 1988 to 1992; how many warrants for non-payment relating to television licences were executed by police forces in each calendar year from 1988 to 1992; and what is the estimated cost of the execution of warrants.

Mr. Charles Wardle: This information is not collected centrally.

Weapons Advertising

Mr. Home Robertson: To ask the Secretary of State for the Home Department what consideration he has given to restricting the advertisements and availability of firearms, knives, archery equipment, ammunition, replica weapons and associated services in magazines.

Mr. McFall: To ask the Secretary of State for the Home Department (1) pursuant to the oral answer of 11 March *Official Report*, column 1120, by the Leader of the House, if he will receive a deputation led by the hon. Member for Dumbarton on the publication and distribution of the magazine referred to in relation to public safety;

(2) if he will introduce legislation to make it illegal to distribute magazines depicting illegal and offensive weapons.

Mr. Charles Wardle: The Home Office has studied the magazine which was drawn to the Government's attention by the hon. Member for Dumbarton (Mr. McFall). It has been mailed direct from the USA to a number of people in this country and it appears to include several items, the importation or sale of which is prohibited.

The publisher's attention is being drawn to the provisions of our law. It is for the police or HM Customs and Excise to consider whether to initiate prosecutions for any apparent infringements. We have no plans to introduce additional legislation of the sort suggested.

No Smoking Day

Mr. Flynn: To ask the Secretary of State for the Home Department what steps were taken to promote No Smoking Day in his Department; and if he will make a statement.

Mr. Kenneth Clarke: The 10th national No Smoking Day on 10 March was promoted in the Home Office by a newsletter on the subject which was circulated throughout the entire Department. This was reinforced by poster displays, leaflets and other publicity material supplied through the Health Education Authority.

Departmental Environment

Mr. Flynn: To ask the Secretary of State for the Home Department what action he plans to take to improve the working environment in his Department.

Mr. Kenneth Clarke: It is the policy of my Department to provide staff with a safe, efficient and clean working environment. Subject to available resources and the need to ensure value for money, improvements are and will continue to be made when justified.

NATIONAL FINANCE

Mr. Gordon Prentice: To ask the Chancellor of the Exchequer what estimates have been made as to the number of appeals likely to be lodged in *(a)* Pendle, *(b)* the north-west and *(c)* England, after April concerning the valuation of properties for the council tax; and how many people will be employed to process such appeals.

Mr. Nelson: It is impossible to predict the number of appeals that will be made against valuation bandings in particular locations after 1 April 1993 and, hence, the number of people to be employed in the processing of such appeals.

However, administrative plans have been made to deal with up to 950,000 initial proposals to alter bandings in England. These plans will be reviewed when a clearer picture of the actual number of proposals emerges after 1 April 1993.

Public Bodies

Dr. Wright: To ask the Chancellor of the Exchequer how many appointments to the public bodies listed in "Public Bodies" for his Department were made from names supplied by the public appointments unit; and if he will list them.

Mr. Portillo: The public appointments unit is only one of the sources used to identify candidates for appointment to public bodies for which the Chancellor is responsible. No detailed records are kept of how many appointments to those bodies were made solely as a result of nomination by the PAU.

BCCI

Mr. Vaz: To ask the Chancellor of the Exchequer when he will issue his reply to the second report of the Treasury and Civil Service Select Committee, Session 1992-93, on "Banking Supervision and BCCI: The Implications of the Bingham Report".

Mr. Nelson: I have written to the Chairman of the Committee to inform him that, while the Government have read with interest and noted the Treasury and Civil Service Select Committee's report, they do not intend to respond to it. The Government have already considered carefully the implications of Sir Thomas Bingham's report into the supervision of BCCI and I have nothing to add to the Government's response to that report, which my right hon. Friend the Chancellor announced to the House on 22 October 1992, *Official Report*, columns 576-91.

Inheritance Tax

Mr. Chris Smith: To ask the Chancellor of the Exchequer how many sites in the countryside with public access arising from inheritance tax conditional exemption agreements will be publicised by the Countryside Commission, the Countryside Council for Wales and Scottish Natural Heritage in England, Wales and Scotland, respectively, before the end of July.

Mr. Dorrell: The Countryside Commission is planning to issue a publication this summer which will allow access to land in England which has been secured under inheritance tax conditional exemption and other non-tax schemes without distinguishing the reasons for the access. Discussions are continuing about the scope of this publication.

Comparable publications for Wales and Scotland will not be available this summer. Both the Countryside Council for Wales and Scottish Natural Heritage are considering the best way of providing comparable publications for Wales and Scotland which protect taxpayer confidentiality.

Owners are already required to publicise public access to conditionally exempt land and there are already many existing sources of information about the access which is available.

Tendering

Mr. Fraser: To ask the Chancellor of the Exchequer what proposals the Government have to extend the requirements to advertise contracts and invite tenders to non-governmental bodies which operate by statutory authority.

Mr. Portillo: The advertisement of contracts is normally required where EC rules apply and is recommended in other cases. Currently there are EC rules on the procurement of supplies and works in both the public sector and the utilities sector—the energy, telecommunications, transport and water sectors. Similar EC rules on the procurement of some types of services will have to be implemented for the public sector by 1 July 1993 and, if adopted as planned, for the utilities by 1 July 1994. At present the EC rules on the procurement of works in the public sector cover some non-departmental public bodies not subject to the rules for supplies contracts. Under a further proposal the coverage of the rules on supplies will be aligned with the coverage for works, probably from 1 January 1995.

Taxation, Northern Ireland

Mr. McNamara: To ask the Chancellor of the Exchequer what has been the annual percentage of the economically active population in Northern Ireland in each year since 1988-89 which pays the higher rate of income tax compared with the percentage of the economically active population which pays the higher rate of income tax in *(a)* England, *(b)* Scotland and *(c)* Wales.

Mr. Dorrell: The available information is given in the table. Husbands and wives were taxed independently for the first time in 1990-91 and each individual subject to higher rate tax is counted as one taxpayer in 1990-91. In the two earlier years, each married couple subject to higher rate tax is counted as one taxpayer.

Taxpayers liable to higher rate tax as a percentage of economically active individuals

	Northern Ireland	England	Scotland	Wales
1988-89	3	5	3½	2½
1989-90	4½	5½	4½	3½
1990-91	3½	6	4½	3

Mr. McNamara: To ask the Chancellor of the Exchequer what has been the annual per capita tax yield from value added tax in Northern Ireland in each year since 1979-80 compared with the annual per capita tax yield from VAT in *(a)* England, *(b)* Scotland and *(c)* Wales.

Sir John Cope: The per capita yield from VAT in Northern Ireland in 1990-91 is estimated at £423 compared with £543 for Great Britain. It is not possible to provide comparable figures for other years or for England, Scotland and Wales separately.

Value Added Tax

Mr. David Porter: To ask the Chancellor of the Exchequer if he will make a statement on the timetable and rate for introduction of VAT on the printed word to which the Government are already committed.

Sir John Cope: In his Budget statement my right hon. Friend did not propose the extension of VAT to books, newspapers and periodicals.

Mr. Tyler: To ask the Chancellor of the Exchequer if he will outline the reasons for the differing value added tax treatment of *(a)* straw for animal feed and *(b)* straw for compost, crop protection and livestock bedding.

Sir John Cope: Animal feed is relieved from VAT under item 2 of group 1 of schedule 5 to the VAT Act 1983. Compost, crop protection and animal bedding material does not fall within this or any other group of the zero rate schedule and is therefore liable to VAT at the standard rate. Customs have recently agreed with the trade new guidelines for the VAT treatment of supplies of straw under each category.

Mr. Meale: To ask the Chancellor of the Exchequer if he will offer the same arrangements for VAT rates to the greyhound industry as those he indicated in his Budget for racehorse owners.

Sir John Cope: The memorandum of agreement on VAT registration arrangements announced by my right hon. Friend the Chancellor in his Budget statement refers to the particular circumstances of the horseracing industry and crucially depends upon proposed changes to the rules of racing. Customs and Excise will consider any representations from the greyhound racing industry that the ownership and racing of greyhounds amounts to a business for VAT purposes.

Cardiff Wales Airport (Customs)

Mr. Morgan: To ask the Chancellor of the Exchequer what proposals he has for Her Majesty's Customs to alter the status of *(a)* the approved clearance point, *(b)* approved hours for freight delivery and *(c)* the entry processing unit at Cardiff Wales airport; and if he will make a statement.

Sir John Cope *[holding answer 19 March 1993]*: There are no current proposals to alter the status of the entry processing unit covering Cardiff Wales airport. The approved clearance point and the entry processing unit are, for Customs purposes, the same in that the place for lodgement of Customs entries and their clearance is the entry processing unit. Customs entries for Cardiff Wales airport have, since November 1991, been lodged and cleared at Barry docks.

Customs place no restriction on the times of delivery of cleared cargo. This is a matter for the approved transit shed operator at Cardiff Wales airport.

Colliery Review

Mr. Milburn: To ask the Chancellor of the Exchequer if he will provide a table showing the contribution made by each of the 31 pits in the colliery review process to the annual gross domestic product of the region in which it is located.

Mr. Nelson *[holding answer 16 March 1993]:* I regret that statistics are not collected in the form requested.

Coins

Sir Terence Higgins: To ask the Chancellor of the Exchequer when the next Trial of the Pyx is due to take place; if he will ensure that a selection of new 10p pieces are included in the sample of coins examined; what are the maximum penalties to which he may be subjected if coins are found to be of variable weight or thickness; and if he will make a statement on whether such coins are unsuitable for use in automatic machines.

Mr. Lamont *[holding answer 16 March 1993]:* The next Trial of the Pyx will be held in February 1994. The 1993 trial, which took place on 11 February 1993, included a selection of new 10p pieces. In accordance with the Trial of the Pyx (Amendment) Order 1990, one out of every 20,000 10p coins was set aside for trial with the result that almost 60,000 were included in the 1993 trial. The delivery of the verdict is expected on 7 May at Goldsmiths' Hall and will be published in the *London Gazette*.

The Coinage Act 1971 and subsequent proclamations, require coins to be made in accordance with certain standards and permitted variations defined in terms of composition, weight and diameter. The legislation prescribes no penalties for variation from these specifications.

The Royal Mint is satisfied, after consultation with machine manufacturers and operators, that the new 10p coins are suitable for use in automatic machines.

EDUCATION

Christianity

Lady Olga Maitland: To ask the Secretary of State for Education what consideration he has given to the draft guidance on Christianity prepared by the working group set up under the auspices of the National Curriculum Council.

Mr. Forth: My right hon. Friend supports the work which the National Curriculum Council is undertaking in this area, and looks forward to seeing the results in due course.

Parental Choice

Mr. Bill Michie: To ask the Secretary of State for Education what assessment he has made as to the effect of a reduction in school places on parental choice.

Mr. Forth: The effect of the removal of surplus places will vary from one area to another. My right hon. Friend is currently consulting local education authorities about the level of surplus places that can practicably be removed. The effect on parental choice is one of the factors which he will take into account.

Schools (Capital Expenditure)

Mr. Malcolm Bruce: To ask the Secretary of State for Education if he will publish figures for capital spending on schools for each of the local education authorities for each of the last five years for which figures are available.

Mr. Forth: The table gives the information requested.

Capital spending on schools by authority *(£000 cash)*

	1986-87 outturn	*1987-88 outturn*	*1988-89 outturn*	*1989-90 outturn*	*1990-91 outturn*
Barking	883	775	1,253	1,604	2,063
Barnet	3,469	1,930	2,616	1,894	3,759
Bexley	2,379	2,656	3,152	3,690	2,420
Brent	5,394	5,362	4,848	8,705	5,535
Bromley	2,358	2,505	6,590	5,640	5,516
Croydon	2,785	3,474	5,048	7,818	13,783
Ealing	2,787	4,753	n/a	4,151	2,001
Enfield	2,315	1,910	3,967	5,028	16,835
Haringey	4,978	1,754	n/a	3,989	1,099
Harrow	739	887	2,565	3,817	2,684
Havering	1,737	2,447	3,398	5,105	7,364
Hillingdon	4,545	5,423	7,774	12,787	4,343
Hounslow	3,073	3,719	5,461	7,948	4,227
Kingston	708	898	1,672	2,541	3,574
Merton	2,822	2,502	2,408	6,949	9,556
Newham	4,818	3,977	5,917	8,416	6,983
Redbridge	984	2,553	n/a	5,689	5,212
Richmond	505	363	n/a	1,671	2,596
Sutton	607	1,296	3,080	5,001	7,475
Waltham Forest	3,278	3,191	n/a	11,837	6,769
City	—	—	—	—	0
Camden	—	—	—	—	795
Westminster	—	—	—	—	123
Greenwich	—	—	—	—	1,909
Hackney	—	—	—	—	1,456
Hammersmith	—	—	—	—	865
Islington	—	—	—	—	0
Kensington	—	—	—	—	3,057
Lambeth	—	—	—	—	758
Lewisham	—	—	—	—	1,418
Southwark	—	—	—	—	n/a
Wandsworth	—	—	—	—	2,765
Tower Hamlets	—	—	—	—	14,998
ILEA	19,356	23,003	21,298	40,325	n/a
Birmingham	4,917	5,339	4,164	9,200	12,062
Coventry	6,249	6,184	8,174	16,349	10,493
Dudley	2,893	2,968	3,556	3,826	3,359
Sandwell	1,824	1,147	634	3,179	4,115
Solihull	1,051	1,940	2,111	2,612	2,138
Walsall	1,466	3,105	2,781	475	2,077
Wolverhampton	605	1,239	1,865	2,092	1,324
Knowsley	1,294	1,906	1,174	1,678	2,147
Liverpool	1,699	1,610	9,662	2,953	2,845
St. Helens	418	351	1,476	1,363	1,943
Sefton	2,223	1,837	1,704	2,734	3,884
Wirral	2,038	3,151	4,681	3,456	4,126
Bolton	815	734	2,227	2,735	1,786
Bury	371	762	953	1,560	1,194
Manchester	4,222	5,648	n/a	10,492	4,304
Oldham	1,097	1,578	2,196	3,639	4,699
Rochdale	1,109	2,351	2,463	3,505	3,586
Salford	2,710	3,009	3,329	3,939	2,686
Stockport	2,520	2,303	2,791	4,556	2,727
Tameside	1,253	1,458	2,405	2,305	1,889
Trafford	3,151	1,191	1,370	6,374	10,766
Wigan	1,749	3,335	3,734	2,178	2,726
Barnsley	603	709	1,715	2,462	1,874
Doncaster	531	449	792	1,222	436
Rotherham	2,070	1,820	2,248	2,197	1,644
Sheffield	4,401	5,455	9,022	7,998	1,331
Bradford	7,167	9,445	10,599	11,677	9,556
Calderdale	571	1,464	3,255	4,596	1,846

	1986-87 outturn	1987-88 outturn	1988-89 outturn	1989-90 outturn	1990-91 outturn
Kirklees	2,645	2,326	2,865	2,422	3,784
Leeds	8,531	10,789	15,125	10,128	8,151
Wakefield	2,280	2,692	5,614	5,409	4,102
Gateshead	896	1,304	3,005	4,729	3,662
Newcastle	832	2,402	4,408	4,364	2,234
North Tyne	2,449	2,987	2,765	1,671	2,045
South Tyne	919	1,343	2,539	4,022	3,747
Sunderland	2,275	2,430	4,947	5,293	2,645
Isles of Scilly	14	23	56	143	212
Avon	3,511	6,337	6,507	7,265	6,926
Bedfordshire	4,258	5,142	4,432	5,876	2,468
Berkshire	8,966	11,070	16,901	15,502	8,598
Buckinghamshire	8,096	5,254	6,315	9,129	12,009
Cambridgeshire	7,255	9,665	15,373	20,925	14,016
Cheshire	6,523	8,723	21,876	11,215	7,170
Cleveland	3,731	4,326	5,061	4,654	4,865
Cornwall	3,642	5,822	6,531	8,308	11,315
Cumbria	2,806	3,201	5,218	6,238	6,236
Derbyshire	6,389	7,930	11,533	15,340	11,006
Devon	8,042	7,696	11,336	18,649	23,416
Dorset	3,139	3,935	3,458	3,650	6,687
Durham	1,972	1,415	3,710	5,212	5,306
East Sussex	5,959	6,574	10,225	12,581	10,669
Essex	11,936	15,961	16,939	15,869	13,576
Gloucestershire	5,424	5,442	5,797	7,815	8,339
Hampshire	14,286	19,156	24,584	22,513	25,430
Hereford and Worcester	4,706	3,878	6,158	7,144	10,487
Hertfordshire	8,284	9,695	10,692	11,603	10,065
Humberside	6,189	12,495	11,105	8,740	8,834
Isle of Wight	1,234	2,102	1,755	1,768	2,302
Kent	7,603	8,937	11,432	17,136	17,416
Lancashire	9,733	7,435	10,589	15,353	16,994
Leicestershire	7,694	8,635	10,246	10,485	12,740
Lincolnshire	5032	6,513	6,739	6,107	10,322
Norfolk	5,643	6,633	6,835	6,447	5,372
North Yorkshire	2,688	3,281	6,127	3,977	4,098
Northamptonshire	3,184	5,033	4,849	8,673	4,791
Northumberland	1,664	950	1,736	2,511	2,779
Nottinghamshire	3,074	3,582	2,848	6,850	4,901
Oxfordshire	2,270	2,224	6,068	7,186	8,829
Shropshire	2,524	4,090	4,203	5,015	5,652
Somerset	3,209	3,907	3,951	6,873	5,841
Staffordshire	5,837	6,140	7,749	10,332	7,926
Suffolk	7,756	7,930	10,108	8,976	10,787
Surrey	14,351	15,813	18,442	20,029	14,360
Warwickshire	2,408	2,687	3,259	4,291	4,327
West Sussex	6,850	5,225	7,219	9,836	14,868
Wiltshire	5,340	3,840	3,668	6,165	7,152

Notes:

1. Expenditure is given in cash terms, rounded to the nearest £1,000; it includes provision from within the Department of the Environment's Urban Programme, and covers nursery, primary, secondary and special education. Information is taken from the Department of the Environment's Capital Outturn Return forms.
2. Final outturn information for 1991-92 is not yet available from the Department of the Environment.

Eastern Europe (Engineering)

Mr. Pawsey: To ask the Secretary of State for Education what plans he has to assist the Institution of Electrical Engineers in helping universities in eastern Europe with the accreditation of university engineering degrees.

Mr. Boswell: None, but the institution is free to apply to participate in the EC's TEMPUS programme of assistance to the higher education systems of the countries of central and eastern Europe.

NATIONAL HERITAGE

Tourism

14. **Mr. Simon Coombs:** To ask the Secretary of State for National Heritage if he will make a statement on the development of tourism in Wiltshire.

Mr. Brooke: In 1991 Wiltshire received over a million tourism visits, contributing £83 million to the county's economy. Given the fast-growing popularity of rural tourism, Wiltshire is well placed for growth in its tourism sector, building on projects such as the Wiltshire tourism development action programme, which has received Government support through the tourist boards.

22. **Mr. David Atkinson:** To ask the Secretary of State for National Heritage if he will make a statement on the measures to help the tourist industry contained in the Budget.

Mr. Key: The objective of the measures contained in the Budget is to establish a sound basis for economic stability and growth. This will benefit industry in general, including tourism. The help announced for small businesses will be particularly welcome.

27. **Mr. Brandreth:** To ask the Secretary of State for National Heritage what measures he is proposing to promote tourism in the north-west.

Mr. Key: My Department supports the work of the British Tourist Authority, the English tourist board and the North West regional tourist board, and next year we shall spend almost £1 billion, much of it on activities which will enhance tourism across the United Kingdom.

29. **Mr. Robert Banks:** To ask the Secretary of State for National Heritage what representations he has received from small hoteliers concerning their contribution to tourism.

Mr. Key: Since taking up my present appointment, I have met and corresponded with many small hoteliers and representatives from organisations promoting their interests. I am advised by the English tourist board that of the 22,547 listed hotels, motels, inns and guest houses in England over 61 per cent. have 10 bedrooms or fewer. I therefore appreciate that they are an important element in the provision of accommodation in this country.

Radio Franchises (London)

15. **Mr. Simon Hughes:** To ask the Secretary of State for National Heritage what level of interest he expects in the forthcoming batch of independent radio franchises which are up for renewal in London.

Mr. Key: The Radio Authority is responsible for licensing of radio services and I understand that it expects considerable interest in the London-wide licences.

Pornographic Broadcasting

16. **Sir Teddy Taylor:** To ask the Secretary of State for National Heritage what powers are available to Her Majesty's Government to prevent the sale of access facilities to pornographic television stations based in the EC.

Mr. Brooke: Section 177 of the Broadcasting Act 1990 enables the Secretary of State, provided certain conditions are satisfied, to make an order proscribing an unacceptable foreign satellite television service. The Secretary of State must first have been notified by the Independent Television Commission that the service is considered unacceptable and should be proscribed. The Secretary of State must then satisfy himself that the making of the order is in the public interest and compatible with any international obligations of the United Kingdom. Those obligations, in the case of a service transmitted from another EC member state, would include obligations under the EC Broadcasting Directive.

The making of an order under section 177 attracts to it the criminal offences of supporting a proscribed foreign satellite service detailed in section 178. These include supplying or offering to supply a decoder for a proscribed service.

Sir Michael Neubert: To ask the Secretary of State for National Heritage if he will seek new powers to ban the transmissions, such of those of the Red Hot Dutch satellite television channel, to the United Kingdom or to prohibit the reception of such transmissions.

Mr. Brooke: I refer to the answer that I gave to my hon. Friend the Member for Thanet, North (Mr. Gale) on 19 March, *Official Report*, column *427*.

Broadcasting Act 1990

17. **Mr. Tony Banks:** To ask the Secretary of State for National Heritage when he last met the chairman of the ITC to discuss the workings of the Broadcasting Act 1990.

Mr. Brooke: On 3 February.

Arts Funding, Croydon

18. **Mr. Ottaway:** To ask the Secretary of State for National Heritage if he will make a statement on the proposed level of funding for Croydon received from the London Arts Board in 1993.

Mr. Key: The London Arts Board has so far made grants for 1993-94 only to those arts organisations in receipt of annual revenue funding. These include a grant of nearly £40,000 to the Croydon Warehouse, an increase of 50 per cent. over 1992-93. Further grants will be made under a wide range of other project-funding programmes.

Public Service Broadcasting

19. **Mr. Bryan Davies:** To ask the Secretary of State for National Heritage when he plans next to meet the chairman and director general of the British Broadcasting Corporation to discuss the future of public service broadcasting.

Mr. Brooke: I meet the chairman and director general from time to time to discuss matters of common interest. I hope to attend the BBC's annual strategy conference in June, which is likely to be much concerned with the future of public service broadcasting.

Sports Funding

20. **Mr. Hinchliffe:** To ask the Secretary of State for National Heritage when he last met the chairman of the Sports Council to discuss the funding of sport.

Mr. Brooke: The funding of sport is one of many issues I discussed with the chairman of the Sports Council when I met him earlier this year.

Concessionary Television Licences

21. **Mr. Harry Greenway:** To ask the Secretary of State for National Heritage what plans he has to meet the chairman of the BBC to discuss rules relating to concessionary television licences; and if he will make a statement.

Mr. Brooke: I have no plans to meet the chairman of the BBC to discuss the concessionary television licence scheme. As I indicated in reply to a question from my hon. Friend the Member for Waveney (Mr. Porter) on 14 December, *Official Report*, col. *14*, the Government have repeatedly made it clear that we have no plans to amend or extend the regulations governing the concessionary scheme, which were thoroughly overhauled in 1988 after long and careful consideration.

23. **Mr. Bowden:** To ask the Secretary of State for National Heritage what recent discussions he has had with the BBC regarding rules governing the eligibility for concessionary television licences.

Mr. Brooke: None. We have no plans to change the present concessionary television licence scheme.

National Lottery

24. **Mr. Hutton:** To ask the Secretary of State for National Heritage what representations he has received concerning the impact of the National Lottery etc. Bill on lotteries organised by sporting and charitable organisations.

Mr. Key: We received a number of representations from football clubs and United Kingdom Charity Lotteries Ltd., expressing their concerns. We have taken these into account. Three important changes have been made to the provisions in the Bill relating to society or local authority lotteries, and my right hon. and learned Friend the Secretary of State for the Home Department is considering other issues which were raised in Committee.

25. **Mr. Gunnell:** To ask the Secretary of State for National Heritage if he will make it his policy to ensure that regional museums receive funding from the national lottery.

Mr. Key: The National Heritage Memorial Fund will be responsible for distributing lottery money to the heritage. The NHMF already funds projects which are of outstanding regional or local, as well as national, interest. I am confident the trustees will continue to do so, judging grant applications on the basis of quality and priority.

London Marathon

26. **Ms Hoey:** To ask the Secretary of State for National Heritage what support has been given by the Government to the 1993 London marathon.

Mr. Brooke: Most Government support for sport is channelled via the Sports Council, which does not provide any grant to the London marathon. I am delighted that agreement has been reached with the organisers of the 1993 marathon for use of the royal parks. No other direct support has been sought or given.

Football Clubs

28. **Mr. Illsley:** To ask the Secretary of State for National Heritage what plans he has to meet representatives of football clubs from divisions 1, 2 and 3 of the Football League, to discuss finance and ground safety.

Mr. Brooke: I have no plans at present to do so. My officials meet the football authorities regularly to discuss all aspects of Government policy regarding football grounds.

Television Booster Stations

Mr. Hanson: To ask the Secretary of State for National Heritage if he will set a date for the erection of effective television booster stations along the Deeside coast to improve reception of Welsh television programmes.

Mr. Brooke: It is for the broadcasters, not the Government, to determine the priorities for the programme of engineering work.

ATTORNEY-GENERAL

Crown Prosecution Service

35. **Mr. Bates:** To ask the Attorney-General if he will make a statement on the total personnel employed by *(a)* Cleveland and *(b)* Durham Crown prosecution service as at 1 March.

The Solicitor-General: On 1 March 1993, the Crown prosecution service employed 23 lawyers in Cleveland and 47 support staff, and 20 lawyers in Durham and 47 support staff.

Convictions (Magistrates Courts)

36. **Mr. Dunn:** To ask the Attorney-General what proportion of cases pursued by the Crown prosecution service in the magistrates courts in 1991-92 resulted in a conviction.

The Solicitor-General: Of the 1,068,750 defendants tried in the magistrates courts during the year 1991-92, 1,040,997 were convicted or pleaded guilty, representing a conviction rate of 97·4 per cent.

Prosecutions

37. **Mr. Winnick:** To ask the Attorney-General how many prosecutions have taken place this year.

The Attorney-General: Information is not yet available for 1993. In 1992, Crown prosecution service areas finalised proceedings in respect of 1,557,128 defendants.

Lenient Sentences

38. **Mr. Duncan:** To ask the Attorney-General by what method he informs offenders whose sentence appears to him to be unduly lenient that he is referring the sentence to the Court of Appeal under section 36 of the Criminal Justice Act 1988.

The Attorney-General: Rules of court place that responsibility on the court. However, it is my practice to inform the offender of my application before informing other interested parties. He may be informed direct, through his solicitor or via the governor of the relevant prison.

Prosecution Files

Sir Michael Neubert: To ask the Attorney-General what impact the adoption of common standards by police forces for the submission of prosecution files will have on the work of the Crown prosecution service.

The Attorney-General: The adoption of common standards by police forces for the submission of prosecution files should ensure that every file on initial receipt by the Crown prosecution service contains sufficient material on which an informed decision can be made as to whether a prosecution should proceed. Such an improvement should enable the Crown prosecution service to carry out its functions more efficiently and effectively and will reduce delay in the criminal justice system.

OVERSEAS DEVELOPMENT ADMINISTRATION

Southern Africa (Drought)

44. **Mr. William O'Brien:** To ask the Secretary of State for Foreign and Commonwealth Affairs what assistance the Government are offering to assist with the southern African drought; and if he will make a statement.

Mr. Lennox-Boyd: Since the beginning of 1992 we have committed about £67 million for drought work in southern Africa, including our share of the EC special food aid programme. We are ready to provide further help where it is most needed.

Poland (Privatisation)

45. **Mr. Matthew Banks:** To ask the Secretary of State for Foreign and Commonwealth Affairs what progress to date had been made on the ODA contract awarded to S. G. Warburg and Co. to aid the Polish Government's privatisation programme; and if he will make a statement.

Mr. Lennox-Boyd: S. G. Warburg is helping to design and implement a programme involving the creation of 10 to 15 national investment funds. The Polish Government lost a vote on 18 March on the privatisation programme. The Polish Prime Minister has said that she would not give up her reform efforts. We remain ready to help.

Know-how Funds (Scottish Organisations)

46. **Dr. Godman:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the Scottish institutions, voluntary associations and other parties which are currently taking part in the know-how fund programme; and if he will make a statement.

Mr. Lennox-Boyd: There are numerous Scottish companies, voluntary organisations and educational institutions involved in the various strands of the know-how fund scheme. A list has been placed in the Libraries of the House.

Population

47. **Mr. Steen:** To ask the Secretary of State for Foreign and Commonwealth Affairs what plans he has to make an official visit to the Vatican to discuss population issues.

Mr. Lennox-Boyd: We have no plans at the moment. My right hon. and noble Friend the Minister for Overseas Development met a representative from the Vatican recently and discussed population and development issues.

Tanzania

Sir Thomas Arnold: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a further statement about the progress of the redevelopment of the port and harbour facilities in Tanga, Tanzania.

Mr. Lennox-Boyd: Tenders for the civil works will close in early April. It is expected that the contract will be awarded by the end of June. As soon as that contract is awarded, and the timing and scope of the civil works contract is known, the contract to rehabilitate quayside cranes will be negotiated.

Rhinoceroses

Mr. Tony Banks: To ask the Secretary of State for Foreign and Commonwealth Affairs what financial resources have been made available to *(a)* Zimbabwe, *(b)* Tanzania, *(c)* Zaire and *(d)* Kenya to protect the remaining rhinoceroses.

Mr. Lennox-Boyd: Since 1990, the following sums have been committed to projects specifically aimed at protecting the rhino.

	£
(a) Zimbabwe	37,200
(b) Tanzania	33,600
(c) Kenya	100,000

Since 1990 we have also committed the following sums to projects concerned with the protection and conservation of wildlife, which should also benefit the rhinoceros:

	£
(a) Zimbabwe	2,931,444
(b) Tanzania	1,155,800
(c) Kenya	13,400,331

We have not supported wildlife projects in Zaire.

Developing Countries

Mr. Meacher: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will set out the level of aid expenditure to developing countries in each year since 1963 both at current prices and at 1992-93 prices.

Mr. Lennox-Boyd: The information is as follows:

Gross public expenditure on aid 1963 to 1991-92

	Actual expenditure on aid £ million	*1992-93 prices £ million*
1963	163	1,750
1964	191	1,963
1965	197	1,933
1966	214	2,014
1967	208	1,903
1968	211	1,837
1969	210	1,737
1970	218	1,667
1971	273	1,913
1972	282	1,827
1973	285	1,726
1974	352	1,782
1975	437	1,762
1976	514	1,826
1977	589	1,840
1978	752	2,119
1979	939	2,267
1980	966	1,971
1981	1,184	2,203
1982	1,085	1,885
1983	1,174	1,949
1984	1,316	2,079
1985	1,324	1,984
1986	1,350	1,960
1987-88	1,410	1,940
1988-89	1,607	2,061
1989-90	1,733	2,086
1990-91	1,883	2,099
1991-92	2,021	2,107

Note:
Prior to 1987-88, figures for gross public expenditure on aid are only available on a calendar year basis.

Agricultural Development

Mr. Ieuan Wyn Jones: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make it his policy to support the second phase of the special programme for Africa of the International Fund for Agricultural Development.

Mr. Lennox-Boyd: I refer the hon. Member to the reply I gave to the hon. Member for Islington, South and Finsbury (Mr. Smith) on 8 March at columns *454-55*.

Institution of Electrical Engineers

Mr. Pawsey: To ask the Secretary of State for Foreign and Commonwealth Affairs what co-operation under the know-how fund, or other assistance, is being provided to the Institution of Electrical Engineers in its work in eastern and central Europe.

Mr. Lennox-Boyd: None.

Medical Aid

Mr. Harry Greenway: To ask the Secretary of State for Foreign and Commonwealth Affairs how much medical aid is to be given to *(a)* Somalia, *(b)* Ethiopia and *(c)* other third-world countries this year; and if he will make a statement.

Mr. Lennox-Boyd: We provide health-related assistance through our bilateral aid programmes; our support for multilateral organisations; and as part of Britain's humanitarian assistance effort.

We are providing over £100 million a year for health care, water and sanitation and population programmes in developing countries through out bilateral aid programmes and our support for health-related multilateral organisations.

In 1991-92, the last year for which figures are available, we spent £0·288 million under our bilateral country programme to Ethiopia on health-related assistance. We have no bilateral country programme to Somalia.

Our bilateral humanitarian assistance is channelled through UN agencies and non-governmental organisations. It is provided according to need and the ability of agencies to deliver. In 1992, we committeed £2·5 million in Somalia and £1·2 million in Ethiopia and Eritrea of humanitarian assistance for the provision of health care.

PRIME MINISTER

Public Bodies (Appointments)

Mr. Clelland: To ask the Prime Minister, pursuant to his answer of 9 March, *Official Report*, column *517*, if he will list the former right hon. and hon. Members who have been appointed to bodies in Northumbria to which Ministers make appointments, together with the salaries, emoluments or honoraria paid to the former hon. Members concerned since April 1992.

The Prime Minister: The information is not held centrally and can be provided only at disproportionate cost.

Nuclear Testing

Mr. Flynn: To ask the Prime Minister what assessment he has made of the possible contribution of a comprehensive test ban treaty towards nuclear non-proliferation.

The Prime Minister: A comprehensive test ban would not in itself prevent a proliferator from producing and deploying a crude nuclear weapon without recourse to testing, and from obtaining the materials with which to do this. But associated measures for verification and inspection, if sufficiently rigorous, and applicable to the states concerned, might constrain potential proliferations.

Mr. Flynn: To ask the Prime Minister what is Her Majesty's Government's policy towards the negotiation of a comprehensive test ban treaty by September 1996; and if he will make a statement.

The Prime Minister: We support the ultimate goal of a comprehensive test ban. The factors which will influence the rate at which progress towards a ban can be made will include the need to develop an effective system of verification. We will also need to be confident that we have the necessary technologies and expertise to maintain the safety of our nuclear weapons at the highest level without testing.

Mr. Flynn: To ask the Prime Minister what assessment he has made of the effect of the testing of nuclear weapons by emerging nuclear weapon states on the security interests of the United Kingdom; and if he will make a statement.

The Prime Minister: Since India exploded a nuclear device in 1974, we are aware of no established case of a country other than those recognised by the non-proliferation treaty as nuclear weapons states conducting a nuclear test.

HEALTH

Low Income Scheme

Mrs. Mahon: To ask the Secretary of State for Health when her Department will publish its review of low income health benefits including simplification of form AG1; and what are the causes of the delay in publishing the review.

Dr. Mawhinney: I refer the hon. Member to the reply I gave the hon. Member for Oxford, East (Mr. Smith) on 15 December 1992 at column *184* and to the reply I gave my hon. Friend the Member for Hastings and Rye (Mrs. Lait) on 11 March at column *708*.

Complaints Procedure

Dr. Wright: To ask the Secretary of State for Health how many complaints were made by patients to health authorities during the last year for which figures are available; and how many of these complaints were upheld.

Mr. Sackville: The total number of written complaints received in 1990-91 by health authorities in respect of their hospital and community services was 37,350. Information on the outcome of each complaint is not held centrally.

General Practitioners

Ms Hoey: To ask the Secretary of State for Health if she will give the family health services authority the right to suspend a general practitioner suspected of severe misconduct while his or her case is under investigation.

Mr. Sackville: The powers of family health service authorities in this, as in other areas, are kept under continuous review.

Broadgreen Hospital

Mr. Parry: To ask the Secretary of State for Health if she will make a statement on the latest representations she has received from hon. Members about the proposed closure of Broadgreen hospital.

Mr. Sackville: Liverpool health authority is conducting a public consultation exercise on the proposals to close the accident and emergency department at Broadgreen hospital. This is due to finish on 31 March and the authority will take into account all views expressed before reaching a decision.

Elective Surgery Lists

Mrs. Lait: To ask the Secretary of State for Health when she plans to update the elective surgery lists to encompass new techniques, change and innovation.

Mr. Sackville: The elective surgery list which forms part of the list of goods and services which may be purchased by general practitioner fund-holding practices is under continual review.

Tropical Diseases

Mrs. Anne Campbell: To ask the Secretary of State for Health (1) what estimate was made, in considering the future of St. Pancras hospital for tropical diseases, of the implications for the incidence of tropical diseases of the amount of travel by British citizens to tropical countries and the ability to make early diagnosis;

(2) what plans she has to provide specialist facilities for the diagnosis and treatment of specialist diseases in London and the south-east of England when St. Pancras hospital for tropical diseases is closed;

(3) what change is proposed in the number of beds and availability of specialist staffing for the diagnosis and treatment of tropical diseases in London.

Dr. Mawhinney: In our document, "Making London Better" we proposed moving the services currently provided at the London hospital for tropical diseases onto the rationalised UCH/Middlesex site. This proposal was recommended in the Tomlinson report and has the

support of the main parties concerned. It will bring the hospital much closer to its associated academic institution, the London school of hygiene and tropical medicine, with consequent clinical and research benefits.

This proposal is subject to established consultation procedures.

Drugs (Limited List)

Mrs. Anne Campbell: To ask the Secretary of State for Health on what basis the therapeutic areas mentioned in the proposed limited listing of NHS drugs have been selected; and what consultation has taken place in the selection of the therapeutic areas in the limited listing.

Dr. Mawhinney: The categories were chosen because they cover a range of products at varying price levels and therefore offered scope for savings while enabling all real clinical needs to continue to be met. No consultations took place, because the basic structure of the select list scheme has not changed. It will be for the independent advisory committee on national health service drugs to give advice on whether particular products should be removed from prescription under the NHS.

Pharmacies

Mrs. Lait: To ask the Secretary of State for Health what procedures exist for community health councils to advise family health service authorities on the granting of a contract to a pharmacy for dispensing prescriptions *(a)* in respect of overall policy and *(b)* in particular cases.

Dr. Mawhinney: Family health service authorities are expected to consult community health councils on local applications to dispense national health service prescriptions. In considering any changes to those procedures the Department would consult widely.

Mrs. Lait: To ask the Secretary of State for Health (1) what plans she has to abolish the application procedures for new pharmacies and all other restrictions on the provision of pharmacy services;

(2) what plans she has to streamline the procedures for family health service authorities accepting new pharmacies for dispensing NHS prescriptions.

Dr. Mawhinney: The Department is reviewing the impact of the pharmaceutical regulations on community pharmacists as part of the Government's wider initiative on deregulation. No decision has been made about the future of entry controls to pharmaceutical lists.

Mrs. Lait: To ask the Secretary of State for Health what is her policy on the number of pharmacies with which a family health service authority should have a contract for dispensing NHS prescriptions within inner-city areas; and if she will make a statement.

Dr. Mawhinney: All patients should have access to a community pharmacy regardless of where they live. In considering applications for new pharmacies, family health service authorities are required to take account of the level of provision already in the area.

NHS Drugs Bill

Mrs. Anne Campbell: To ask the Secretary of State for Health what has been the total NHS drugs bill in each of the years since 1982.

Dr. Mawhinney: The total national health service drugs bill comprises expenditure by the family health services (FHS) and the hospital and community health services (HCHS). Figures for England are shown in the table.

£ million

Year	*FHS*	*HCHS*	*Total*
1982-83	1,009	245	1,254
1983-84	1,130	267	1,397
1984-85	1,192	279	1,471
1985-86	1,275	297	1,572
1986-87	1,378	318	1,696
1987-88	1,536	352	1,888
1988-89	1,744	380	2,124
1989-90	1,942	414	2,356
1990-91	2,080	46.	2,540
1991-92	2,317	591	2,908

Pharmacists' Fees

Mrs. Lait: To ask the Secretary of State for Health how much of the drugs budget is spent on multiple fees to pharmacists for diphasic and triphasic drugs; and how much would be saved if only one fee was paid.

Dr. Mawhinney: This information could be provided only at disproportionate cost. Fees paid to pharmacists form part of their remuneration. The Department is committed to simplifying the fee structure as part of its restructuring of pharmacists' remuneration.

Oral Contraceptives

Mrs. Bridget Prentice: To ask the Secretary of State for Health (1) whether the Government's proposed restriction of oral contraceptive prescriptions will apply to all women equally, regardless of age and medical history; and which categories of women will be exempt from the restrictions;

(2) what criteria are being used to determine which oral contraceptives are to be placed on the NHS selected list.

Dr. Mawhinney: The advisory committee on national health service drugs advises Health Ministers on which products in the selected list scheme categories should not be prescribable under the NHS. It is required to ensure that drugs to meet all real clinical needs can be provided economically as possible. It is open to the committee to advise that particular products can be prescribed only in specified circumstances.

Ambulance Service

Ms Estelle Morris: To ask the Secretary of State for Health what percentage of ambulance arrival times are collected by radio transmission; what percentage are logged manually by ambulance staff at the scene of the incident; and if she will publish the figures for each health authority.

Mr. Sackville: This information is not collected centrally.

Ms Estelle Morris: To ask the Secretary of State for Health if she will make it a requirement for ambulance services to collect and publish ambulance response times by district.

Mr. Sackville: No. It is for health authorities to decide whether to collect and publish local figures.

Ms Estelle Morris: To ask the Secretary of State for Health if she will publish the numbers of ambulance 999 calls and any increase or decrease for each of the last five years for each health authority.

Mr. Sackville: The information is set out in the table. Care must be taken in interpreting the data as the figures include hoax and malicious calls, aborted calls and instances of multiple calls relating to the same incident.

Ambulance services (England)
Total emergency calls received by authorities in years 1987-88 to 1991-92

Non metropolitan authorities	*Numbers (thousands)*					*Index 1987-88 = 100*				
	1987-88	*1988-89*	*[1]1989-90*	*1990-91*	*1991-92*	*1987-88*	*1988-89*	*[1]1989-90*	*1990-91*	*1991-92*
Cleveland	23·9	22·6	27·6	23·8	23·1	100	95	115	100	97
Cumbria	12·6	12·8	12·9	14·4	14·6	100	102	102	114	116
Durham	29·1	27·7	28·5	29·5	29·6	100	95	98	101	102
Humberside	42·4	41·9	41·4	42·4	[2]41·8	100	99	98	100	99
North Yorkshire	19·4	19·2	25·7	19·2	20·9	100	99	132	99	108
Derbyshire	32·6	32·4	34·2	36·6	35·7	100	99	105	112	110
Leicestershire	31·1	31·2	31·6	31·5	31·6	100	100	102	101	102
Lincolnshire[3]	16·2	16·0	16·2	15·6	16·4	100	99	100	96	101
Nottinghamshire	58·0	52·7	53·5	53·6	53·5	100	91	92	92	92
Cambridgeshire	16·8	16·6	18·3	18·1	[2]19·2	100	99	109	108	114
Norfolk[3]	25·2	25·4	25·3	24·9	26·8	100	101	100	99	106
Suffolk	10·3	10·3	12·5	11·5	11·6	100	100	121	112	113
Bedfordshire	19·5	20·3	15·3	20·6	20·5	100	104	78	106	105
Hertfordshire	36·0	35·7	31·8	36·9	38·8	100	99	88	103	108
Essex	62·1	63·6	54·9	62·3	62·6	100	102	88	100	101
East Sussex	35·2	34·5	36·0	36·3	33·3	100	98	102	103	95
Kent	51·3	53·6	49·2	56·7	56·0	100	104	96	111	109
Surrey	47·2	46·0	42·3	46·8	42·6	100	97	90	99	90
West Sussex	[4]5·7	23·3	14·8	26·0	25·0	[4]100	409	260	456	439
Dorset	23·2	22·0	24·2	26·3	[2]25·6	100	95	104	113	110
Hampshire	47·0	41·4	20·1	44·1	[2]37·5	100	88	43	94	80
Wiltshire	13·5	13·6	15·7	14·9	14·4	100	101	116	110	107
Isle of Wight	4·2	4·2	4·2	4·3	[2]3·5	100	100	100	102	83
Berkshire	22·5	25·6	27·6	27·5	[2]27·7	100	114	123	122	123
Buckinghamshire	16·5	16·0	13·9	18·8	17·2	100	97	84	114	104
Northamptonshire	18·4	19·4	18·9	16·6	16·7	100	105	103	90	91
Oxfordshire	12·6	13·3	12·2	17·9	15·6	100	106	97	142	124
Avon	31·3	30·5	31·3	33·1	33·3	100	97	100	106	106
Cornwall and Isles of Scilly[3]	14·6	15·3	16·5	16·4	16·3	100	106	113	112	112
Devon	33·9	35·0	35·2	32·7	[2]33·3	100	103	104	96	98
Gloucestershire	14·1	14·4	14·5	15·4	15·7	100	102	103	109	111
Somerset	9·6	10·2	8·1	11·0	11·1	100	106	84	115	116
Hereford and Worcestershire	17·5	18·[illegible]	14·1	19·9	[2]19·9	100	106	81	114	114
Shropshire	12·3	11·[illegible]	11·5	12·3	13·7	100	97	93	100	111
Staffordshire	33·9	40·[illegible]	26·1	39·9	41·3	100	118	77	118	122
Warwickshire	13·0	14·[illegible]	13·2	11·4	[2]13·9	100	112	102	88	107
Cheshire	33·0	29·9	32·3	36·7	37·5	100	91	98	111	114
Lancashire	70·5	70·6	35·6	73·6	71·4	100	100	50	104	101
Metropolitan authorities										
Northumbria Met[3]	61·1	61·6	37·4	67·3	[2]66·1	100	101	61	110	108
West Yorkshire Met	108·5	107·0	107·5	113·3	101·2	100	99	99	104	93
South Yorkshire Met	49·1	57·6	58·8	64·9	64·1	100	117	120	132	131
London Ambulance Service	470·3	451·1	231·3	456·7	472·3	100	96	49	97	100
West Midlands Met	115·1	117·4	66·9	117·2	[2]120·3	100	102	58	102	105
Mersey Met	108·5	101·4	101·4	103·4	[2]102·[illegible]	100	93	93	95	94
Greater Manchester Met	149·3	145·4	77·9	159·1	[2]157·9	100	97	52	107	106

[1] Due to industrial action during 1989-90 figures are not representative.
[2] Return based on number of emergency patient journeys.
[3] Trust status in 1991-92.
[4] Inconsistency due to incomplete data.

Arthritis Care

Mr. Milburn: To ask the Secretary of State for Health what discussions her Department has had with Arthritis Care on its proposed quality guidelines.

Dr. Mawhinney: A departmental official discussed the quality guidelines with Mr. Richard Gutch, chief executive of Arthritis Care, on 18 March 1993.

Resource Allocation Working Party

Mr. Milburn: To ask the Secretary of State for Health if she will estimate the financial effect of *(a)* the original resource allocation working party formula and *(b)* the amended resource allocation working party formula recommended in 1988 in each health region's actual level of funding for each year from 1989-90.

Mr. Sackville: The information requested could be provided only at disproportionate cost. The resource allocation working party formulae were superseded in

April 1990 by a weighted capitation formula based on resident populations, as announced in the White Paper "Working for Patients" (Cm 555, January 1989).

South-East London Joint Health Board

Ms Ruddock: To ask the Secretary of State for Health when she was first consulted about the formation of a joint board between the South-East London Commissioning Authority and the Lambeth, Southwark and Lewisham family health services authority; whether she has issued any guidelines to the two authorities; when she approved the formation of the joint board; when she approved the appointment of the joint chief executive; and what is the salary of the joint chief executive.

Dr. Mawhinney: Members of the South-East London Commissioning Authority (SELCA) and Lambeth, Southwark and Lewisham family health service authority (FHSA) have created an interim joint policy board to consider what arrangements will work best for them in strengthening their joint working. They expect this to lead to the setting up of a joint policy board. The three district health authorities (DHAs) within SELCA and the FHSA have recently appointed a joint chief executive operating within the existing national guidelines and salary scales for health authority general manager appointments.

Although there are no statutory powers for FHSAs and DHAs to merge, they may enter into arrangements for joint working as joint commissioning agencies where this facilitates integration of primary and secondary care. Such arrangements are matters for the relevant region and its health authorities and FHSAs to decide.

Regional Health Authorities (Staff)

Mr. Blunkett: To ask the Secretary of State for Health how many people are employed by each regional health authority in England; how many staff she expects to be made redundant by each regional health authority in each of the next three years; and what steps have been taken by her Department to reduce staffing levels of regional health authorities.

Dr. Mawhinney: I refer the hon. Member to the replies I gave him on 18 March and 19 March at columns *352* and *437-38*, and to my hon. Friend, the Member for Ludlow (Mr. Gill) on 4 March at column *221*.

Food Hygiene

Mr. Steen: To ask the Secretary of State for Health how many prosecutions have taken place, in each of the last three years, for non-compliance with food hygiene regulations; and how much money has been accumulated from the consequent fines.

Mr. Sackville: Information prior to 1991 is not available centrally.

During 1991 local authorities in the United Kingdom brought 1,143 prosecutions in connection with hygiene and microbiological contamination. In addition there were 691 prosecutions relating to chemical contamination and extraneous matter, some of which related to food safety and some to quality. The available information does not include the money accumulated from fines.

SCOTLAND

Water and Sewerage Services

Mr. Welsh: To ask the Secretary of State for Scotland what formal submissions he has received to his consultative document on the future of water and sewerage services in Scotland from the 10 regional water companies in England and Wales and their subsidiaries; and if he will publish them.

Sir Hector Monro: Three of the 10 water and sewerage companies in England and Wales responded to the consultation paper "Investing For Our Future". The response from North West Water is available in the Scottish Office library in Edinburgh and a copy can readily be obtained through the Library of the House. The other two respondents asked that their responses should be treated as confidential.

HM Prison, Greenock

Dr. Godman: To ask the Secretary of State for Scotland what plans he has to establish a visiting committee at Her Majesty's prison, Greenock; and if he will make a statement.

Lord James Douglas-Hamilton *[holding answer 18 March 1993]:* In his response to the report by Her Majesty's chief inspector of prisons on Her Majesty's prison, Greenock, published last year, my right hon. Friend said that an amendment to the Prison (Scotland) Rules 1952, designating Greenock a prison in its own right with its own visiting committee, would be promulgated when the current Prisoners and Criminal Proceedings (Scotland) Bill became law. That remains the position.

Training

Mr. Worthington: To ask the Secretary of State for Scotland if he will publish by local enterprise company area *(a)* the numbers on youth training, employment training and employment action programmes, *(b)* the skills that are being learnt by youth training, employment and employment action participants, *(c)* the number and percentage of youth training, employment training and employment action participants who move on to full-time, permanent jobs and *(d)* the academic and vocational qualification achieved by participants on youth training and employment training schemes.

Mr. Stewart *[holding answer 10 March 1993]:* Information by local enterprise company area about the skills that are learnt by youth training, employment training and employment action participants; and the number and percentage of such participants who move on to full-time permanent jobs is not available in the form requested. Information by local enterprise company area about the numbers on youth training, employment training and employment action as at January 1993; and the academic and vocational qualifications achieved by participants on youth training and employment training for the period April 1992 to January 1993 is set out in the tables:

Local enterprise company area	Participants as at January 1993			Vocational qualifications achieved 6 April 1992 to January 1993									
				Youth Training					Employment Training				
	YT	ET	EA	Word Power	Number Power	VQ Level 1	VQ Level 2	VQ Level 3+	Word Power	Number Power	VQ Level 1	VQ Level 2	VQ Level 3+
Enterprise Ayrshire	3,227	1,503	330	74	45	50	561	247	—	2	216	266	12
Scottish Borders Enterprise	529	117	37	—	—	—	30	44	—	—	—	—	—
Dumfries and Galloway Enterprise	909	485	152	—	—	15	133	50	—	—	100	37	—
Dunbartonshire Enterprise	1,728	841	192	34	—	31	244	82	15	15	148	55	3
Fife Enterprise	3,383	947	159	3	—	6	335	164	3	—	92	35	4
Forth Valley Enterprise	2,726	769	127	28	30	23	354	161	18	19	70	166	—
Glasgow Development Agency	4,758	3,569	671	34	20	17	667	360	283	270	652	429	50
Grampian Enterprise[1]	2,785	342	88	—	—	13	57	21	—	—	20	15	12
Lanarkshire Development Agency	3,176	1,396	367	20	17	33	389	209	—	2	211	157	94
Lothian and Edinburgh Enterprise Ltd.	4,184	1,246	573	—	3	38	340	201	—	—	51	265	12
Moray, Badenoch and Strathspey	434	166	14	—	—	—	92	17	—	—	1	1	—
Renfrewshire Enterprise	2,070	992	248	27	13	8	246	189	—	—	179	281	7
Scottish Enterprise Tayside	2,730	924	270	—	—	20	313	209	—	1	157	81	39

[1] Since April 1991 a pilot Youth Credits Scheme, Grampian Skillseekers, has operated in the Grampian Enterprise area in place of Youth Training. Of the 2,785 young people shown, 2,756 were receiving training under the Skillseekers scheme and 29 were residual participants in Youth Training.

Local enterprise company area	Participants as at January 1993			Vocational qualifications achieved 6 April 1992 to January 1993									
				Youth Training					Employment Training				
	YT	ET	EA	Word Power	Number Power	VQ Level 1	VQ Level 2	VQ Level 3+	Word Power	Number Power	VQ Level 1	VQ Level 2	VQ Level 3+
Western Isles Enterprise	249	113	60	—	—	32	12	—	—	—	—	—	—
Ross and Cromarty Enterprise	433	138	37	—	—	5	48	4	—	—	—	—	—
Caithness and Sutherland Enterprise	278	202	37	—	—	2	23	3	—	—	—	—	1
Skye and Lochalsh Enterprise	67	42	6	—	—	3	9	1	—	—	—	—	—
Lochaber Ltd.	130	63	26	—	—	11	4	1	—	—	—	—	—
Orkney Enterprise	158	25	1	—	—	11	9	1	—	—	—	—	—
Shetland Enterprise	239	54	1	—	—	—	21	11	2	—	—	—	—
Inverness and Nairn Enterprise	362	186	45	—	—	25	60	12	—	—	—	4	—
Argyll and the Islands Enterprise	413	191	46	—	—	44	32	15	—	—	—	1	—

Data are subject to increase as late returns received from Training Providers.

Prescriptions

Dr. Godman: To ask the Secretary of State for Scotland how many items of prescription are dispensed each day *(a)* to patients exempt from charges and *(b)* to patients paying for prescriptions; and if he will make a statement.

Mr. Stewart *[holding answer 18 March 1993]:* In 1991-92, there were on average 127,000 prescriptions dispensed each day in Scotland of which about 103,500 were exempt from charges; 18,000 attracted prescription charges and some 5,500 were dispensed to patients who had purchased prescription prepayment certificates.

Approximately 80 per cent. of all prescriptions dispensed in Scotland are free of charge under the national health service; a further 5 per cent. go to holders of prescription prepayment certificates.

GP Fund Holders

Dr. Godman: To ask the Secretary of State for Scotland if he will make it his policy to provide at *(a)* regional and *(b)* national level regular information concerning the exhaustion of funds held by general practitioner fund holders; and if he will make a statement.

Mr. Stewart *[holding answer 18 March 1993]:* The regulations governing the fundholding scheme already make appropriate arrangements. Should a GP fundholding practice overspend its allotted sum or fund, the health board is required to review the circumstances involved. In the event that the health board considers that the overspend constitutes mismanagement of the fund it is required by regulations to remove the practice from the list of approved fund-holding practices within the board area, and to notify the practice, the national health service management executive and other interested parties of its decision. It would be open to the practice to appeal against this decision to the Secretary of State.

In the event of such an overspend by a fund-holding practice, or in the event of a fund-holding practice subsequently being removed from the list of approved fund holders because of such an overspend, the health board is required to make arrangements to ensure that the access of registered patients at the practice to national health service treatment will not be jeopardised.

Labour Statistics

Dr. Strang: To ask the Secretary of State for Scotland how many people were employed at the latest available date in *(a)* the potato industry, *(b)* the milk industry and *(c)* the wool industry in Scotland.

Sir Hector Monro *[holding answer 19 March 1993]:* The information sought is not held centrally. It is estimated that at June 1992 *(a)* 13,281 people were employed on farms which grow potatoes, *(b)* 8,636 on dairy farms and *(c)* 4,699 on mainly sheep and mixed sheep/beef farms.

Forestry

Mr. Maclennan: To ask the Secretary of State for Scotland what response he has made to Highland regional council's draft indicative forestry strategy; and if he will make a statement.

Sir Hector Monro *[holding answer 19 March 1993]:* Indicative forestry strategies prepared by regional and islands councils are not themselves subject to approval by my right hon. Friend. They may form the basis of policies and recommendations for forestry incorporated as an alteration to or part of a review of a structure plan prepared by a regional or islands council which are subject to approval by the Secretary of State. Highland regional council has submitted no alteration or review in relation to the structure plan approved in 1990.

TRANSPORT

A13, Canning Town

Mr. Spearing: To ask the Secretary of State for Transport what arrangements his Department has made to maintain traffic flow on the A13 at Canning Town during the period of road works; what assessment was made of the likely delays occasioned by the plans adopted; and what is the extent of maximum delays now being experienced.

Mr. Norris: These major road works will provide the westbound link of the A13 to the new docklands highways. To keep delays and disruption to a minimum, plans were drawn up in concert with the local authority, London Docklands development corporation and the police, but it was accepted that working in close proximity to a very busy trunk road would inevitably cause some delays. Before the works started the morning rush hour queues regularly extended to the end of the Canning Town flyover, and at times back to Freemason lane. Although delays are now longer the police have confirmed that these have been less than they anticipated. Conditions are expected to improve following the removal of lane restrictions on the Canning Town flyover this last weekend.

Road Haulage (Environmental Effects)

Ms Walley: To ask the Secretary of State for Transport what assessment has been made of the impact of increased lorry weights on London's roads and bridges, in terms of environmental impacts, including structural damage, and additional financial costs.

Mr. Norris: No assessment of the general environmental impact of increased lorry weights on London's roads and bridges has been made. On the Department's motorways and trunk roads in London, 125 structures have been subject to structural assessment. Some 580 structures are to be assessed as part of a rolling programme. Local authorities in London are responsible for a similar assessment programme in relation to their roads.

The Department chairs regular meetings with local authorities and structure owners in London to co-ordinate assessment work. These measures will ensure London's roads are able to safely carry existing and future traffic loads.

Railway Services

Mr. Mackinlay: To ask the Secretary of State for Transport when, and in what circumstances, he was informed about the proposed reduction in train services planned on the lines to the Sussex coast, Euston to Northampton, the Kent link, Hastings, Sheerness and Medway Valley lines, the lines from Liverpool Street into Essex and the Fenchurch Street via Tilbury to Southend line.

Mr. Freeman: It is for British Rail to decide what level of service is appropriate on each line. The board has, however, kept the Department informed of the broad thrust of its plans for Network SouthEast services as they have been developed over the last three to four months. I understand that the changes involve reductions in services of 2 to 3 per cent.—about half the loss of patronage over the last year.

Mr. Peter Bottomley: To ask the Secretary of State for Transport, pursuant to his answer of 15 March, what assessment he has made of the benefits to the Thameslink and other Network SouthEast services of creating the relevant length of new viaduct and track between London Bridge and Metropolitan junction.

Mr. Norris: I refer my hon. Friend to the answer that I gave him on 16 February at column *153*. It is for British Rail to appraise enhancements to the Thameslink service.

British Rail

Mr. Mackinlay: To ask the Secretary of State for Transport what was the reason for the creation of the post of deputy chairman of British Rail; what are the duties pertaining to this post; and in respect of what business and in what circumstances he contacts the deputy chairman of British Rail directly.

Mr. Freeman: The Transport Acts 1962 and 1968 enable the Secretary of State for Transport to appoint one or more members of the board as deputy or vice chairman or chairmen of the board.

Mr. Robert Horton has been appointed to the British Railways Board as vice chairman.

During the Second Reading debate on the Railways Bill my right hon. Friend the Secretary of State announced that Mr. Horton will be chairman-designate of Railtrack, and that he will have principal responsibility for taking forward the creation of Railtrack as a Government-owned company. Mr. Horton will work closely with the chairman and board of British Rail, and BR will retain full operational responsibility until April 1994, *Official Report*, 2 February 1993, column 159.

My right hon. Friend contacts Mr. Horton as appropriate to the circumstances.

Light Rail Systems

Ms Walley: To ask the Secretary of State for Transport what steps he is taking to promote a package approach to investment in transport systems via the transport supplementary grant; and what financial support he will give to those local authorities and consortia of authorities keen to implement such a package approach in order to develop light rail systems.

Mr. Freeman: As my right hon. Friend the Secretary of State for Transport announced in his statement on the transport supplementary grant settlement on 15 December 1992, we are consulting the local authority associations about ways of introducing greater flexibility, within the constraints of existing legislation, into the funding of local authority transport expenditure in urban areas. The purpose of the package approach which we are discussing is not to favour the development of light rail systems in preference to other forms of transport investment, but to encourage local authorities to develop transport strategies for their urban areas in which light rail systems may or may not have a part to play.

Freight

Ms Walley: To ask the Secretary of State for Transport if he will take steps to reverse the trend of freight movement from rail to road.

Mr. Freeman: Privatisation of BR's freight businesses and liberalisation of access to the BR network offer the best prospects if rail is to improve its performance and become more attractive to industrial customers. In addition, my right hon. Friend announced a range of measures to encourage rail freight in his speech on Second Reading of the Railways Bill on 2 February.

Private Rail Sidings

Ms Walley: To ask the Secretary of State for Transport if he will make it his policy to reclaim grants which have been paid to companies to assist in the construction of private rail sidings, where those companies have now closed the sidings and transferred the movement of goods to roads.

Mr. Freeman: It is a condition of the freight facilities grants scheme that companies must notify the Secretary of State of proposals to cease operation of rail facilities for which grant has been paid. In such cases it is up to the Secretary of State to determine whether to seek to recover the grant, or part of it, taking into account the length of time over which the facility has been operating, the value for money obtained from the grant and the reasons for the closure of the facility.

Road Schemes

Ms Walley: To ask the Secretary of State for Transport how much money has been *(a)* paid out in bonuses to contractors on road schemes and *(b)* received in penalty payments from contractors on road schemes in each of the last five years.

Mr. Kenneth Carlisle: The information, on contracts for which final payments have been made, is as follows:

Year	*Total bonus payments* £ *million*	*Number of contractors earning bonus*	*Total charge payments* £ *million*	*Number of contractors incurring charge*
1988-89	3·6	11	0·10	1
1989-90	5·1	20	0·50	4
1990-91	6·5	31	0·60	3
1991-92	2·1	18	0·05	1
1992-93	n/a	n/a	n/a	n/a

n/a = Figures not yet available.

The percentages of each year's lane rental contracts covered by these figures are: 1988-89, 100 per cent.; 1989-90, 90 per cent.; 1990-91, 80 per cent.; 1991-92, 38 per cent. The figures for 1989-90, 1990-91 and especially 1991-92 will therefore tend to increase as more final payments are made.

The ratio of traffic delay costs saved to net bonus payments made is of the order of five to one.

Heavy Goods Vehicles

Mr. Betts: To ask the Secretary of State for Transport what account the traffic commissioner takes of local road conditions when taking decisions on the licensing of heavy goods vehicles.

Mr. Kenneth Carlisle: Traffic commissioners need to be satisfied about technical and environmental suitability before granting the use of an operating centre under a goods vehicle operator's licence.

When looking at technical suitability traffic commissioners will consider highway matters and road safety, as well as the actual size of the site and its facilities. However, this consideration is limited to the operating centre itself, any private road leading to a nearby public road, and the point of ingress and egress on to that public road. Anything beyond that is a matter for the local highway authority.

Consideration of environmental suitability is not so constrained. Nonetheless the extent of likely environmental impact generated by vehicles travelling to and from an operating centre would be judged against the wider

background of other traffic activity on the approach roads as well as the perceived intrusion arising from the use of authorised vehicles at the operating centre itself.

Road Pricing

Ms Walley: To ask the Secretary of State for Transport if he will take steps to prevent the fees from road pricing being passed on to the consumers, in the case of goods vehicles.

Mr. Kenneth Carlisle: No decisions have yet been taken about the introduction of any form of direct charging for road use.

Highway Code

Ms Walley: To ask the Secretary of State for Transport what measures he proposes to ensure that all road users are familiar with the latest version of the highway code; and if he has any proposals to introduce periodic re-testing of drivers.

Mr. Kenneth Carlisle: In addition to the widespread media coverage given to the launch of the new highway code, the publisher, HMSO, has made extensive arrangements for marketing the code throughout the United Kingdom. These activities were so successful that 1 million copies of the code were sold in the first 10 days. To maintain awareness of the code, we are including a leaflet advertising the new edition with vehicle licence reminders sent by the Driver and Vehicle Licensing Agency to more than 20 million licence holders over a 12-month period.

I have no plans to introduce the periodic re-testing of drivers.

Road Improvements

Ms Walley: To ask the Secretary of State for Transport if he will set out the rules which are used for determining which options for road improvement schemes provide the best long-term value for money.

Mr. Kenneth Carlisle: The assessment of road scheme options takes into account all relevant effects.

Some of the effects are valued in monetary terms. These are savings in time, accidents and vehicle operating costs as well as construction costs. A net present value of these effects for each option is calculated over a 30-year period, using standard computer programmes. The techniques are described in the COBA, QUADRO and URECA manuals published by the Department.

Environmental effects are not valued in monetary terms. They are subject to a comprehensive assessment including noise, visual, ecological, air quality and other relevant effects.

Public Transport

Ms Walley: To ask the Secretary of State for Transport what measures he is taking to extend the scope of the transport supplementary grant to cover public transport systems; and if he will make a statement.

Mr. Freeman: The scope of transport supplementary grant is defined by section 88 of the Local Government Finance Act 1988. Further primary legislation would be required to extend the scope of TSG. We are, however, consulting the local authority associations about ways of introducing greater flexibility, within the constraints of existing legislation, into the funding of local authority transport expenditure in urban areas.

Rail Funding

Ms Walley: To ask the Secretary of State for Transport what assessment has been made of the economic and employment benefits from public funding of crossrail, Orbital Rail, and improving the Thames link by comparison with proposed road schemes.

Mr. Norris: Assessment of road and rail projects in London is based on consistent planning assumptions and methodology. We make direct comparisons between road and rail schemes only where they offer alternative means of meeting specific transport objectives. In strategic studies comparisons are made between investment in alternative modes of transport. The London assessment studies included an assessment of the effects of a package of road schemes and a package of rail schemes, including those mentioned. It was decided not to proceed with the road schemes.

TRADE AND INDUSTRY

Scott Inquiry

Mr. Gunnell: To ask the President of the Board of Trade if he will indicate when is the latest date he expects the Scott inquiry to report.

Mr. Needham: The timing of the inquiry is a matter for Lord Justice Scott. He has, however, made it clear that he wishes to report as soon as possible.

Export Promotion

Mr. Kirkwood: To ask the President of the Board of Trade what are the current rules relating to financial assistance for United Kingdom firms engaged in export promotion.

Mr. Needham: The Department of Trade and Industry, together with the Foreign and Commonwealth Office, provide a wide range of services to exporters, some of which involve payment of grants. Grant schemes are available to United Kingdom firms involved in exporting for the benefit of the country; access to them is generally limited to a maximum number of times; one scheme is limited specifically to smaller firms.

Mr. Kirkwood: To ask the President of the Board of Trade if he will list the amounts of money allocated to support of United Kingdom firms engaged in export promotion for each of the last five years for which figures are available.

Mr. Needham: Gross expenditure, including staff costs, on the provision of support to United Kingdom exporters by the Department of Trade and Industry and the Foreign and Commonwealth Office together has been:

	£ million
1991-92	173·4
1990-91	163·5
1989-90	138·4

	£ million
1988-89	130·5
1987-88	106·2

Details of the expenditure are given in the annual reports of the British Overseas Trade Board, copies of which are available in the Library. The figures for 1989-90 and earlier do not include overheads of Department of Trade and Industry headquarters staff and the costs of the export offices in territorial departments, estimated at some £20 million.

Mr. Kirkwood: To ask the President of the Board of Trade what discussions he has had with his EC counterparts on the question of increased financial support for EC firms engaged in export promotion.

Mr. Needham: My Department has regular discussions with its counterparts in other EC countries on the kind and level of support available to our respective exporters. Such discussions cover a wide range of topics, not confined to the level of financial support.

Mr. Kirkwood: To ask the President of the Board of Trade what plans he has to increase the amount of resources available for export promotion.

Mr. Needham: The Government devote a substantial and increasing amount of resource to helping United Kingdom companies to succeed in overseas markets. The initiative announced recently by my right hon. Friend the President of the Board of Trade to recruit 100 secondees from industry will add substantially to our export promotion effort.

Mr. Kirkwood: To ask the President of the Board of Trade what plans he has to relax the conditions currently applied to funds for export promotion.

Mr. Needham: The conditions applying to the provision of financial support to exporters are kept under constant review by, for example, surveys of users; changes are introduced as and when appropriate.

Offshore Oil and Gas Industry

Mr. David Porter: To ask the President of the Board of Trade (1) if he will make a statement on how far the working group on United Kingdom continental shelf competitiveness took account of the southern North sea and Lowestoft and Great Yarmouth activities in preparing its February 1993 report;

(2) if he will make it his policy to commission a special report into the United Kingdom continental shelf competitiveness, southern North sea sector, with special reference to the activities and the future economic base of Lowestoft and Great Yarmouth.

Mr. Eggar: I asked the working group to consider ways of improving the competitiveness of the United Kingdom continental shelf in relation to worldwide oil and gas activities. The group was not asked to concentrate on any areas of the United Kingdom and its conclusions and recommendations will be of benefit to all parts of the offshore industry.

Regional Assistance

Mr. Colin Shepherd: To ask the President of the Board of Trade how many applications for grant aid under the facility provided by the intermediate area status of the Ross-on-Wye and Cinderford travel-to-work area were made in each year since its inception; how many of these were successful; what is his estimate of the additional number of people employed as a consequence; and what is the number of these currently in post.

Mr. Sainsbury: Since the Cinderford and Ross-on-Wye travel-to-work area was granted assisted area status in 1984, the number of applications for regional selective assistance received, the number approved and the number of jobs expected to be created and/or safeguarded as a result of approved projects has been as follows:

Year	*Applications received*	*Offers*	*Created jobs*	*Safeguarded jobs*
1984	0	0	0	0
1985	14	10	256	291
1986	7	10	430	148
1987	10	8	96	0
1988	16	12	172	29
1989	17	10	293	454
1990	12	7	149	32
1991	17	14	104	7
1992	11	8	66	18
[1]1993	2	1	3	1
Totals	106	80	1,569	980

[1] To date.

It is not possible to say how many jobs have been maintained without contacting the companies involved. This would involve disproportionate cost.

Energy Consumption

Mr. Madden: To ask the President of the Board of Trade what assessment he has made of the level of demand over the next five years for *(a)* coal, *(b)* electricity and *(c)* gas; what effect he expects the imposition of value added tax upon fuel and energy to have on consumption; and if he will make a statement.

Mr. Eggar: My Department recently published a range of energy demand projections in Energy Paper 59, a copy of which is in the Library of the House. Those projections showed domestic sector energy demand approximately 6 per cent. higher in 2000 than in 1990. The imposition of VAT on domestic fuels is expected, in the long run, to reduce domestic sector consumption of coal by about 2 per cent. and of electricity and gas by about 4 per cent. This takes no account of the effects of any offsetting measures.

Power Cuts

Mr. Matthew Taylor: To ask the President of the Board of Trade what has been the average number of hours of power lost per consumer due to system interruptions in the area covered by each of the electricity companies in England in each of the last five years.

Mr. Eggar: The information is as follows:

Hours lost per connected customer

	1987-88	1988-89	1989-90	1990-91	1991-92
London	4·9	0·8	1·0	0·9	1·1
Seeboard	21·1	1·8	3·6	1·7	1·4
Southern	9·1	1·6	9·7	1·6	1·7
South Western	2·5	2·4	15·3	3·1	2·9
South Wales	3·3	3·2	5·9	5·5	5·4
Manweb	2·0	1·4	2·7	3·1	1·8
Eastern	12·5	1·2	3·0	1·3	1·1
East Midlands	1·4	1·3	1·8	16·7	1·5
Midlands	1·7	1·6	2·8	6·6	2·0
Norweb	1·1	1·1	1·3	1·5	1·2
Yorkshire	1·3	1·2	1·3	2·9	1·0
Northern	1·3	1·5	1·7	4·1	1·6

This table of system interruptions in each of the areas covered by the 12 regional electricity companies (RECs) was compiled by the Office of Electricity Regulation (OFFER). Full data are available on request from each REC or from OFFER.

Coal Research Establishment

Mr. Hanson: To ask the President of the Board of Trade if he will make a statement on the future of the coal research establishment near Cheltenham.

Mr. Eggar: Government policy on clean coal technology and the future of CRE are interlinked and both are currently being considered in the context of the coal review.

Electrical Engineers

Mr. Pawsey: To ask the President of the Board of Trade what action is being taken by his Department to assist the Institution of Electrical Engineers' support and co-operation programme for central and eastern Europe.

Mr. Sainsbury: Following my right hon. Friend the President of the Board of Trade's meeting with representatives from IEE, initial discussions are taking place with officials to determine how best to take forward the IEE's central and eastern Europe initiative.

Company Accounts

Sir David Steel: To ask the President of the Board of Trade if he will seek to amend schedules 7 and 8 to the Companies Act 1985 to ensure that donations in kind as well as cash to political parties require to be published in company accounts.

Mr. Neil Hamilton: I have no plans to do so.

Electricity Generation

Mr. Dafis: To ask the President of the Board of Trade if he will make a statement outlining the work undertaken by his Department in researching the potential use of magnetohydrodynamics in the generation of electricity in the United Kingdom.

Mr. Eggar: My Department keeps the prospects for magnetohydrodynamics under review, together with other energy technologies of potential application in the United Kingdom.

Post Office

Mr. Gordon Prentice: To ask the President of the Board of Trade when he estimates his review of the Post Office is likely to be completed.

Mr. Leigh: The review will be completed in due course, at which time a statement will be made to the House.

Opencast Mining

Mr. Barry Jones: To ask the President of the Board of Trade if he will now make a statement on his policy on opencast coal mining.

Mr. Eggar: We are currently engaged in a wide-ranging review of the prospects for 21 of the pits proposed for closure by British Coal, in the context of the Government's energy policy. The future of opencast mining is clearly relevant in this context. A White Paper will be published setting out the results of the review.

European Economic Area

Mr. Conway: To ask the President of the Board of Trade what effect the Swiss referendum result will have on the implementation of the European economic area.

Mr. Heseltine *[pursuant to the reply, 8 December 1992, Official Report, col. 592]:* The impact of the Swiss vote on the Community and EFTA has now been fully assessed.

The Community and the other EFTA states have agreed the changes necessary to the EEA agreement to exclude Switzerland. A protocol to amend the EEA agreement was signed on 17 March by the Community, its member states and those other EFTA states. The protocol includes a target date of entry into force by 1 July 1993, but with provision for this to be later if one or more signatories are unable to ratify within that time. I am now considering how the European Economic Area Bill, which provides for implementation of the agreement by the United Kingdom, should take account of the amending protocol.

Small Firms

Mr. Steen: To ask the President of the Board of Trade, further to his answer of 23 February, *Official Report*, column *512*, what plans his Department has to survey small firms to assess the value of the small firms development schemes.

Mr. Leigh *[holding answer 17 March 1993]:* The Department has a rolling programme of evaluations to assess the value of assistance schemes and to guide policy. In the last three years, 13 evaluations have been carried out of assistance schemes, of which all have involved some sampling of recipients.

My right hon. Friend the President of the Board of Trade is now considering what further evaluations should be carried out during 1993-94 to inform policy towards small and medium-sized firms.

Export Insurance

Mr. Morgan: To ask the President of the Board of Trade what representations he has received from organisations of British exporters in relation to the level of insurance cover provided for exports in traditional British markets; and if he will make a statement.

Mr. Needham *[holding answer 8 March 1993]:* Since December 1991 the privatised successor of ECGD's Insurance Services Group has had responsibility for the provision of the short-term export credit insurance previously provided by the Export Credits Guarantee Department to United Kingdom exporters.

The new company currently sources over 90 per cent. of its reinsurance needs, for both commercial and political risk worldwide, from the private market. The ECGD currently supplements the private sector reinsurance treaties of the new company under arrangements intended to ensure that United Kingdom exporters do not suffer any reduction in export credit insurance facilities as a result of privatisation.

I believe that the effect of these reinsurance arrangements, the details of which I outlined in my reply of 22 February, to the hon. Member for Peckham (Ms Harman), *Official Report*, column *443*, will be to maintain a good level of short-term export credit insurance support for United Kingdom exporters.

Representations have been made to me by interested parties about the likely adequacy of the reinsurance market to meet future demand and the implications this may have for Government policy. I am considering these representations.

Representations have also been received about ECGD's support for projects business. I am therefore pleased to be able to refer the hon. Gentleman to the Budget statement in which it was announced that additional export credit cover of £1,300 million is to be made available over the next three years to help United Kingdom companies win business in a number of important markets. Additionally for 1993-94 the premium paid by exporters for such business will be cut by 7·5 per cent. on average in ECGD's top 20 business markets.

Credit Cards

Mr. David Nicholson: To ask the President of the Board of Trade how many representations he has received since 1 January calling for all credit cards to carry photographs of the holder; and if he will make a statement.

Mr. Jack: I have been asked to reply.

As far as I am aware, only one such representation has been received within this period, from the right hon. Member for Yeovil (Mr. Ashdown).

Putting laser-engraved photographs on credit cards was recommended by a recent Home Office study on the prevention of cheque and credit card fraud—crime prevention unit paper 26—and I understand that this is one of the fraud prevention measures being considered by the card payments industry, alongside other forms of cardholder identification such as personal identity numbers, finger-scanners and digitised signatures.

Brazil

Mr. Denham: To ask the President of the Board of Trade if he will make a statement on the meeting between Government Ministers and non-governmental organisations and Brazil's Environment Minister, Mr. Coutinho Jorge, concerning the blockage of funds to Brazil.

Mr. Lennox-Boyd *[holding answer 16 March 1993]:* I have been asked to reply.

Senhor Coutinho Jorge's programme included separate meetings with Ministers and officials in several Departments and with non-governmental organisations. His discussions with officials in the Overseas Development Administration concerned inter alia progress on the implementation of the G7 pilot programme for the conservation of the Brazilian rain forest, to which Britain is a contributor. He was assured that Britain was providing the contributions it had promised to the pilot programme through our bilateral technical co-operation programme in the Amazon area and to the Rainforest Trust Fund, and of our intention to participate in future pilot programme activities as resources permitted.

ENVIRONMENT

Service Personnel (Housing)

Mr. Battle: To ask the Secretary of State for the Environment what proposals the Housing Corporation has to tackle the housing needs of personnel leaving the services.

Sir George Young: The Housing Corporation has earmarked resources for 500 homes under its do-it-yourself shared ownership programme specifically for personnel leaving the services under "Options for Change". The corporation is also allocating funds, where appropriate, to individual housing associations for use in the sale or lease by the Ministry of Defence of surplus MoD housing, in return for nominations of ex-service personnel for tenancies. The corporation's programme of new homes for rent is targeted principally at meeting the needs of homeless people, and supports the role of local authorities in providing social housing, including their duties to households accepted as homeless under the Housing Act 1985, who may include service personnel. These measures complement a series of initiatives announced by MoD in 1992 to extend housing opportunities for service personnel.

Wildlife

Mr. Llwyd: To ask the Secretary of State for the Environment what plans he has to establish registration and accreditation schemes for wildlife rehabilitation in the United Kingdom.

Mr. Maclean: For a number of years, my Department has operated a scheme to license individuals who wish to rehabilitate injured or diseased birds. The scheme provides that licensees may tend and rehabilitate birds up to six weeks without having to comply with the statutory registration requirements which apply to some species. There are no plans for comparable schemes for further rehabilitation in the United Kingdom.

Energy Efficiency

Mr. Llew Smith: To ask the Secretary of State for the Environment what proposals his Department's Building Research Establishment has put to the European network of building research institutes on developments in energy-efficient buildings.

Mr. Baldry: The Building Research Establishment—BRE—has not submitted specific designs for energy-efficient buildings to the European network of building institutes—ENBRI—BRE is, however, leading an ENBRI working group which is developing an approach to the environmental assessment of building across Europe based on the Building Research Establishment assessment method.

Ruddy Duck

Mr. Llew Smith: To ask the Secretary of State for the Environment what recent decisions he has taken to halt the spread of the ruddy duck.

Mr. Maclean: I refer the hon. Member to the answer I gave the hon. Member for Don Valley (Mr. Redmond) on 11 March, [*Official Report*, columns *656-57*.].

River Culm

Mr. Llew Smith: To ask the Secretary of State for the Environment if he will make a statement on the current level of pollution in the River Culm in Devon.

Mr. Maclean: I understand from the National Rivers Authority that water quality in the River Culm has improved very significantly in recent years. The great majority of its length was reported in the 1990 river quality survey as class 2, "fair" quality, and the river again supports popular fisheries.

Sewage Waste

Mr. Llew Smith: To ask the Secretary of State for the Environment what volumes of sewage wastes are treated annually by ultra-violet radiation.

Mr. Maclean: Detailed information is not held centrally. The issuing of consents to discharge ultra-violet irradiated sewage effluent is, in England and Wales, a matter for the National Rivers Authority.

Air Quality

Mr. Llew Smith: To ask the Secretary of State for the Environment what discussions his Department has had with outside bodies in regard to the draft EC framework directive on air quality standards.

Mr. Maclean: Discussions between European Commission officials and experts from member states are at an early stage and the general principles to be covered by the framework directive have not yet been settled. The Department has consulted experts involved in its current monitoring programmes and will be seeking the views of the expert panel on air quality standards and the quality of urban air review group, bodies specifically set up to advise the Department on these matters in the United Kingdom.

Mr. Alfred Morris: To ask the Secretary of State for the Environment what monitoring is carried out by *(a)* his Department and *(b)* local authorities for levels of air pollution and their impact on health.

Mr. Maclean *[holding answer 17 March 1993]:* My Department currently monitors or co-ordinates monitoring of air quality at a large number of sites in the United Kingdom. Many of these sites provide information which can be used to assess possible effects of air pollution on health. I have summarised such monitoring undertaken by the Department in the table. The table also indicates where all or some of the sites are operated by local authorities on behalf of the Department. Local authorities also undertake air quality monitoring independently of central Government. At present there are no centrally held records of these monitoring activities.

Air quality monitoring, carried out by the Department of the Environment, which provides information of relevance to health impacts: March 1993

Network	*Pollutants*	*Number of Sites*
EC Directive and Basic Urban	Smoke/sulphur dioxide	[1]268
EC Directive	Nitrogen dioxide	[1]7
EC Directive	Lead	[1]9
Enhanced Urban Network	Nitrogen dioxide, sulphur dioxide carbon monoxide, ozone, particulates	[1]8
Hydrocarbons	26 hydrocarbons (eg benzene)	[1]3
TOMPS[2]	Air toxics (eg dioxins)	5
Rural	Ozone	[1]17
Rural	Sulphur dioxide, nitrogen dioxide	3
Diffusion Tubes	Nitrogen dioxide	[1]1,000
Lead in Petrol	Lead	[1]6
Multi-Element	Various metals	[1]6
Other Urban	Nitrogen dioxide (by chemiluminescence)	2
	Sulphur dioxide (by UV fluorescence)	[1]6
	Carbon monoxide (by infra-red)	[1]7
	Ozone (by UV photometric)	2

[1] Some or all of the sites operated by Local Authorities on behalf of the Department of the Environment.
[2] Toxic Organic Micropollutants.

Water Fluoridation

Mr. Redmond: To ask the Secretary of State for the Environment what proportion of the cost of fluoridation of the public drinking water supply is charged to *(a)* the public and *(b)* health authorities when it is introduced by water companies.

Mr. Maclean: I am advised that both the capital and revenue costs are borne by the health authorities.

Mr. Redmond: To ask the Secretary of State for the Environment if he will list those water companies that *(a)* have introduced and *(b)* are proposing to introduce fluoridation of the public drinking water supplies.

Mr. Maclean: Present legislation—section 87 of the Water Industry Act 1991—permits the fluoridation of waters supplies where, following consultation, a district health authority so requests. The health authority must apply in writing to the water undertakers, who may then decide to increase the fluoride content of the water supplied within the area specified in the health authority's application. I am advised that the following water undertakers are currently increasing the concentration of fluoride in some water supplies within their areas in response to such requests:

Anglian Water Services Ltd.
Northumbrian Water Ltd.
North West Water Ltd.
Severn Trent Water Ltd.
Thames Water Utilities Ltd.
East Worcestershire Water Ltd.
North East Water plc
South Staffordshire Water plc

Details are not available centrally of water companies which may be considering introducing fluoridation in the future.

European Investment Bank

Mr. Llew Smith: To ask the Secretary of State for the Environment if he will make a statement on the level of proposed funding for environmental protection projects in 1993 under the European investment bank.

Mr. Maclean: The European investment bank lends funds for investment projects which meet certain agreed Community objectives. The bank assesses applications as they arise on this basis and does not set targets or plans for lending for particular kinds of projects.

Renovation Grants

Mr. Frank Field: To ask the Secretary of State for the Environment what proposals he has to change the rules for the means testing of renovation grants.

Mr. Baldry: I refer the hon. Member to the answer my hon. Friend the Minister for Housing and Planning gave to my hon. Friend the Member for Sutton and Cheam (Lady Olga Maitland) on 19 March, *Official Report*, column *397*.

Docklands Light Railway

Mr. Peter Bottomley: To ask the Secretary of State for the Environment what plans he has to sell the track of the docklands light railway and to franchise the operation of rolling stock and stations separately.

Mr. Redwood: The Government are committed to privatising the docklands light railway within the lifetime of this Parliament. The timing, manner and practicality of the privatisation are currently being determined.

Mr. Cousins: To ask the Secretary of State for the Environment if he will list the chairman and non-executive members of the board of the docklands light railway; what is the remuneration of each; when each was appointed; and what directorships and public appointments each has declared under the company reporting procedures.

Mr. Redwood *[holding answer 8 March 1993]:* Details of the chairman and non-executive directors of Docklands Light Railway Ltd, and their dates of appointment, are as follows:

	Date of appointment
Chairman	
Sir Peter Levene	4 July 1991
Non-executive directors	
Sir Robert Reid	11 April 1991
Mr. D. R. Murrin	9 March 1989
Mr. K. E. C. Sorensen	11 April 1991
Mr. R. C. M. Rankin	25 November 1992

The chairman receives remuneration of £27,000 per annum. Three directors draw no salary. The fourth receives a salary in the band £5,001 to £10,000 per annum.

Information on other directorships held by the above, declared under the company reporting procedures, has been placed in the Library of the House.

Compulsory Competitive Tendering

Mr. Pope: To ask the Secretary of State for the Environment what consultations he had with the European Commission prior to issuing guidance on the implications for compulsory competitive tendering of the Transfer of Undertakings (Protection of Employment) Regulations 1981.

Mr. Robin Squire: None. My right hon. and learned Friend's statement on 11 March, *Official Report*, column *662*, principally concerned the use of his powers relating to compulsory competitive tendering under part I of the Local Government Act 1988. This is not a matter with which the European Commission is directly concerned.

Aggregates

Mr. Simon Hughes: To ask The Secretary of State for the Environment what is the amount of land-won sand and gravel and land-won crushed rock that will come from *(a)* permitted reserves and *(b)* new consents in each of the regions in England and Wales up to 2011.

Mr. Baldry: My right hon. and learned Friend is currently consulting on draft revised mineral planning guidelines for the provision of aggregates in England and Wales. These guidelines will indicate the overall contribution to be made from land won supplies of primary aggregates over the period to 2011. The relative contributions made from permitted reserves and new consents will be a matter for the mineral planning authorities to determine.

Standard Spending Assessments

Mr. Hardy: To ask the Secretary of State for the Environment if he will list the standard spending assessments of each local education authority as a sum per head of population together with the proportion of the local population which represents the number of children in full-time education to the age of 16 years.

Mr. Robin Squire: The figures for (i) education standard spending assessment in pounds per head and (ii) the number of children in full-time education between the ages of five and 15 expressed as a proportion of total population are given in the table. SSAs do not include pupils below the age of five and pupils aged 16 are not separately identifiable as they are included in the 16-plus education SSA element.

Table showing education SSA per head and percentage pupil numbers for 1993-94

Local authority	*SSA per head (£ adult)* (1)	*Pupils 5 to 15 as a percentage of population* (2)
Greater London		
City of London	103	1·29
Camden	360	8·24
Greenwich	474	13·36
Hackney	590	12·65
Hammersmith and Fulham	347	7·82
Islington	448	10·83
Kensington and Chelsea	236	4·90
Lambeth	496	10·84
Lewisham	443	11·37
Southwark	450	11·07
Tower Hamlets	700	16·14
Wandsworth	341	8·12
Westminster	275	5·93
Barking and Dagenham	405	13·35
Barnet	341	10·26
Bexley	374	12·83
Brent	480	12·35
Bromley	307	10·36
Croydon	346	11·26
Ealing	421	11·64
Enfield	398	12·38
Haringey	460	11·22
Harrow	333	11·70
Havering	346	12·97
Hillingdon	352	11·90
Hounslow	394	12·18
Kingston upon Thames	302	10·15
Merton	310	9·89
Newham	554	15·17
Redbridge	383	11·96
Richmond upon Thames	226	7·82
Sutton	340	11·50
Waltham Forest	430	12·52
Greater Manchester		
Bolton	362	13·85
Bury	299	12·97
Manchester	424	13·70
Oldham	378	14·64
Rochdale	383	14·68
Salford	332	12·54
Stockport	292	12·20
Tameside	331	13·56
Trafford	315	12·42
Wigan	322	13·58
Merseyside		
Knowsley	461	15·72
Liverpool	419	13·48
Sefton	324	12·60
St. Helens	342	13·73
Wirral	362	13·07
South Yorkshire		
Barnsley	318	12·89
Doncaster	385	13·97
Rotherham	358	13·78
Sheffield	309	11·50
Tyne and Wear		
Gateshead	336	12·23
Newcastle upon Tyne	337	11·75
North Tyneside	325	12·69
South Tyneside	332	13·25
Sunderland	359	14·13
West Midlands		
Birmingham	449	14·59
Coventry	364	12·99
Dudley	304	12·84
Sandwell	377	13·54
Solihull	307	12·62
Walsall	373	14·02
Wolverhampton	404	13·54
West Yorkshire		
Bradford	453	15·34
Calderdale	368	13·48
Kirklees	370	13·61
Leeds	338	12·50
Wakefield	322	13·02
Shire counties		
Avon	302	11·58
Bedfordshire	390	13·66
Berkshire	348	12·36
Buckinghamshire	378	13·40
Cambridgeshire	325	12·67
Cheshire	330	13·15
Cleveland	388	14·90
Cornwall	323	12·46
Cumbria	327	12·51
Derbyshire	315	12·71
Devon	302	11·50
Dorset	280	10·75
Durham	334	13·13
East Sussex	282	10·03
Essex	343	12·68
Gloucestershire	310	11·97
Hampshire	310	12·06
Hereford and Worcester	308	12·50
Hertfordshire	343	12·20
Humberside	349	13·46
Isle of Wight	337	11·73
Kent	349	12·53
Lancashire	336	13·24
Leicestershire	349	13·27
Lincolnshire	336	12·62
Norfolk	307	11·78
Northamptonshire	351	13·45
Northumberland	346	13·21
North Yorkshire	293	11·61
Nottinghamshire	337	12·63

Local authority	*SSA per head (£ adult)* (1)	*Pupils 5 to 15 as a percentage of population* (2)
Oxfordshire	303	11·03
Shropshire	325	12·92
Somerset	296	11·91
Staffordshire	324	13·10
Suffolk	302	11·60
Surrey	269	9·84
Warwickshire	309	12·24
West Sussex	292	11·16
Wiltshire	314	12·31

Wild-caught Birds

Mr. Cohen: To ask the Secretary of State for the Environment what guidance is issued to the general public on the keeping of wild-caught birds as pets.

Mr. Maclean: Government Departments do not provide such guidance, but I understand that avicultural organisations produce a wide range of advisory material.

Showmen (Winter Quarters)

Mr. Alex Carlile: To ask the Secretary of State for the Environment if he will make a statement on the planning principles applicable to the use of land for showmen's winter quarters.

Mr. Baldry: Planning guidance relating to travelling showpeople is given in Department of the Environment circular 22/91—Welsh Office 78/91.

Carbon Dioxide Emissions

Mr. Chris Smith: To ask the Secretary of State for the Environment if he will itemise how he expects to achieve the reduction of 4 million tonnes of carbon dioxide emissions by 2000, in addition to the 3 million tonnes reduction from changes to value added tax and petrol duty, assumed in the Chancellor's Budget statement.

Mr. Maclean *[holding answer 19 March 1993]:* We expect the Energy Saving Trust to make a significant contribution to our CO_2 programme. The trust is examining options to achieve savings of the order of 2 to 3·5 million tonnes carbon—MtC. We are consulting on proposals for strengthening the energy conservation requirements of the building regulations, which would save a further 0·25 MtC. In addition the new energy management assistance scheme could stimulate savings from small businesses, of the order of 0·25 to 0·5 MtC. And we are committed to pressing for further action under the European Community SAVE programme which could stimulate significant further savings, particularly in appliance efficiency.

NORTHERN IRELAND

Water Services

Mr. William O'Brien: To ask the Secretary of State for Northern Ireland what public subsidy is given to commerce and industry in Northern Ireland in respect of water services charged by the Water Services Executive; and if he will make a statement.

Mr. Atkins: There are no subsidies for water and sewerage services to commerce or industry in respect of water services provided by the Northern Ireland Water Executive.

Sewage Sludge

Mr. William O'Brien: To ask the Secretary of State for Northern Ireland what amount of sewage sludge has been deposited into sea for each year since 1991-92; what alternatives to sewage sludge deposited into the sea have been considered; what consultations have taken place in respect of such alternatives; and if he will make a statement.

Mr. Atkins: Approximately 13,000 tonnes of dry solids of sewage sludge has been disposed of at sea by the Department of the Environment in the calendar years 1991 and 1992.

The Department is currently examining all the options available for the treatment and disposal of sewage sludge. Among these options are anaerobic digestion and various forms of dewatering for disposal to agricultural land. Incineration in its various types is also being examined and assessed.

The investigation will conform to the best practicable environmental option approach which requires full consultation with all appropriate parties.

Water Meters

Mr. William O'Brien: To ask the Secretary of State for Northern Ireland how many domestic water customers in each of the last five years have been charged by meter; and how many such customers in each year have had their supply disconnected for non-payment of water bills.

Mr. Atkins: The water supplied to a property which is used solely for domestic purposes is not metered and is not subject to disconnection for non-payment of an account.

The water supply to a property which has mixed domestic and other use may be metered and would be subject to disconnection where an account remains unpaid. In 1992, 69 such supplies were disconnected. Information for this category for years prior to 1992 is not held centrally and could be provided only at disproportionate cost.

Septic Tanks

Mr. William O'Brien: To ask the Secretary of State for Northern Ireland what is the current charging policy in Northern Ireland for the emptying of septic tanks; and if he will make a statement.

Mr. Atkins: Where public sewerage facilities are not available septic tanks are emptied free of charge up to twice yearly. In other circumstances a volumetric charge is made.

Water Services

Mr. William O'Brien: To ask the Secretary of State for Northern Ireland how much money has been *(a)* allocated and *(b)* spent on capital works programmes for water services in Northern Ireland since 1991-92 in connection with compliance with EC requirements; and what slippage has taken place in programmes to achieve EC directives since 1991-92 on drinking water, bathing water, and disposal of sludge to agricultural land.

Mr. Atkins: There has been no significant slippage on schemes carried out by the Department of the Environment to comply with EC directives on drinking water, bathing water and disposal of sludge to agricultural land.

The amounts allocated and spent on these schemes in 1991-92 and 1992-93 are as follows:

	1991-92 £ million	*1992-93 £ million*
Allocated	11·3	23·2
Spent	10·1	22·0

Public Expenditure

Mr. McNamara: To ask the Secretary of State for Northern Ireland what has been the annual level of identifiable public expenditure per head in Northern Ireland as a percentage of United Kingdom identifiable public expenditure between the fiscal years 1972-73 and 1992-93.

Mr. Mates: The information is readily available only since 1981-82 and is as follows:

Northern Ireland public expenditure per head as a percentage of United Kingdom

	Per cent.
1981-82	138
1982-83	140
1983-84	143
1984-85	144
1985-86	148
1986-87	147
1987-88	146
1988-89	158
1989-90	151
1990-91	141
1991-92	137
1992-93	[1]—

[1] Not yet available.

Note: 1988-89 and 1989-90 figures for Northern Ireland include £247 and £193 per head respectively for costs associated with the privatisation of Shorts Brothers plc.

UK Subvention

Mr. McNamara: To ask the Secretary of State for Northern Ireland what has been the annual level of the subvention of Northern Ireland by the United Kingdom Government in actual prices and in 1992 prices between the fiscal years 1964-65 and 1992-93, including and excluding expenditure on security.

Mr. Mates: Figures for the subvention to Northern Ireland from the United Kingdom are available only from 1966-67. Although the additional cost of the Army's task in Northern Ireland is not part of the subvention, figures under this heading are included for completeness. Figures for the years 1966-67 to 1992-93 are as follows:

		1966-67 (1)	*1967-68 (1)*	*1968-69 (1)*	*1969-70 (1)*	*1970-71 (1)*	*1971-72 (1)*	*1972-73 (1)*	*1973-74*	*1974-75*
Actual	Including Security	52	63	74	74	88	126	181	312	389
Prices	Excluding Security	—	—	—	—	—	—	—	292	280
£ million	Extra Army Costs	(2)	(2)	(2)	2	7	14	29	33	45
(3)	Including Security	489	576	644	612	673	883	1,173	1,890	1,969
1992 Prices	Excluding Security	—	—	—	—	—	—	—	1,769	1,417
£ million	Extra Army Costs	—	—	—	17	54	98	188	200	228

		1975-76	*1976-77*	*1977-78*	*1978-79*	*1979-80*	*1980-81*	*1981-82*	*1982-83*	*1983-84*
Actual	Including Security	565	620	688	848	944	1,090	1,064	1,149	1,305
Prices	Excluding Security	413	450	515	648	695	781	716	783	921
£ million	Extra Army Costs	60	65	69	81	96	111	149	143	141
(3)	Including Security	2,279	2,202	2,149	2,389	2,280	2,224	1,980	1,996	2,167
1992 Prices	Excluding Security	1,666	1,598	1,609	1,826	1,678	1,594	1,332	1,360	1,529
£ million	Extra Army Costs	242	231	216	228	232	226	277	248	234

		1984-85	*1985-86*	*1986-87*	*1987-88*	*1988-89*	*1989-90*	*1990-91*	*1991-92*	*1992-93 (4)*
Actual	Including Security	1,489	1,536	1,593	1,570	1,698	1,757	2,018	2,436	3,296
Prices	Excluding Security	1,077	1,087	1,099	1,010	1,095	1,095	1,291	1,620	2,365
£ million	Extra Army Costs	121	135	144	166	174	201	218	317	(5)
(3)	Including Security	2,353	2,301	2,312	2,160	2,178	2,115	2,249	2,540	3,296
1992 Prices	Excluding Security	1,702	1,629	1,595	1,390	1,404	1,318	1,439	1,689	2,365
£ million	Extra Army Costs	191	202	209	228	223	242	243	330	(5)

(1) Separate figures for security costs within subvention are available only from 1973-74. Until 1978-79 the costs shown were law and order costs borne on United Kingdom votes: from 1979-80 the cost arethose of the NIO and the NI Court Service.
(2) Figures for extra Army costs are available only from 1969-70.
(3) Actual prices have been converted to 1992 prices by applying the appropriate Gross Domestic Product Deflator.
(4) Figures for 1992-93 are provisional.
(5) Figures for extra Army costs for 1992-93 are not yet available.

Milk Quota

Dr. Strang: To ask the Secretary of State for Northern Ireland what arrangements are currently in place for the administration of the milk quota in Northern Ireland.

Mr. Hanley: The Department of Agriculture for Northern Ireland is responsible for the administration of milk quotas in Northern Ireland. Certain functions are currently performed on its behalf by the Milk Marketing Board for Northern Ireland on an agency basis. The Intervention Board executive agency also performs certain milk quota functions on a United Kingdom basis.

Health Service

Ms Rachel Squire: To ask the Secretary of State for Northern Ireland what analysis has been undertaken by the Eastern health board of the state of health of the population in its area; and what steps they have taken to produce a strategic health care plan.

Mr. Hanley *[holding answer 18 March 1993]:* The director of public health in the Eastern health and social services board is required to produce an annual report on the health of the residents in the board's area, which represents an accurate analysis of the state of health of the population in the board's area. In addition, the board published its area strategy 1992-97 in 1992. This concentrates on the main issues affecting the health and social care status of its population and how improvements can be brought about.

Departmental Functions

Mr. Brandreth: To ask the Secretary of State for Northern Ireland if he will make a statement on the work of the Department of Agriculture (Northern Ireland) since 1979.

Mr. Hanley *[holding answer 18 March 1993]:* Since 1979 grants totalling £492 million have been paid to support capital investments on farms. Cattle and sheep farmers have been paid £502 million under livestock subsidy schemes.

To facilitate animal disease control, the Department has introduced computerised animal health records to enable the movement of animals to be monitored for disease control purposes. The Department has continued to ensure that the animal health status of Northern Ireland remains among the highest in Europe. Since 1979 bovine brucellosis has been virtually eradicated and an enhanced eradication programme has been introduced last year with a view to achieving final eradication. Northern Ireland has been accepted last year by the European Community as an enzootic bovine leucosis-free region of the European Community. Cases of bovine spongiform encephalopathy unfortunately appeared in the Province since late 1988. Measures have been introduced to bring these under control, to remove the slightest possible public health risk and to ensure that the maximum number of markets remain open for Northern Irish beef. Almost all meat plants and cold stores in the Province have been brought to and maintained at full EC approved status, approximately 500,000 cattle, ¾ million sheep, 1·1 million pigs and 46 million poultry are inspected each year by the Department's veterinary meat inspection service guaranteeing the consumer a safe and wholesome product. Over 17,000 veterinary certificates are provided each year to allow meat and meat products to be exported from the Province. During the period the Department has enhanced its residue testing programme, to allay public health concerns and to satisfy EC requirements

Since 1979 significant scientific advances have been made and an extensive research and development programme continues. Research leading to more efficient utilisation of inputs, reduced levels of disease in plants and animals, improved crop varieties, and innovations in food processing is improving the competitiveness of the local agri-food sector.

In managing the interface between agriculture and the environment a comprehensive knowledge of the impact of on-farm practices is coupled with the development of environmental awareness in farmers and the advent of environmentally safe activities.

Research in aquatic sciences has provided a sound basis for the conservation, sustainable exploitation and development of freshwater and marine aquatic resources.

Analytical and disease diagnostic programmes in plants and animals has provided an underpinning support to the continued high plant and animal health status in Northern Ireland.

The Department's staff have carried out over one third of a million personal consultations within the agri-food industry aimed at improving the efficiency of production and marketing and co-operation between individual businesses within the industry as a whole. Quality assurance schemes have been initiated within the agri-food industry to promote and sell quality assured products. The Department has also encouraged farmers and growers to adopt good health and safety practices by a fivefold increase in farm inspections resulting in a 33 per cent. decline in the number of fatal farm accidents.

Since 1979 the Department has catered for a threefold increase in the number of students on full-time courses at agricultural colleges and in excess of a sevenfold increase in the number of participants on short courses. Throughout this period net expenditure on education and training has increased by only 1·9 per cent. in real terms.

Landings of fish in Northern Ireland ports have increased from the 12,000 tonnes in 1979 to 22,900 tonnes in 1992. Development works grant axed by some £9·4 million have been carried out in the three main fishery harbours in the Province.

During the period 8,000 hectares of new planting has been carried out by the forest service and 3,500 hectares by the private sector. The conservation value of State forests have also been considerably increased. In the same period timber sales have increased in volume from 54,000 cubic metres to 200,000 cubic metres with an increase in sale value from £580,000 to £3·5 million.

A total of £87 million has been spent by the Department on capital projects to improve drainage infra-structure and to assist development. Currently some £17·5 million per annum is spent on new schemes and maintenance works to alleviate flooding and minimise risk to life and damaged property in rural and urban environmental protection and rehabilitation measures into the design and execution of drainage works. River corridor surveys form the basis of a fully integrated approach to achieving both nature conservation and land drainage objectives. Since 1990 1·32 km of river corridors have been surveyed.

Since 1988 the environmentally sensitive areas schemes has attracted a total of over 1,000 farmers to enter 19,400

hectares of land in five-year agreements with the Department to use environmentally friendly farming practices. Since 1979 the Department has undertaken some 170 projects to improve the recreational value of waterways for the general public.

In 1989 the Department was given lead responsibility for rural development and structures are now in place to promote integrated rural development. An independent Rural Development Council was established to act as an advice and resource centre for rural community groups and funding is available from Government, the European Community and the International Fund for Ireland. The first two projects to receive capital funding under the programme were officially launched in 1992.

Health Service

Ms Rachel Squire: To ask the Secretary of State for Northern Ireland what assessment he has made of the effect on accident and emergency services across the city of Belfast of the Eastern health board's acute services proposals.

Mr. Hanley: The Eastern health and social services board is currently consulting the public about its proposal for acute hospital services and has not yet therefore reached decisions. However, I know that the board regards as a high priority the need to ensure that high-quality accident and emergency services will continue to be available and will take this into account in reaching its conclusions.

Departmental Functions

Mr. Sykes: To ask the Secretary of State for Northern Ireland if he will make a statement on the work of the Department of Education (Northern Ireland) since 1979.

Mr. Hanley: This has been a period of major progress in education. The Government's investment in the education service is at its highest-ever level with spending on education at £1·2 billion on 1992-93, an increase of 8·2 per cent. over final outturn for 1991-92 excluding the youth training programme. From 1979 to 1992 expenditure has increased by 31 per cent. in real terms and pupil-teacher ratios have improved from 19.1 to 18.3.

Educational standards have shown significant improvement: the proportion of school leavers with at least one A-level has increased from 21·1 per cent. in 1979-80 to 31·7 per cent. in 1990-91, while the proportion leaving with no GCSE/O-level passes has fallen from 27 per cent. to 13·0 per cent. over the same period. We are implementing a programme of education reform begun in 1989; this will further improve the quality of education, increase parental choice, and ensure that Northern Ireland continues to enjoy its deserved reputation for high educational standards.

Education reform legislation has encouraged the development of integrated schools, and introduced the themes of education for mutual understanding and cultural heritage to the curriculum. In addition, the cross-community contact scheme has facilitated projects, involving just over one third of schools and 300 youth clubs, in which young people from the two sides of the community learn to work together.

The number of students entering further education has increased by a third to just over 80,000. A major review of further education has recently been concluded. This will lead to a restructuring of provision to ensure that it fully meets the demands of the future.

Major structural changes have taken place in tertiary level education in Northern Ireland since 1979, including the merger of the Ulster polytechnic with the New University of Ulster to create the University of Ulster in 1984-85. Since the merger, the number of students attending the two Northern Ireland universities has increased by almost 40 per cent. in 1984-85 to 26,579 in 1991-92. Northern Ireland currently has the highest participation rate in higher education in the United Kingdom—30 per cent. in 1991-92 compared with 23 per cent. in Great Britain

There has been a significant increase in the number of arts events in Northern Ireland and in the numbers attending them. Facilities for the arts have also been greatly improved. These range from major refurbishments such as that of the grand opera house to the provision of local arts centres. The Ulster orchestra has become one of the most important regional orchestras in the United Kingdom and is now firmly established on the international scene, having toured in Europe, Korea and the United States.

Every district council area now has, or is in the process of building, a major indoor sports facility and all but one has its own indoor swimming pool. Leisure provision in Belfast has been particularly extensive and the level of indoor sports participation in the city is the highest in the United Kingdom.

A fundamental review of the way the education service is administered has just been introduced.

Dr. Wright: To ask the Secretary of State for Northern Ireland how many appointments to the public bodies listed in "Public Bodies" for his Department were made from names supplied by the Public Appointments Unit; and if he will list them.

Mr. Mates *[holding answer 19 March 1993]:* None.

Departmental Spending

Dr. Wright: To ask the Secretary of State for Northern Ireland what percentage shares of total departmental spending was accounted for by non-departmental public bodies in each year since 1979.

Mr. Mates: The information requested is as follows:

Year	*Percentage*
1979-80	28·80
1980-81	32·02
1981-82	27·97
1982-83	28·25
1983-84	28·56
1984-85	28·46
1985-86	28·28
1986-87	29·01
1987-88	29·00
1988-89	28·58
1989-90	27·98
1990-91	29·26
[1]1991-92	35·17
[2]1992-93	41·50

[1] Includes teachers' salaries.
[2] Figure from four departments only.

Water Privatisation

Mr. McGrady: To ask the Secretary of State for Northern Ireland what consultation has been undertaken in relation to the proposed plans for the privatisation of the water service in Northern Ireland.

Mr. Atkins *[holding answer 17 March 1993]:* There has been no formal consultation to date. However I have had representations from a number of district councils and the Northern Ireland Consumer Council. Privatisation will require legislation and the proposal for a draft Order in Council will be published for consultation in the normal way.

Labour Statistics

Dr. Strang: To ask the Secretary of State for Northern Ireland how many people were employed at the latest available date in *(a)* the potato industry, *(b)* the milk industry and *(c)* wool industry in Northern Ireland.

Mr. Hanley: I refer the hon. Member to the reply given to the hon. Member for Londonderry, East (Mr. Ross) on 1 March 1993, concerning employment in the dairy industry in Northern Ireland (*Official Report*, column *24*).

Comparable information is not available for potatoes or wool.

Education Colleges (Capital Expenditure)

Mr. Morgan: To ask the Secretary of State for Northern Ireland what assessment he has made of the effect of the imposition of value-added tax on all capital expenditure projects initiated by colleges of higher and further education after 1 April; what consultations he has had with the appropriate funding councils on this; and if he will make a statement.

Mr. Hanley *[holding answer 19 March 1993]:* In Northern Ireland there will be no change in the current status of colleges of further and higher education on 1 April 1993. The question is not therefore relevant in the Northern Ireland context.

AGRICULTURE, FISHERIES AND FOOD

Potatoes

Mr. John Marshall: To ask the Minister of Agriculture, Fisheries and Food what information he has on the price of potatoes for processing in each Community country; and what studies have been made of the impact of the differences on *(a)* employment in the United Kingdom and *(b)* the trade gap.

Mr. Curry: Information on the price of potatoes for processing in all the other 11 member states is not available. However in the Netherlands potatoes are currently £27-£32 per tonne compared to £25-£50 per tonne, depending on variety, in Great Britain. Our analysis indicates that, in the context of the system of supported prices under our potato marketing scheme, processed potato imports have grown from 250,000 tonnes to 556,000 tonnes (raw equivalent) over the last 10 years. Although these imports were mainly at the cheaper end of the market, we estimate that they represent a loss to the Great Britain economy of some £125 million. This clearly also represents a loss of production and thus employment in favour of the continent.

Mr. John Marshall: To ask the Minister of Agriculture, Fisheries and Food what is the trend in consumption of *(a)* potatoes and *(b)* processed potatoes over the last decade.

Mr. Curry: The latest available information is as follows:

Household consumption of fresh potatoes and potato products

lb/person/year raw potato equivalent	*1982*	*1983*	*1984*	*1985*	*1986*	*1987*	*1988*	*1989*	*1990*	*1991*
Fresh potatoes	134·0	130·0	130·1	133·5	126·3	122·8	119·1	116·0	114·6	110·2
Instant potato	1·6	2·1	1·8	1·6	1·6	1·1	1·4	1·0	1·0	1·2
Canned potato	0·4	0·5	0·6	0·6	0·7	0·7	0·8	0·8	0·7	0·7
Crisps and potato products	12·2	13·0	12·8	14·2	15·0	16·4	15·6	15·9	16·0	16·7
Frozen chips etc	13·0	12·7	13·6	13·7	14·9	16·2	16·7	17·5	16·0	17·8
Total potatoes	161·2	158·2	158·9	163·5	158·4	157·2	153·5	151·1	148·4	146·6
Fresh as a percentage of total	83·1	82·1	81·9	81·7	79·7	79·1	78·1	76·7	77·3	75·1

Source: National Food Survey (NFS).

Mr. Gale: To ask the Minister of Agriculture, Fisheries and Food what representations he has received from potato growers about the proposed EC potato regime.

Mr. Curry: In addition to meetings with the Potato Marketing Board and the National Farmers Union, I have received and continue to receive numerous representations from growers, most of whom support the retention of our national arrangements in the context of the proposed regime.

Dame Peggy Fenner: To ask the Minister of Agriculture, Fisheries and Food if he will list those other EC member states which have existing price and quota arrangements for the production of potatoes.

Mr. Curry: Ad hoc intervention arrangements exist in France, Italy, Portugal and Spain, and the Netherlands operates intervention for seed potatoes only. No member state, other than the United Kingdom, has quota arrangements.

Dame Peggy Fenner: To ask the Minister of Agriculture, Fisheries and Food what support he has received from within the potato industry for the abolition of the potato marketing scheme.

Mr. Curry: We have received representations from the Potato Processors Association, the British Retail Consortium, the Potato Growers Action Group and a number of individual growers in favour of abolition.

Dame Peggy Fenner: To ask the Minister of Agriculture, Fisheries and Food when he expects to make an announcement on the proposed regime for potatos.

Mr. Curry: In Standing Committee on 3 March I made it clear that the Government, in negotiation of the Community regime, will not be pressing for the retention of the quota and market support elements of the potato marketing scheme.

The draft regime will come back to the Council of Ministers for decision as soon as the European Parliament has given its opinion. That opinion is not expected before April.

Wild-caught Birds

Mr. Cohen: To ask the Minister of Agriculture, Fisheries and Food what was the overall mortality rate, dead on arrival or dying in quarantine, of wild-caught birds imported into the United Kingdom in *(a)* 1990 and *(b)* 1991.

Mr. Soames: The percentages given below relate to imports into Great Britain and are drawn from the Ministry's studies, "Importation of Birds—Mortality Statistics from Quarantine Returns", copies of which were placed in the Library of the House. The statistics do not distinguish wild-caught from captive bred birds.

Overall mortality rate

	Per cent.
1990	12·32
1991	14·81

Slaughterhouses

Mr. Morley: To ask the Minister of Agriculture, Fisheries and Food what assessment has been made of whether all slaughterhouses in England and Wales have now fitted to their electrical stunning equipment a device to prevent the delivery of a current below that which the equipment has been set to deliver.

Mr. Soames: Local authorities enforce welfare legislation in slaughterhouses. Guidance was issued by MAFF to local authorities and slaughterhouse operators during 1992. State veterinary service monitoring has revealed the need for further guidance, which is currently being prepared.

Mr. Morley: To ask the Minister of Agriculture, Fisheries and Food what plans he has to bring forward the regulations under section 1 of the Welfare of Animals at Slaughter Act 1991 requiring occupiers of slaughterhouses to ensure compliance with welfare at slaughter regulations.

Mr. Soames: I plan to consult interested parties shortly.

Poultry

Mr. Morley: To ask the Minister of Agriculture, Fisheries and Food what steps he is taking to ensure that imported poultry is produced meeting the same standards as United Kingdom poultry and meets the same requirements for health marking.

Mr. Soames: Imported poultry meat is required to comply with the Imported Food Regulations 1984, which includes a requirement for health markings.

Mr. Morley: To ask the Minister of Agriculture, Fisheries and Food what effect he estimates the latest EC directives on poultry hygiene will have on the number of poultry meat inspectors currently employed.

Mr. Soames: My previous answer on this subject (*Official Report*, 8 March 1993, column *465*) described the Government's plans for implementing EC Council Directive 92/116/EEC on poultry meat hygiene. Our officials have established a working group of representative interests to advise on the controls to be applied to the new system of inspection involving the use of plant staff to carry out on-line poultry meat inspection. Our detailed proposals for implementing the new directive will be issued for public consultation in due course.

No reliable estimate can be made, in advance of the work described above, of the extent to which the responsibilities of poultry meat inspectors employed by local authorities will be taken over by trained plant staff acting under the supervision of the official inspection team. However, it is likely that poultry meat inspectors will increasingly assume a supervisory role in those plants permitted to use plant staff for on-line inspection, with a consequent reduction in their numbers, in those plants.

Mr. Morley: To ask the Minister of Agriculture, Fisheries and Food what records are kept of the number of diseased birds that are identified at individual slaughterhouses.

Mr. Soames: The Department introduced last year a statistical survey of the numbers of poultry condemned on the grounds of disease or other reasons, in the majority of licensed poultry slaughterhouses in Great Britain. This survey has improved the collection of information about condemnations by individual local authorities, which was not previously compiled on a systematic basis.

Our officials will shortly be sending to participating local authorities and other interested organisations the preliminary results of this survey.

North Sea (Pollution)

Mr. Alex Carlile: To ask the Minister of Agriculture, Fisheries and Food what plans there are to hold an independent inquiry into the levels of radioactive pollution in the North sea; if he will make it his policy to deny British Nuclear Fuels plc any licence to dump radioactive waste in the North sea until an inquiry has been completed; and if he will make a statement.

Mr. Curry: The Ministry of Agriculture, Fisheries and Food undertakes a regular programme of monitoring of radioactivity in United Kingdom waters. Results are published in aquatic environment monitoring reports, "Radioactivity in Surface and Coastal Waters of the British Isles", copies of which are available in the Library of the House. These results show that radioactivity levels in the North sea are well below those which would pose a threat to man or to the marine environment and I do not plan any further inquiry. We do not license dumping of radioactive waste in the North sea.

Comfrey

Mr. Nicholas Winterton: To ask the Minister of Agriculture, Fisheries and Food if he will list those organisations which he consulted prior to his decision on the availability of comfrey and its derivatives.

Mr. Soames: My decision on the availability of comfrey tablets and capsules followed recommendations from the committee on toxicity of chemicals in food, consumer products and the environment and the food advisory committee. In arriving at my decision I took account of views expressed on herbal preparations generally by the organisations listed.

Organisations concerned

British Diabetic Association
British Herbal Medicine Association
British Health Food Trade Association
British Medical Association
British Retailers Association
British Society for Nutritional Medicine
Child Accident Prevention Trust
Consumers Association
Consumers in the European Community Group (UK)
Convention of Scottish Local Authorities
Cornwall and Isles of Scilly Health Authority
Council of Welsh Districts
Faculty of Public Health Medicine
Federation of Synagogues
Health Education Authority
Health Food Manufacturers Association
Health Through Food
Health Visitors Association
Hyperactive Children's Support Group
Infant and Dietetic Foods Association
Institute of Health Food Retailing
Kent County Council
LACOTS
London Borough of Hackney
Medical Research Council
National Association for Pre-Menstrual Syndrome
National Association of Health Stores
National Consumer Council
National Federation of Women's Institutes
Natural Medicines Society
New Statesman and Society
Nutrition Society
Pharmaceutical Society of Northern Ireland
Proprietary Association of Great Britain
Royal College of Physicians
Royal Institute of Public Health and Hygiene
Royal Pharmaceutical Society of Great Britain
Royal Pharmaceutical Society of Great Britain Scottish Department
Society for the Promotion of Nutritional Therapy
Somerset County Council
TNO Nutrition and Food Research
University of Glasgow Department of Child Health Yorkhill
University of Reading Department of Food Science and Technology
Welsh Consumers Council

Milk Quota

Dr. Strang: To ask the Minister of Agriculture, Fisheries and Food what arrangements are currently in place for the administration of the milk quota in England.

Mr. Gummer: My Department and the Intervention Board Executive Agency are responsible for administering milk quotas in England. Certain functions are currently performed on our behalf by the Milk Marketing Board for England and Wales.

EMPLOYMENT

Health and Safety

Mr. Steen: To ask the Secretary of State for Employment how many prosecutions have taken place, in each of the last three years, for non-compliance with health and safety regulations; and how much money has been raised from the consequent fines.

Mr. McLoughlin: The available information is provided in the following tables:

Prosecution action taken for breaches of health and safety legislation [1] 1989-90 to 1991-92 P

Date of hearing[2]	*Number of informations laid*	*of which convictions*	*Total fines (£)*
Health and Safety Executive (HSE) inspectorates			
1989-90	2,653	2,289	1,791,782
1990-91	2,312	1,991	1,798,120
1991-92	2,407	2,122	2,405,900
Local Authorities[3]			
1989-90	713	664	[4]—
1990-91	645	551	[4]—

Notes:
P = Provisional
[1] All action taken under the Health and Safety at Work Act 1974 and subordinate regulations and other legislation enforced by HSE.
[2] Years commencing 1 April.
[3] Figures for 1991-92 are not yet available.
[4] The amount of fine imposed for convictions obtained by local authorities are not available.

Noise at Work

Mr. Terry Davis: To ask the Secretary of State for Employment how many prosecutions were taken against employers in 1990-91 and 1991-92 relating to the control of noise at work for each of the geographical areas of *(a)* the factory inspectorate, *(b)* the agricultural inspectorate and *(c)* the quarries inspectorate; and what were the penalties in each case.

Mr. McLoughlin: The information requested about prosecutions under the Noise at Work Regulations is provided in the following tables.

Factory inspectorate prosecutions under the Noise at Work Regulations 1989

1990-91
North East area
Four informations laid, four convictions with one fine of £200 and three at £100.

1991-92
London North area
One information laid, one conviction fine £100.

East Midlands area
One information laid, one conviction fine £750.

West and North Yorkshire area
Six information laid, six convictions, two fines of £500, and one fine each of £250, £150, £75 and £50.

North East area
Two information laid, one conviction and one withdrawn, fine of £200.

No prosecution action was taken under these regulations in other Factory Inspectorate areas.

Agricultural inspectorate prosecutions under the Noise at Work Regulations 1989

No prosecution action taken under these regulations during the years 1990-91 and 1991-92[1].

Quarries inspectorate prosecutions under the Noise at Work Regulations 1989

No prosecution action taken under these regulations during the years 1990-91 and 191-92[1].

[1] Provisional.

Farm Fatalities

Mr. Alex Carlile: To ask the Secretary of State for Employment how many farm fatalities there have been in each of the last five years; and if she will make a statement.

Mr. McLoughlin: The fatal accidents in agriculture and horticulture reported to the enforcement authorities under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1985 are set out in the following table.

Fatal accidents in the agriculture and horticulture industry[1] reported to enforcement authorities 1987-88 to 1991-92[2]

[3]Year	Total
1987-88	58
1988-89	55
1989-90	60
1990-91	55
[2]1991-92	44

[1] As defined by Standard Industrial Classification 1980 Class 01.
[2] Provisional.
[3] Year commencing 1 April.

Agricultural Safety

Mr. Alex Carlile: To ask the Secretary of State for Employment what plans she has to introduce new agricultural safety measures; and if she will make a statement.

Mr. McLoughlin: At present we have no plans to introduce new agricultural safety regulations.

Agriculture is subject to the Health and Safety at Work etc. Act 1974 and regulations made under it, the most recent of which are the six sets of health and safety regulations which came into force, in order to implement EC directives, at the beginning of January this year. These latest regulations cover a wide range of safety issues from the condition of the work place to the use of machinery and employers and others need time to assimilate and act on them.

Sheltered Workshops

Mr. Brandreth: To ask the Secretary of State for Employment if she will make a statement on provision for sheltered workshops and the sheltered placement scheme during 1993-94.

Mr. Michael Forsyth: We shall be considering the future of sheltered employment provision in the light of the review of funding arrangements which is currently taking place. It is our aim that any changes we propose will improve the effectiveness of the scheme and help more people with severe disabilities.

We are committed to providing sheltered employment for people with severe disabilities and are currently providing funds to enable around 5,000 people to be employed in sheltered workshops and around 7,000 in sheltered placements.

To ensure that we make best use of available resources we have decided that the planned number of places to be provided nationally will remain the same next year as in 1992-93. However, previous experience of turnover patterns suggests that around 1,000 existing places are likely to become vacant which will enable new entrants to join the programme.

In 1993-94 we are providing an increase of £2·37 million current expenditure for sheltered workshops and the sheltered placement scheme. These additional funds will be used to help meet the costs of voluntary bodies and local authorities through an increase in the grant ceilings by a further £170 and £210 respectively. This will bring them to £4,310 for voluntary bodies and £3,480 for local authorities. This represents an increase of 4·1 per cent. and 6·4 per cent. respectively.

SOCIAL SECURITY

Pensions

Mr. Kirkwood: To ask the Secretary of State for Social Security if he will commission an independent academic research project to make an objective comparison of the differences in state pension provision within the member states of the European Community; and if he will make a statement.

Miss Widdecombe: The Department has already commissioned independent academic research from the social policy research unit (SPRU), University of York, into the relative incomes and living standards of the elderly in an international comparative perspective. The study will examine data on the relative incomes of the elderly in a wide range of countries, including some EC member states.

Homelessness

Mr. Kirkwood: To ask the Secretary of State for Social Security how many homeless households placed in temporary accommodation by local authorities under the Housing Act 1985 part III were in receipt of income support in each of the years for which figures are available.

Mr. Burt: The available information is in the table.

Number of households placed in temporary accommodation claiming Income Support

Year	Number
1990	11,000
1991	10,100
1992	8,800

Notes:
1. Source: Local authority returns for February, May, August and November 1990; February, May, August and November 1991; February, May and August 1992. No estimate is included for authorities who fail to make a return regarding numbers of boarders.
2. Figures derived from quarterly returns, averaged over a calendar year, rounded to nearest 100.

Mr. Kirkwood: To ask the Secretary of State for Social Security how many children, classified as dependants for

the purposes of claiming income support, are currently living in temporary accommodation provided by local authorities under the Housing Act 1985 part III.

Mr. Burt: This information is not held centrally.

Local authority returns contain some information about people in temporary accommodation placed under the Housing Act 1985 part III but not specifically for children.

Energy Costs

Mr. Madden: To ask the Secretary of State for Social Security what categories of those receiving benefits from his Department will be assisted to meet the extra costs following the imposition of value added tax on fuel and energy; how the assistance will be calculated; whether there will be specific fuel additions made to benefits; and if he will make a statement.

Mr. Burt: Pensions and other benefits will increase automatically to reflect the impact of any increase in fuel bills on the indices used to uprate benefits.

Moreover, extra help will be given from April 1994 to poorer pensioners and other people on low incomes to assist with higher fuel bills as soon as they arise.

Details of the precise way in which we will provide this extra help will be announced in the normal way in the autumn.

Housing Benefits

Mr. Betts: To ask the Secretary of State for Social Security if he will calculate the cost of extra payments in housing and poll tax benefits if the income assumed to be realised on capital owned by benefit claimants had been reduced in line with the fall in base rates since 17 September 1992; and how much of this cost would have fallen on the national Exchequer.

Mr. Burt *[holding answer 11 March 1993]:* The formula applying to capital, introduced on the reform of the income-related benefits in April 1988, makes no assumptions about the level of any return on capital invested.

Base rates have both risen and fallen since that time and the formula has remained the same. Had the formula assumed a return and had it proportionately reflected only those changes in the base rate since 17 September 1992, the estimated cost to the Exchequer to the end of 1992-93 financial year would be £50 million; £30 million in housing benefit and £20 million in community charge benefit.

Source—Modelled at 1992-93 prices and benefit levels using data from the 1987-88-89 Family Expenditure Surveys.

Note: Figures have been rounded to the nearest £10 million.

WALES

Employment Protection

Mr. Morgan: To ask the Secretary of State for Wales what representations he has received from the Cleaning and Support Services Association in relation to the Transfer of Undertakings (Protection of Employment) Regulations 1981 and compulsory competitive tendering by local authorities and health authorities.

Mr. David Hunt: Two letters have been received from the association raising concerns about the possible effect of the regulations on public sector market testing exercises.

Grant-maintained Schools

Mr. Morgan: To ask the Secretary of State for Wales if he will make a statement on the effect of *(a)* opting out and *(b)* local management of schools on the ability of individual schools to reclaim value added tax.

Sir Wyn Roberts: Grant-maintained schools are expected to meet the cost of VAT on supplies and services. Special purpose grant for value added tax is payable by the Welsh Office to help compensate them for the additional costs of VAT which cannot be met from within their annual maintenance grant.

When the governing body of a LEA-maintained school enters into a contract to spend part of its delegated budget, it does so on behalf of its local authority. The LEA's ability to claim refunds of VAT on purchases in respect of their non-business activities is not therefore, affected by our local management of schools arrangements.

Young People (Training)

Mr. Morgan: To ask the Secretary of State for Wales when he proposes to publish statistics on the numbers of persons aged 16 and 17 years in each TEC area without a job, or training scheme or full-time education courses.

Mr. David Hunt: I will write to the hon. Gentleman and place a copy of my letter in the Library of the House.

Artificial Limbs

Mr. Morgan: To ask the Secretary of State for Wales what steps are taken to ensure that the standard of prostheses supplies from outside the United Kingdom are suitable for use in the national health service; what assessment he has made of the average time span before the requirement for revision for *(a)* imported protheses and *(b)* those manufactured in the United Kingdom; and if he will make a statement.

Mr. David Hunt: The responsibility for the issue of prostheses, both upper and lower limbs, lies with the artificial limb and appliance service. In Wales, the day-to-day management of the service is discharged by the Welsh Health Common Services Authority. However, before any applicance or prosthesis is dispensed in this country the medical devices directorate issues a certificate of acceptance.

Research Expenditure

Mr. Dafis: To ask the Secretary of State for Wales what are the annual figures for spending by his Department on commissioning research from the higher education sector for each year from 1989-90 to 1993-94.

Sir Wyn Roberts: Welsh Office expenditure on research commissioned from the higher education sector is as follows:

	Million
1989-90	0·4
1990-91	0·5
1991-92	0·4

This information is published in the annual review of Government funded research and development, which is available in the Library of the House. The outturn figure for 1992-93 is not yet available and it is not possible to produce a reliable estimate of expenditure in 1993-94.

Assisted Areas

Mr. Alan W. Williams: To ask the Secretary of State for Wales when he expects to be able to make an announcement of the review of assisted area status in Wales.

Mr. David Hunt: The representations received about the review of assisted areas are currently being considered. The Government will make an announcement on the outcome of the review as soon as possible.

Departmental Contracts

Mr. Rowlands: To ask the Secretary of State for Wales if he will list those expenditures in the last financial year in his Department which were put out to contract.

Mr. David Hunt: This information is not held centrally and could be obtained only at disproportionate cost.

Welsh Development Agency

Mr. Alan W. Williams: To ask the Secretary of State for Wales how much has been raised from the sale of property by the Welsh Development Agency in each year since 1990-91; and how much is expected to be raised from the sale of property in each year to 1996-97.

Mr. David Hunt: Receipts from the sale of land and buildings since 1990-91 are as follows:

	£ million
1990-91	[1]25·0
1991-92	[1]25·3
1992-93	[2]50·5
1993-94	[3]80·0

[1] Outturn.
[2] Forecast outturn.
[3] Planned.

Details of the agency's gross and net budgets for the years 1994-95 to 1996-97 will be decided during the course of future public expenditure surveys.

Mr. Ron Davies: To ask the Secretary of State for Wales how he ensures that the requirement of the Welsh Development Agency Act 1975, insofar as it relates to the members of the agency having experience of matters relating to the environment, is met.

Mr. David Hunt: The Act requires that members of the agency have wide experience in one or more of a number of fields, including the environment. In making appointments to the agency's board, I have regard to these requirements.

Departmental Publications

Mr. Alex Carlile: To ask the Secretary of State for Wales if he will ensure that all future Welsh Office publications will be printed in Wales; and if he will make a statement.

Mr. David Hunt: It is not possible to stipulate that all Welsh Office publications must be printed in Wales.

Tourism

Mr. Alex Carlile: To ask the Secretary of State for Wales if he will propose incentives to boost the tourist industry in south and west Wales; and if he will make a statement.

Sir Wyn Roberts: There are already many financial and marketing support incentives available to encourage and assist tourism development in Wales through the Welsh Office and public bodies such as the Wales Tourist Board, the Development Board for Rural Wales, the Welsh Development Agency and Cadw.

Cardiff Bay Development Corporation

Mr. Morgan: To ask the Secretary of State for Wales, pursuant to his answer of 22 February, *Official Report*, column *470*, if he will announce the start date for the quinquennial review of the Cardiff Bay development corporation.

Mr. David Hunt: A financial management and policy review will be undertaken during the 1993-94 financial year, starting on a date yet to be decided.

School Site, Swansea

Mr. Alan Williams: To ask the Secretary of State for Wales what proposals he has for the future use of the site at Llwynmawr, Swansea, earmarked for a school.

Mr. David Hunt: The site at Llwynmawr road, Swansea is owned by the West Glamorgan county council. In 1990 the council asserted that the land was required for future school building, but I understand that the council now regards the site as being surplus to requirements.

Bees

Mr. Flynn: To ask the Secretary of State for Wales what is his assessment of the effect of the bees pest Varroa in Wales; and if he will make a statement.

Mr. David Hunt: There are at present no confirmed cases of Varroa in Wales. The importance of disease prevention, however, is fully appreciated; a search of apiaries was conducted in Wales last autumn to establish if the disease was present, and a further search will be carried out this spring. If any cases of Varroa are confirmed, appropriate control measures will be implemented.

Mr. Flynn: To ask the Secretary of State for Wales how many bees officers are currently employed in Wales; what was the number in 1985; and if he will make a statement.

Mr. David Hunt: There were seven bees officers employed in Wales in 1985. It is proposed to employ seven bees officers in 1993.

Milk

Dr. Strang: To ask the Secretary of State for Wales what arrangements are currently in place for the administration of milk quotas in Wales.

Mr. David Hunt: My Department and the Intervention Board executive agency are responsible for administering milk quotas in Wales. Certain functions are currently performed on our behalf by the Milk Marketing Board for England and Wales.

Mr. Martyn Jones: To ask the Secretary of State for Wales what is the number of farms in Wales for which dairy produce represents more than 10 per cent. of their production, or an equivalent threshold for which information is available, on a county basis.

Mr. David Hunt: The information is not available in the form requested.

The following table shows the number of holdings in Wales for which over 10 per cent. of the total standard gross margin (SGM) of the holding is attributable to dairy cows. The SGM is a financial measure based on the output of an enterprise less its variable costs.

County	*Number of holdings*
Powys	530
Gwynedd	549
Dyfed	3,201
Clwyd	980
South Glamorgan	110
Mid Glamorgan	89
West Glamorgan	92
Gwent	354
Wales	5,905

Source: June 1992 Agricultural Census.

DEFENCE

Middle East (Export Controls)

Mr. Llew Smith: To ask the Secretary of State for Defence what recent meetings he, Ministers or officials of his Department have had with the Defense Technology Security Agency of the United States Department of Defense in regard to harmonisation of export control policy for the middle east.

Mr. Aitken: P5 and G7 sub-group meetings of officials last year considered aspects of export controls policy for the middle east. These meetings included officials from my Department and, on some occasions, from the DTSA.

European Armaments Agency

Sir John Hunt: To ask the Secretary of State for Defence if he will make a statement on the role and operation of a European armaments agency.

Mr. Aitken: The proposal to create a European armaments agency is under consideration with our partners in European armaments co-operation. It is too early to say what conclusions may be reached.

Defence Companies (Redundancies)

Mr. Hutton: To ask the Secretary of State for Defence, pursuant to his oral answer to the hon. Member for Wallasey (Ms Eagle) of 9 March, *Official Report*, column 769, if he will list the defence companies which have made redundancies since 1990; and what were the total numbers of redundancies in each case.

Mr. Aitken: My Department does not keep such a list in the form suggested but was aware on 9 March of some 43,000 announced job losses in defence companies since July 1990. This is at best an approximate estimate for it includes some civil sector jobs lost by these companies; it does not identify how many of the job losses are due to reductions in United Kingdom defence expenditure; it does not include job losses among some smaller defence companies which were not announced in the press or notified to my Department; it does not differentiate between redundancies, retirements or natural wastage; and it does not take account of jobs gained by some defence companies as a result of new orders.

Kuwait

Mr. Cousins: To ask the Secretary of State for Defence when the United Kingdom signed a memorandum of understanding on defence procurement with Kuwait; when the programme office was set up; what orders have so far been placed; and how much income his Department has received in brokerage fees from United Kingdom firms.

Mr. Aitken: The United Kingdom signed a memorandum of understanding on defence equipment and related services with Kuwait on 2 December 1992. The Kuwait programme office was set up on 4 January 1993. There have been no contracts placed so far and my Department will not receive brokerage fees from United Kingdom firms. Where, however, my Department undertakes a major management rôle on behalf of a customer—in this case the Kuwait Government—a fee is charged to cover departmental expenses commensurate with the work involved.

Iraq (Industrial Establishments)

Mr. Llew Smith: To ask the Secretary of State for Defence what information he has on the current activities of *(a)* the Al-Kindi research complex, *(b)* the Salah Al-Din state establishment, and *(c)* the Nassr state establishment in Iraq.

Mr. Archie Hamilton: All three facilities, which are monitored under UN Security Council resolutions, serve Iraq's military industry. The Al-Kindi research complex is a missile and artillery research and development facility, the Salah Al-Din state establishment manufactures electronic items and the Nassr state establishment is a major steel producer.

Reserve forces

Sir John Hunt: To ask the Secretary of State for Defence if he will make it his policy to encourage employers to allow reservists to take necessary leave of absence to follow their duties.

Mr. Archie Hamilton: It is my Department's policy to encourage employers to support membership of the volunteer reserve forces by their employees including the taking of the necessary leave. The National Employers Liaison Committee runs a very successful national campaign aimed primarily at employers, which is supported by regional and local initiatives by the Territorial Auxiliary and Volunteer Reserve Associations. Over 3,000 employing organisations have received certificates acknowledging the support they have pledged.

Stand-off Missile

Mr. Menzies Campbell: To ask the Secretary of State for Defence when he intends to issue the cardinal points specification for the conventionally armed stand-off missile; and if he will make a statement.

Mr. Aitken: We expect to issue the cardinal points specification (CPS) for the conventionally armed stand-off weapon later this year.

The CPS is being prepared in the light of responses to the Department's request for information, which was issued to industry in August 1991. It is our intention that the selected option should be one that minimises the additional development needed to meet the requirements of the RAF.

Chieftain Tanks

Mr. Menzies Campbell: To ask the Secretary of State for Defence how many Chieftain tanks are to be sold by his Department to Pakistan; and what modifications will be made to them before they are sold.

Mr. Aitken: Discussions with the Pakistani Government on the possible sale of a number of upgraded Chieftain tanks are at an early stage.

Self-propelled Gun

Mr. Menzies Campbell: To ask the Secretary of State for Defence when he expects delivery of the 155 mm AS90 self-propelled gun to commence; and when it will be completed.

Mr. Aitken: The first delivery took place on 4 February 1993. Deliveries are expected to be completed in mid-1995.

"Options for Change"

Mr. Ian Bruce: To ask the Secretary of State for Defence, pursuant to the answer of 16 February, *Official Report*, column *122*, on which subhead of the defence estimates the special capital compensation payments made in respect of "Options for Change" are included.

Mr. Archie Hamilton: For financial year 1992-93 provision for the special capital compensation payments to armed forces personnel is made in class I, vote 3, subheads A1, A2 and A3. For financial years 1993-94 and 1994-95, following the reorganisation of class I votes, provision for such payments will be made in class I, vote 1, subheads G2, I2 and J2.

Written Answers to Questions

Tuesday 23 March 1993

LORD CHANCELLOR'S DEPARTMENT

C-LIX Court Listing

Mr. Oppenheim: To ask the Parliamentary Secretary, Lord Chancellor's Department when the current trial period of the C-LIX court listing information service will come to an end.

Mr. John M. Taylor: The C-LIX court listing field trial has been planned to take place in a number of phases. The first of these, linking the Central Criminal Court to five sets of barristers' chambers, is currently under way. This will be extended in April to include other London Crown court centres and additional sets of chambers. A further phase is planned in which the range of end-users will be increased to include solicitors' firms and interested members of other criminal justice agencies—for example, police and the Prison Service.

The formal end date of the field trial has not yet been fixed, but a full evaluation is expected before the end of this year.

HOME DEPARTMENT

Electoral Registration

Mr. Allen: To ask the Secretary of State for the Home Department what opinion research his Department has commissioned into the advertising for last year's electoral registration campaign; and when the results of this research will be made available.

Mr. Peter Lloyd: Pre- and post-campaign research, taking a sample of 1,800 respondents, was commissioned following the autumn 1992 electoral registration poster campaign.

A copy of the advertising monitor summary of results for the electoral registration campaign—autumn 1992 has been sent to the House of Commons Library.

Elderly People (Threats)

Ms Walley: To ask the Secretary of State for the Home Department what review has been undertaken into developments in the level of the threat of grievous bodily harm, rape, robbery or murder facing elderly people; and if he will make a statement.

Mr. Jack: Statistics of crime recorded by the police can provide national trends in crime risks by age only for murder. The rate of murder against those aged 70 or more has declined since 1980 in England and Wales, and that for those between 50 and 69 years is relatively stable; the numbers involved are small.

The British crime survey can provide information on trends in violence against the elderly between 1981 and 1991. The proportion of those aged 60 or over who were victims of robbery, wounding, common assault or any sexual offence showed no change over the period: about one in 200 of those aged 60 or more were a target in 1991. Trends in all these statistics are continually monitored.

ESDA Evidence

Mr. Miller: To ask the Secretary of State for the Home Department what ESDA evidence has been adduced in *(a)* the case of Paul Malone and *(b)* the case of the Birmingham Six.

Mr. Jack: A report on ESDA tests on certain documents was submitted to my right hon. and learned Friend by Mr. Malone's solicitor in support of representations about the safety of his conviction. I understand that further ESDA tests have been carried out at the request of the chief constable of Cheshire. The results of both sets of tests are currently being considered by officers of the Metropolitan police who are reinvestigating the case.

A description of the evidence of ESDA tests adduced in the final appeal of the Birmingham Six is to be found on pages 42-52 of the judgment of the Court of Appeal on 27 March 1991—R *v.* McIlkenny and others—a copy of which is in the Library.

Mr. Miller: To ask the Secretary of State for the Home Department how many anomalies have been identified by ESDA evidence affecting the case of Paul Malone.

Mr. Jack: I understand that the results of ESDA tests on certain documents relating to Mr. Malone's conviction are among matters being examined by officers of the Metropolitan police as part of their further inquiries into this case. The significance of these results cannot properly be assessed until the investigation as a whole has been completed. When I have received the investigating officers' report on the case, I will, of course, give it full and careful attention.

Young Offenders

Mr. Andrew Smith: To ask the Secretary of State for the Home Department how many 10-year-olds have been charged with crimes in the youth courts in the last two years for which figures are available; and how many have been convicted.

Mr. Jack: The information readily available centrally on the number of 10-year-olds prosecuted in 1990 and 1991 is given in the table. Data on people charged are not held centrally.

Number of 10 year olds prosecuted at magistrates' courts by type of offence and type of court 1990 and 1991

England and Wales

Type of offence		*Type of magistrates' courts*		
		Juvenile courts	*Adult courts*	*All*
Indictable offences				
	1990	88	25	113
	1991	67	7	74
Summary non-motoring				
	1990	27	18	45
	1991	15	22	37
Summary motoring				
	1990	2	25	27
	1991	1	55	56

Type of offence		Type of magistrates' courts: Juvenile courts	Adult courts	All
All offences	1990	117	68	185
	1991	83	84	167

Prisoners (Assault)

Ms Ruddock: To ask the Secretary of State for the Home Department what proportion of prisoners in each prison establishment committed assaults *(a)* on other prisoners and *(b)* on prison officers between April 1992 and February 1993, and for each of the previous 10 years.

Mr. Peter Lloyd: The available information is for the number of assaults which were punished under the prison discipline system. Some individuals may have committed and been punished for more than one assault in any period and would in that event be counted more than once. The figures for April 1992 to February 1993 are given in the table. Figures for 1989—April to December—1990 and 1991 were published in "Statistics of offences against prison discipline and punishments England and Wales 1989, 1990 and 1991"—Cm 1236, 1651 and 2066—copies of which are available in the Library of the House. I regret that the information is not available prior to 1 April 1989.

Table 5
Assaults[1] in male young offender institutions
April 1992/February 1993[2]

Establishment	Assaults on inmates	Assaults on prison staff[3]	Average population	Assaults on inmate per 100 population	Assaults on staff per 100 population
Closed YOIS					
Aylesbury	26	43	232	11·2	18·5
Castington	40	19	240	16·7	7·9
Deerbolt	55	16	366	15·0	4·4
Dover	24	17	217	11·1	7·8
Feltham	44	22	258	17·1	8·5
Glen Parva	50	14	410	12·2	3·4
Hollesley Bay	18	6	165	10·9	3·6
Huntercombe	22	3	199	11·1	1·5
Moorland	11	15	150	7·3	10·0
Northallerton	21	7	192	10·9	3·6
Onley	81	16	324	25·0	4·9
Portland	15	7	386	3·9	1·8
Stoke Heath	26	16	187	13·9	8·6
Swinfen Hall	14	4	163	8·6	2·5
TOTAL	447	205	3,489	12·8	5·9
Open YOIS					
Finnamore Wood	4	0	78	5·1	0·0
Guys Marsh	6	0	90	6·7	0·0
Hatfield	9	1	144	6·3	0·7
Thorn Cross	23	0	174	13·2	0·0
Usk	0	0	71	0·0	0·0
TOTAL	42	1	557	7·5	0·2
Short Sentence Institutions					
Eastwood Park[4]	6	0	66	9·1	0·0
Hollesley Bay	12	2	80	15·0	2·5
Wetherby	14	2	135	10·4	1·5
TOTAL	32	4	281	11·4	1·4
Juvenile Institutions					
Feltham	20	3	122	16·4	2·5
Onley	40	4	78	51·3	5·1
Werrington	38	4	104	36·5	3·8
TOTAL	98	11	304	32·2	3·6

[1] Includes attempts, incitements and assisting.
[2] Provisional data.
[3] Prison officers and other members of staff not of prison officer grade.
[4] Open for part period only. Average population relates to the period of time open.

Table 6
Assaults[1] in female establishments
April 1992/February 1993[2]

Establishment	Assaults on inmates	Assaults on prison staff[3]	Average population	Assaults on inmate per 100 population	Assaults on staff per 100 population
Local Prisons					
Holloway	40	60	453	8·8	13·2
Low Newton	3	6	31	9·7	19·4
New Hall	4	18	126	3·2	14·3
Pucklechurch	8	14	52	15·4	26·9
Risley	17	50	79	21·5	63·3
TOTAL	72	148	741	9·7	20·0
Closed Training Prisons					
Bullwood Hall	3	7	83	3·6	8·4
Cookham Wood	1	5	113	0·9	4·4
Styal	12	17	162	7·4	10·5
TOTAL	16	29	358	4·5	8·1
Open Prisons					
Askham Grange	3	0	98	3·1	0·0
Drake Hall	3	0	145	2·1	0·0
East Sutton	3	0	70	4·3	0·0
TOTAL	9	0	313	2·9	0·0
Closed YOIS					
Bullwood Hall	5	16	21	23·8	76·2
New Hall	3	1	9	33·3	11·1
Styal	7	6	29	24·1	20·7
TOTAL	15	23	59	25·4	39·0

[1] Includes attempts, incitements and assisting.
[2] Provisional data.
[3] Prison officers and other members of staff not of prison officer grade.

Table 7
Assaults[1] in all prison service establishments
April 1992/February 1993[2]

Establishment	Assaults on inmates	Assaults on prison staff[3]	Average population	Assaults on inmate per 100 population	Assaults on staff per 100 population
Adult male prisons and remand centres	1,199	1,724	36,696	3·3	4·7
Male YOIs	619	221	4,631	13·4	4·8
Female establishments	112	200	1,471	7·6	13·6
ALL	1,930	2,145	42,798	4·5	5·0

[1] Includes attempts, incitements and assisting.
[2] Provisional data.
[3] Prison officers and other members of staff not of prison officer grade.

Table 1: Assaults[1] in male remand centres, April 1992/February 1993[2]

Establishment	Assaults on inmates	Assaults on prison staff[3]	Average population	Assaults on inmate per 100 population	Assaults on staff per 100 population
Brinsford	55	22	319	17·2	6·9
Cardiff	10	6	86	11·6	7·0
Dorchester	3	1	29	10·3	3·4
Exeter	10	2	55	18·2	3·6
Feltham	66	47	309	21·4	15·2
Glen Parva	45	26	364	12·4	7·1
Hindley	62	24	391	15·9	6·1
Holme House[4]	13	8	75	17·3	10·7
Low Newton	37	2	215	17·2	0·9
Moorland	65	61	458	14·2	13·3
Norwich	12	1	52	23·1	1·9
Rochester	43	35	107	40·2	32·7
Stoke Heath	11	14	83	13·3	16·9
Swansea	13	3	66	19·7	4·5
TOTAL	445	252	2,609	17·1	9·7

[1] Includes attempts, incitements and assisting.
[2] Provisional data.
[3] Prison officers and other members of staff not of prison officer grade.
[4] Open for part period only. Average population relates to the period of time open.

Table 2: Assaults[1] in adult male local prisons, April 1992/February 1993[2]

Establishment	Assaults on inmates	Assaults on prison staff[3]	Average population	Assaults on inmate per 100 population	Assaults on staff per 100 population
Bedford	10	7	244	4·1	2·9
Belmarsh	42	119	731	5·7	16·3
Birmingham	20	48	889	2·2	5·4
Bristol	13	10	394	3·3	2·5
Brixton	24	45	720	3·3	6·3
Bullingdon	12	22	383	3·1	5·7
Camp Hill	2	0	6	33·3	0·0
Canterbury	2	7	163	1·2	4·3
Cardiff	7	21	322	2·2	6·5
Chelmsford	11	15	337	3·3	4·5
Dorchester	2	1	163	1·2	0·6
Durham	13	33	620	2·1	5·3
Exeter	5	15	319	1·6	4·7
Elmley	15	34	366	4·1	9·3
Gloucester	9	8	189	4·8	4·2
Highdown	9	21	186	4·8	11·3
Holme House[4]	12	22	298	4·0	7·4
Hull	13	11	323	4·0	3·4
Leeds	18	59	848	2·1	7·0
Leicester	11	14	319	3·4	4·4
Lewes	14	11	348	4·0	3·2
Lincoln	25	24	572	4·4	4·2
Liverpool	20	15	1,201	1·7	1·2
Manchester	10	9	341	2·9	2·6
Norwich	24	19	284	8·5	6·7
Pentonville	22	37	729	3·0	5·1
Preston	8	9	406	2·0	2·2
Reading[4]	25	15	107	23·4	14·0
Shrewsbury	6	8	267	2·2	3·0
Swansea	5	2	194	2·6	1·0
Wandsworth	20	49	1,051	1·9	4·7
Winchester	17	30	361	4·7	8·3
Wolds	13	35	191	6·8	18·3
Woodhill	1	4	152	0·7	2·6
Wormwood Scrubs	11	54	675	1·6	8·0
Total	471	833	14,699	3·2	5·7

[1] Includes attempts, incitements and assisting.
[2] Provisional data.
[3] Prison officers and other members of staff not of prison officer grade.
[4] Open for part period only. Average population relates to the period of time open.

Table 3: Assaults[1] in adult male closed training prisons, April 1992-February 1993[2]

Establishment	Assaults on inmates	Assaults on prison staff[3]	Average population	Assaults on inmate per 100 population	Assaults on staff per 100 population
Acklington	7	22	576	1·2	3·8
Albany	10	10	255	3·9	3·9
Aldington	3	1	106	2·8	·9
Ashwell	1	1	386	·3	·3
Brockhill	2	4	151	1·3	2·6
Blundeston	9	34	326	2·8	10·4
Camp Hill	20	14	391	5·1	3·6
Channings Wood	5	5	567	·9	·9
Coldingley	0	9	206	·0	4·4
Dartmoor	11	33	509	2·2	6·5
Erlestoke	0	3	205	·0	1·5
Everthorpe	2	3	219	·9	1·4
Elmley	1	2	69	1·4	2·9
Featherstone	6	10	547	1·1	1·8
Frankland	10	30	310	3·2	9·7
Full Sutton	17	75	438	3·9	17·1
Garth	4	36	482	·8	7·5
Gartree	6	3	243	2·5	1·2
Grendon	4	3	181	2·2	1·7
Haverigg	6	4	300	2·0	1·3

Establishment	Assaults on inmates	Assaults on prison staff[3]	Average population	Assaults on inmate per 100 population	Assaults on staff per 100 population
Highpoint	4	11	589	·7	1·9
Kingston	1	2	94	1·1	2·1
Lancaster	1	6	251	·4	2·4
Lindholme	7	12	646	1·1	1·9
Littlehey	3	12	521	·6	2·3
Long Lartin	1	34	347	·3	9·8
Maidstone	1	14	507	·2	2·8
The Mount	2	11	405	·5	2·7
Northeye	1	0	67	1·5	·0
Norwich	0	1	119	·0	·8
Nottingham	1	10	201	·5	5·0
Parkhurst	5	11	205	2·4	5·4
Ranby	7	4	316	2·2	1·3
Risley	8	2	376	2·1	·5
Rochester	1	1	110	·9	·9
Send	2	0	109	1·8	·0
Shepton Mallet	1	7	186	·5	3·8
Stafford	28	43	644	4·3	6·7
Stocken	4	9	389	1·0	2·3
Swaleside	12	38	488	2·5	7·8
Thorpe Arch	1	0	143	·7	·0
Usk	1	0	118	·8	·0
The Verne	3	5	540	·6	·9
Wakefield	7	13	644	1·1	2·0
Wayland	9	16	556	1·6	2·9
Wellingborough	3	1	275	1·1	·4
Whatton	5	0	200	2·5	·0
Whitemoor	17	53	466	3·6	11·4
Wymott	12	7	711	1·7	1·0
TOTAL	272	625	16,690	1·6	3·7

[1] Includes attempts, incitements and assisting
[2] Provisional data
[3] Prison officers and other members of staff not of prison officer grade

Table 4: Assaults[1] in adult male open prisons, April 1992/February 1993[2]

Establishment	Assaults on inmates	Assaults on prison staff[3]	Average population	Assaults on inmate per 100 population	Assaults on staff per 100 population
Ford	0	2	454	0·0	0·4
Hewell Grange	3	1	135	2·2	0·7
Kirkham	3	2	460	0·7	0·4
Leyhill	1	0	394	0·3	0·0
North Sea Camp	0	2	182	0·0	1·1
Rudgate	1	1	267	0·4	0·4
Stanford Hill	0	2	355	0·0	0·6
Sudbury	2	4	437	0·5	0·9
Usk[4]	1	0	14	7·1	0·0
Total	11	14	2,698	0·4	0·5

[1] Includes attempts, incitements and assisting.
[2] Provisional data.
[3] Prison officers and other members of staff not of prison officer grade.
[4] Open for part period only. Average population relates to the period of time open.

Police Force (Ethnic Minorities)

Ms Ruddock: To ask the Secretary of State for the Home Department how many police officers and what proportion of the total number in each police force area in England and Wales were *(a)* men and *(b)* women from ethnic minority groups in each of the last 10 years; and what proportion were in senior grades.

Mr. Charles Wardle: I will write to the hon. Member.

Race Relations Act

Ms Ruddock: To ask the Secretary of State for the Home Department what conclusions he has reached on the proposals from the Commission for Racial Equality for changes to the Race Relations Act 1976; and if he will make a statement.

Mr. Peter Lloyd: The Government are giving careful consideration to the Commission for Racial Equality's recommendations and will respond formally in due course.

Blakenhurst Prison

Ms Ruddock: To ask the Secretary of State for the Home Department what is the revised opening date for HM prison Blakenhurst.

Mr. Peter Lloyd: It is the current intention to open Blakenhurst prison on 26 May 1993 subject to satisfactory completion of the preparatory work being carried out by the contractor.

No-crime Offences

Ms Ruddock: To ask the Secretary of State for the Home Department what proportion of offences were reported as no-crimes for each police force in England and Wales for each of the last 10 years, and at the latest available date.

Mr. Jack: Figures are not available centrally, but many forces publish "no crime" totals in their chief constable's annual reports.

Racial Incidents

Ms Ruddock: To ask the Secretary of State for the Home Department how many instances of racial assault and racial harrassment were reported to each police force area in England and Wales in each of the last 10 years; and how many prosecutions and how many convictions resulted.

Mr. Charles Wardle: Information is not available before 1988. The figures since then are set out in the table. Figures for 1992 are not yet available. Figures on prosecutions and convictions are not held centrally, and could be obtained only at disproportionate cost.

All forces respond to racial attacks as a priority, and their responses are systematically monitored by Her Majesty's inspectorate of constabulary. The increase in reports to the police might indicate an increase in the confidence of victims in the ability and willingness of the police to help.

Racial incidents
Community relations indicators: reported racial incidents

Forces	*1988*	*1989*	*1990*	*1991*
Avon and Somerset	57	71	83	148
Bedfordshire	21	25	33	0
Cambridge	52	60	71	107
Cheshire	0	0	0	3
City of London	4	0	0	0
Cleveland	29	55	57	68
Cumbria	0	4	1	9
Derbyshire	17	20	53	143
Devon and Cornwall	2	3	6	9
Dorset	6	12	3	9
Durham	43	23	41	70
Dyfed Powys	0	0	0	0
Essex	2	26	43	59
Gloucestershire	17	20	51	25
Greater Manchester	28	40	123	204
Gwent	1	4	5	12
Hampshire	45	[1]—	42	141
Hertfordshire	49	49	51	0
Humberside	49	52	67	81
Kent	88	81	88	120
Lancashire	75	93	201	119
Leicestershire	84	190	287	369
Lincolnshire	1	2	2	4
Merseyside	136	123	144	162
Norfolk	8	22	23	45
North Wales	3	1	0	3
North Yorkshire	5	6	12	20
Northamptonshire	0	72	66	60
Northumbria	242	217	289	376
Nottinghamshire	4	27	135	221
South Wales	86	94	308	385
South Yorkshire	0	52	117	124
Staffordshire	15	44	101	158
Suffolk	46	62	74	75
Surrey	13	7	7	50
Sussex	15	141	92	98
Thames Valley	94	128	171	201
Warwickshire	27	21	44	32
West Mercia	0	6	13	3
West Midlands	382	169	268	445
West Yorkshire	386	306	254	322
Wiltshire	37	19	25	29
Metropolitan	2,214	2,697	2,908	3,373
Total	4,383	5,044	6,359	7,882

[1] Not known.

Fines, London

Ms Ruddock: To ask the Secretary of State for the Home Department how many people were fined in courts in the Metropolitan police district in each of the six months up to the latest available date; and, of that number, how many people defaulted on their fines.

Mr. Jack: The information readily available centrally on the persons fines in the Metropolitan police district in the last six months of 1991 is given in the table. Data on people defaulting on their fines are not held centrally.

Persons fined for all offences in the Metropolitan police district[1] in the last six months of 1991, by type of court and month

Number of persons

Type of court	*July*	*August*	*September*	*October*	*November*	*December*	*Total*
Magistrates' courts	15,705	14,120	14,933	16,031	14,575	11,754	87,118
Crown Court	212	175	176	157	130	100	950
All courts	15,917	14,295	15,109	16,188	14,705	11,854	88,068

[1] Including City of London.

Ms Ruddock: To ask the Secretary of State for the Home Department how many fixed penalty notices were issued in the Metropolitan police district in each of the first six months of 1992; and how many were paid and how many were unpaid.

Mr. Charles Wardle: The numbers of fixed penalty notices issues in the first six months of 1992 were as follows:

	Number
January	
a[1]	150,679
b[2]	7,328
c[3]	10,856
February	
a	153,829
b	5,523
c	9,034

	Number
March	
a	144,302
b	5,073
c	8,072
April	
a	119,702
b	6,076
c	9,034
May	
a	131,212
b	6,467
c	9,960
June	
a	143,558
b	10,258
c	9,883

[1] Represents parking tickets;
[2] Represents Driver Liability (Endorsable) tickets;
[3] Includes provisional tickets issued where the driver has been given 7 days in which to produce his or her licence. These may not all become full tickets.

Details on how many were paid, and unpaid, are not available in the format requested. Information on the numbers paid is recorded by quarter. The figures for the first two quarters of 1992 are:

	Paid
January-March	
a[1]	294,750
b[2]	10,780
c[3]	18,969
April-June	
a	248,155
b	12,788
c	18,983

[1] Represents parking tickets;
[2] Represents Driver Liability (Endorsable) tickets;
[3] Includes provisional tickets issued where the driver has been given 7 days in which to produce his or her licence. These may not all become full tickets.

Wolds Prison

Ms Ruddock: To ask the Secretary of State for the Home Department if he will arrange for the reports of the Home Office controller at the Wolds remand centre to be placed in the Library; and if he will make a statement.

Mr. Peter Lloyd: No. The controller's reports on Wolds provide management information which, like such material on other prisons, is not made public. The report of HM chief inspector of prisons, who is due to carry out an inspection in May, will be published and the board of visitors will be publishing their report for 1992 on 6 April. The Prison Service intends to publish information about the performance of all prisons, directly and privately managed, on a regular basis in its annual report. An interim report on the Wolds will be published shortly, at the end of its first year of operation.

Ms Ruddock: To ask the Secretary of State for the Home Department which Prison Service practice or procedures are required to be followed by the contractor under the terms of the contract at HM prison Wolds.

Mr. Peter Lloyd: The contractor is required to follow the practices or procedures relating to:
Inmates Personal Record System (Form No. 2050);
LIDS (the inmate database system);
the reporting of population levels;
Assisted Prison Visits Scheme;
Prison Visitors Scheme.

Ms Ruddock: To ask the Secretary of State for the Home Department how many prisoners are being held at the Wolds at the latest available date; and what proportion of them are from ethnic minority groups.

Mr. Peter Lloyd: On 19 March, 310 prisoners were unlocked at Wolds remand prison. Of these, 22—7·1 per cent.—were members of ethnic minority groups.

Supply and Transport Contract

Ms Ruddock: To ask the Secretary of State for the Home Department if his Department will pay compensation to Beck and Pollitzer following the cancellation of the contract in respect of the supply and transport functions of his Department.

Mr. Peter Lloyd: The contract in respect of the warehousing and distribution function was not signed and there will be no compensation paid to Beck and Pollitzer.

Prison Population

Ms Ruddock: To ask the Secretary of State for the Home Department what are his most up-to-date projections for the prison population for 2000 and 2010 for *(a)* women, *(b)* remand prisoners, *(c)* sentenced male prisoners and *(d)* young people under 21 years.

Mr. Peter Lloyd: Projections of long-term trends in the prison population to 2000 were published in the Home Office statistical bulletin 10/92 on 28 May 1992. Copies are available in the Library of the House. We intend to publish updated projections to 2001 soon.

Cash Limits

Sir John Wheeler: To ask the Secretary of State for the Home Department what proposals he has for changes to the 1992-93 non-voted cash limit within his responsibility.

Mr. Kenneth Clarke: The local authority capital non-voted cash limit will be increased by £202,000 from £109,141,000 to £109,343,000. The increased provision results from the transfer of unallocated supplementary credit approvals from the Welsh Office to the Home Office, for the purpose of the replacement of fire service mobilisation and communications systems.

Charities

Sir John Wheeler: To ask the Secretary of State for the Home Department when he expects to bring into effect the remaining provisions of the Charities Act 1992.

Mr. Jack: It is our intention to bring the 1992 Act fully into force at the earliest opportunity—consistent with effective preparation and consultations. I therefore intend to bring the further provisions into effect by the following dates:
By the end of 1993: further fees regulations;
by the end of March 1994: provisions on professional fund-raising (Part II of the Act);

by the end of June 1994: accounting provisions (contained in Part I of the Act);
by the end of 1994: public charitable collections (Part III of the Act).

Where possible we will, however, seek to bring the provisions into effect earlier than the dates given.

DEFENCE

Royal Irish Regiment

Mr. William Ross: To ask the Secretary of State for Defence what is the annual cost of monitoring the religious affiliation of the *(a)* part-time and *(b)* full-time members of the Royal Irish Regiment.

Mr. Archie Hamilton: The annual cost of collating statistics on the religious affiliations of the Royal Irish Regiment, which is required of all public authorities in Northern Ireland under the Fair Employment (Northern Ireland) Act 1989, is estimated to be £300.

RAF Brawdy

Mr. Ainger: To ask the Secretary of State for Defence what studies have been undertaken to establish the use made by RAF Chivenor and RAF Valley of the Pembrey range and Welsh low-flying area when RAF Brawdy was unable to operate due to poor weather conditions.

Mr. Archie Hamilton: None.

Fleet Maintenance Organisation

Mr. David Martin: To ask the Secretary of State for Defence, pursuant to his answer of 12 November, *Official Report*, columns *882-83*, if he has reached a decision on the future of the fleet maintenance and repair organisation, Portsmouth.

Mr. Archie Hamilton: I have given full and careful consideration to the representations made on the proposals I announced on 12 November 1992, *Official Report*, columns *882-83*, to cease refit work at the fleet maintenance and repair organisation, Portsmouth and to reduce excess capacity among the work force. I have decided to proceed with these proposals, taking account of the overall problem of excess refit and repair capacity in the United Kingdom.

Sea Training, Portland

Mr. Ian Bruce: To ask the Secretary of State for Defence, pursuant to his answer of 12 November, *Official Report*, column *883*, if he has reached a decision on the future of operational sea training at Portland.

Mr. Archie Hamilton: Having given full and careful consideration to the representations made, I have decided to proceed with the transfer of operational sea training from Portland to Devonport and to close Portland naval base by April 1996. We will continue to consult the trades unions about the implications for staff, and will also work closely with the Portland area local authorities to investigate possible alternative commercial uses for the naval base.

NATIONAL FINANCE

Money Market Rates

Mr. Cousins: To ask the Chancellor of the Exchequer what was the range and average level of overnight money market rates on the inter-bank markets in London each month from September 1992 to January 1993.

Mr. Nelson: The range and the average level of overnight money market rates on the interbank markets each month from September 1992 to January 1993 were as follows:

Overnight interest rates[1]

	Range	*Average*[2]
1992		
September	180 – 3½	9 11/32
October	100 – 4	9¼
November	14¼ – 2½	7 13/16
December	9¼ – 2	6 13/16
1993		
January	100 – 1½	6 23/32

[1] These are quoted rates as observed by the Bank of England, and are not comprehensive. As they are quoted rates, transactions did not necessarily take place at these rates, and it is also possible that transactions took place at other rates.

[2] The average is based on daily observations taken at 10.20 am.

Forestry

Mr. Maclennan: To ask the Chancellor of the Exchequer if he will state the cost to the Exchequer of tax reliefs for afforestation in each of the 10 years up to 1993.

Mr. Dorrell: The estimated cost of allowing tax relief for afforestation under schedule D was of the order of £10 million a year between 1983-84 and 1987-88. No estimates are available of the cost of relief allowed for 1988-89 to 1992-93 under the transitional provisions introduced when forestry was removed from the scope of taxation in 1988-89.

TRANSPORT

Channel Tunnel Rail Link

Sir Keith Speed: To ask the Secretary of State for Transport when he last discussed the proposed Ashford international passenger station with the chairman of British Rail; and if he will make a statement.

Mr. Freeman: My right hon. Friend the Secretary of State for Transport made a statement about Ashford international passenger station yesterday.

Residential Properties

Mr. Hendry: To ask the Secretary of State for Transport how many vacant residential properties are owned by his Department in each county; what are his plans for reducing this number; and if he will make a statement.

Mr. Kenneth Carlisle: As at 31 December 1992, the latest date for which figures are available, my Department held 3,432 residential properties in connection with road

schemes in England, of which 721 were vacant. Details of these properties are held by departmental region and are set out in the table. To break down the figures to county level could be done only at disproportionate cost.

Region	Total stock	Vacant stock
South East	894	181
South West	130	27
West Midlands	256	78
North West	405	91
Northern	31	7
Yorkshire and Humberside	65	20
East Midlands	43	13
Eastern	617	183
London	991	121
TOTAL	3,432	721

My Department is actively participating in the work of the task force on Government Departments' empty houses, as announced by my right hon. and learned Friend the Secretary of State for the Environment in a written answer to my hon. Friend, the Member for Reading, West (Sir A. Durant), on 8 December 1992, *Official Report*, column *578*. Our aim is to let these properties wherever possible on short-term leases, and to sell them as soon as the road building schemes allow us to do so.

Motorways

Ms Walley: To ask the Secretary of State for Transport how many representations he has received from private companies seeking to invest in and construct new motorways or to increase the capacity of existing motorways.

Mr. Kenneth Carlisle: Many of the companies that participated in bids for the concessions for the Dartford-Thurrock crossing, the second Severn crossing and the Birmingham northern relief road have also advocated an expansion of the role of private finance in the operation and improvement of the existing motorway network. Our planned Green Paper on motorway charging will invite views on the possibilities.

Public Transport

Ms Walley: To ask the Secretary of State for Transport if he will list those local authorities which have provided financial support to maintain or retain public transport services.

Mr. Freeman: In metropolitan areas, powers to provide financial support for local public transport services are exercised by the passenger transport authorities, which formulate policies for the provision of such support, and by the passenger transport executives, which provide support in line with those policies. In non-metropolitan areas in England and Wales, both county and district councils have powers to provide financial support for public transport services; and in Scotland, regional and island councils exercise similar powers. In London, local authorities have not been required to support local public transport services since 1989-90, when they ceased to pay a levy towards the grant made available to London Regional Transport.

Details of the way in which these powers have been exercised by all the authorities concerned could be provided only at disproportionate cost.

Options Review

Ms Walley: To ask the Secretary of State for Transport what consideration he has given to reviewing the rules governing the economic assessment of alternative transport options, including rates of return on investment; and if he will make a statement.

Mr. Freeman: My Department's publication "The Role of Investment Appraisal in Road and Rail Transport"—a copy of which is in the Library—sets out the technical procedures used or required by the Department for appraising proposed investment in road and rail transport.

The procedures for evaluating transport investment proposals are kept under constant review, one of many considerations being that of consistency between modes. The same rate of return of 8 per cent. in real terms is used for appraising all public sector investment in transport.

M25

Ms Walley: To ask the Secretary of State for Transport what research he has commissioned on the air quality within vehicles on the M25.

Mr. Kenneth Carlisle: No research has been carried out on air quality in vehicles specifically on the M25. However research has been done recently on air quality in vehicles generally in urban areas, on motorways and on rural roads. It is described in chapter 2 of the first report of the quality of urban air review group published in January by the Department of the Environment.

Ms Walley: To ask the Secretary of State for Transport what research he has commissioned to assess the effect of the M25 on ambient air quality.

Mr. Kenneth Carlisle: Some monitoring of air quality near junction 11 of the M25 was carried out in 1986 to help develop a computer model which the Department uses to assess the likely impact of new major roads and motorways when they are planned. There is a considerable body of work on the way in which roads and traffic more generally affect air quality both locally and further afield. This is described in the joint evidence provided to the Royal Commission on environmental pollution by my Department and the Department of the Environment last December.

Jet Skis

Mr. Ieuan Wyn Jones: To ask the Secretary of State for Transport if he will publish figures on the number of recorded accidents around the United Kingdom coasts involving *(a)* speedboats and *(b)* jet skis, and the number of non-speedboat/jet ski users who have been (i) killed, (ii) seriously injured and (iii) received minor injuries in such incidents in each of the last five years.

Mr. Norris: My Department does not hold the required statistics. The best readily available information is from accident records held by the Department of Trade and Industry. The most recent of these show that in 1990 there were five accidents at sea involving jet skis and one involving a motor boat which resulted in personal injury. None of the injuries was classified as serious.

Diesel Smoke Emissions

Ms Walley: To ask the Secretary of State for Transport, pursuant to his answer of 16 February, *Official Report*, columns *150-51*, how his Department's diesel smoke emission test which has been suspended differs from tests which are carried out in the other member states of the EC; and what reports of engine damage have been reported in those countries.

Mr. Kenneth Carlisle: None of the other EC member states has as yet introduced metered checks of diesel smoke into annual roadworthiness tests. They are required to do so by the EC roadworthiness directive by 1 January 1996.

Bulk Carriers

Ms. Walley: To ask the Secretary of State for Transport what consideration his Department has given to the investigation of the safety aspects of bulk carriers; and what research is currently planned or proposed.

Mr. Norris: There is a substantial programme of research being conducted on behalf of my Department aimed at improving safety on bulk carriers. Projects are being undertaken examining wave-induced vibrations in large vessels, the behaviour of iron ore cargoes, cement and other bulk cargoes. Investigation into the hazards of spontaneous heating and combustion of coal cargoes are also under way and a tender to investigate other aspects of bulk carrier and large crude oil tanker operations will shortly be issued.

Channel Tunnel

Mr. Mills: To ask the Secretary of State for Transport when he expects the Channel Tunnel Safety Authority to publish its fourth annual report.

Mr. Freeman: I understand that the Channel Tunnel Safety Authority published its fourth annual report today. I am arranging for copies to be placed in the Library.

Stansted Airport

Mr. Simon Hughes: To ask the Secretary of State for Transport if he has identified a preferred route for a second runway at Stansted airport; and what role his Department will be playing at the forthcoming public inquiry into the plan by Uttlesford district council.

Mr. Norris: The runway capacity working group is undertaking a detailed examination of four airports, including Stansted airport, covering the notional runway alignments identified in the Civil Aviation Authority's report CAP570 and others. It will ultimately be for promoters rather than Government to make specific proposals. The Department does not expect to be taking any part in the forthcoming public inquiry into the Uttlesford district plan.

Maritime Rescue

Mr. Macdonald: To ask the Secretary of State for Transport what is the agreed minimum staffing at the maritime rescue co-ordination sub-centres in Scotland; and on how many days in the past three months the staffing level at Oban, Stornoway, Belfast, Pentland, Shetland or Forth has been below three people.

Mr. Norris: The planned minimum staffing levels at the maritime rescue sub-centres in Scotland and Northern Ireland is normally three watchkeepers. Because of a small number of vacancies, absence through sickness or training requirements staffing fell below this level on the following number of six-hour periods in the past three months:—

	Number
Forth	1
Pentland	Nil
Shetland	37
Belfast	Nil
Oban	9
Stornoway	4

The maritime rescue co-ordination centres at Aberdeen and Clyde have the capability to take over co-ordination of any incident where a MRSC is unable to cope for any reason. Additionally, a member of the district management team is on call at each MRSC should he be required. Contingency plans also exist for further reinforcements of the watch in an emergency.

Plutonium

Mr. Simon Hughes: To ask the Secretary of State for Transport if he will give details of his assessment of the environmental hazards involved in the transport of radioactive material by sea, assuming the worst case scenario of a ship carrying plutonium.

Mr. Norris *[holding answer 9 March 1993]:* Her Majesty's nuclear installations inspectorate published a safety assessment on the transport of plutonium in the form of nitrate solution between Dounreay and Sellafield in 1979. A further study into the radiological consequences of the loss at sea of the contents of a plutonium package was carried out by the safety and reliability directorate of the United Kingdom Atomic Energy Authority in 1984. Copies of both reports are available in the Library.

Motorways

Mr. Peter Ainsworth: To ask the Secretary of State for Transport what plans he has to speed up the introduction of advanced traffic management systems on the M25.

Mr. Kenneth Carlisle: I have announced today an experimental scheme on a section of the M25 which will introduce advanced traffic management systems with the aims of cutting stress for drivers, speeding up journey times and reducing accidents.

Mr. Peter Ainsworth: To ask the Secretary of State for Transport what studies he has made of motorway traffic control measures in Germany and the Netherlands; and what conclusions he has drawn from them.

Mr. Kenneth Carlisle: We have studied with interest the measures introduced in Germany in 1989 on the A5 autobahn approaching Frankfurt and in the Netherlands in 1992 between Utrecht and Amsterdam. These have informed our proposals for an experimental scheme on the M25 which I have announced today.

Mr. William O'Brien: To ask the Secretary of State for Transport for what distance the M26 runs parallel to another motorway where it joins *(a)* the M20 and *(b)* the M25.

Mr. Kenneth Carlisle: The information is as follows:

(a) The M26 and M20 run broadly parallel over a distance of about 2·8 miles to merge east of Wrotham in Kent.

(b) No part of the M26 runs parallel with another motorway where it joins the M25.

PRIME MINISTER

Engagements

Mr. Harry Greenway: To ask the Prime Minister if he will list his official engagements for Tuesday 23 March.

Sir Peter Tapsell: To ask the Prime Minister if he will list his official engagements for Tuesday 23 March.

The Prime Minister: This morning, I had meetings with ministerial colleagues and others. In addition to my duties in the House, I shall be having further meetings later today.

FOREIGN AND COMMONWEALTH AFFAIRS

Sudan

Mr. Alton: To ask the Secretary of State for Foreign and Commonwealth Affairs what Her Majesty's Government are doing to raise human rights violations against religious and racial minorities in Sudan at the United Nations Security Council and to encourage the United Nations to follow up the General Assembly resolution of December 1992 on the human rights situation in Sudan.

Mr. Douglas Hogg: We were a prime mover in the adoption of the UN General Assembly last December of a resolution condemning the Sudanese Government's human rights record; and in the adoption this month of a resolution in the UN Commission on Human Rights, which provides for the appointment of a public rapporteur to investigate the human rights situation in Sudan. We will keep under review the possibility of further UN involvement.

Mr. Alton: To ask the Secretary of State for Foreign and Commonwealth Affairs what Her Majesty's Government are doing to engage the United Nations in the peace process in Sudan's civil war.

Mr. Douglas Hogg: We welcome the undertaking given on 23 February by both the Government of Sudan and Dr. John Garang of the Sudanese People's Liberation Army's Torit faction to meet for further talks under Nigerian auspices in Abuja. We will keep under review the possibility of a United Nations role at some stage of the peace process.

Mr. Alton: To ask the Secretary of State for Foreign and Commonwealth Affairs what Her Majesty's Government are doing to assist the Sudanese Government to enable international aid to reach non-Muslims there.

Mr. Lennox-Boyd: Since the beginning of the current food crises in November 1989 Britain has provided £19 million in bilateral humantarian relief to the largely non-Muslim population in southern Sudan. A further £2 million has been provided to help the displaced elsewhere in the country, many of whom are from the south.

In a demarche on 7 March we and our EC partners urged the Government of Sudan to ensure that the conditions exist to allow humanitarian relief to reach all those in need.

Bangladesh (Burmese Refugees)

Mr. Bayley: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations have been made to the Bangladeshi Government concerning the forced repatriation of Rohingya refugees to Burma.

Mr. Lennox-Boyd: We have made the Government of Bangladesh well aware of our concern that all repatriations of Rohingya refugees to Burma should be voluntary.

Maastricht Treaty

Mr. Spearing: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his answer of 12 January, *Official Report*, column *723*, if he will list, with reference to the content of the draft treaty discussed by the Council of Ministers of the European Community on 30 September 1991 *(a)* those provisions and relevant articles, not now included in titles II, III, or IV of the treaty on European union, *(b)* those provisions and relevant articles included elsewhere in the treaty on European union and *(c)* provisions and relevant draft articles not included in the treaty on European union.

Mr. Garel-Jones: As I said in my answer of 12 January, the draft treaty discussed by the Council of Ministers on 30 September 1991 provided for a unitary structure which included both the common foreign and security policy and justice/home affairs matters within the treaty of Rome. To provide the detailed information requested would involve disproportionate cost.

OVERSEAS DEVELOPMENT

Bosnia (Aid)

Mr. Ronnie Campbell: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on progress in supplying aid in areas occupied by Bosnian Muslims.

Mr. Lennox-Boyd: Approximately 115,000 tonnes of relief supplies have been delivered to victims of the conflict in Bosnia by the United Nations High Commissioner for Refugees who is responsible for co-ordinating the international relief effort to the former Yugoslavia. More than 1·6 million people, mostly in Muslim areas, rely on this effort.

Most supplies are provided by UNHCR's road convoys, to which the British Government are one of the largest contributors. Nearly 20,000 tonnes of supplies have been delivered throughout Bosnia by our vehicles. However, it has proved difficult to maintain adequate levels of supplies to the besieged enclaves of eastern Bosnia. The United Nations have been able to supply Sarajevo by road and airlift, but in eastern Bosnia road convoys have continually been impeded by local militia.

We welcome the United States airdrop as a short-term measure to overcome these obstacles and have contributed some £250,000 in aid supplies towards this operation. But

the priority remains the opening of road supply routes, since this is the only practical way of providing adequate supplies to the area.

Guatemala

Mr. Bayley: To ask the Secretary of State for Foreign and Commonwealth Affairs what aid has been given to Guatemala for the repatriation of Guatemalan refugees; and what support will be offered in the future.

Mr. Lennox-Boyd: Following a request from the United Nations High Commission for Refugees through our embassy in Guatemala city, an RAF Hercules, in successive sorties between 28 and 31 January, flew a total of some 100 tons of emergency food and other supplies to the north of the country to provide assistance for the first group of returning refugees from Mexico. Our embassy in Guatemala City continues to monitor the situation.

Sri Lanka Dams

Mr. Dalyell: To ask the Secretary of State for Foreign and Commonwealth Affairs what statistics he has for electricity generated by the Victoria dam in Sri Lanka since 1985.

Mr. Lennox-Boyd: Statistics for electricity generated by the Victoria dam are as follows:

Year	*Unit generation (GWH)*
1985	586
1986	838
1987	454
1988	523
1989	610
1990	611
1991	483
1992	588
[1]1993	116

[1] January and February

Mr. Dalyell: To ask the Secretary of State for Foreign and Commonwealth Affairs how much British aid has been given to the Victoria dam in Sri Lanka.

Mr. Lennox-Boyd: A total of £113 million was provided in support of the Victoria dam project.

Mr. Dalyell: To ask the Secretary of State for Foreign and Commonwealth Affairs what response the Minister for Overseas Development has made to the National Audit Office report on the shortfall of output by the Victoria dam in Sri Lanka.

Mr. Lennox-Boyd: The Overseas Development Administration's evaluation study of the project concluded that the maximum total of firm and secondary energy would be 800 GWH per year, almost 92 per cent. of that anticipated in the project feasibility study. It also concluded that the shortfall in production against prediction had a number of causes which could not have been anticipated. These included changes in the hydrological database; the diversions of irrigation water out of the Mahaweli and the amounts of water stored at Kotmale; and changes in the scope and nature of systems models and in operating policies.

Mr. Dalyell: To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment the Minister for Overseas Development has made of the use of British aid in the resettlement of evacuees from the site of the Victoria dam in Sri Lanka.

Mr. Lennox-Boyd: We have made a detailed evaluation of the Victoria dam project, which includes a substantial section on resettlement. This evaluation was critical of the way in which resettlement issues were handled. No British aid was used for resettlement. This was because, at the outset of the project, the two Governments agreed that resettlement would be handled by the Government of Sri Lanka.

Mr. Dalyell: To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment the Minister for Overseas Development has made of the commercial return to the United Kingdom of the Victoria and Samanalawewa dams in Sri Lanka.

Mr. Lennox-Boyd: Both dams were constructed under British aid primarily for the economic benefit of Sri Lanka. There were also some commercial returns to the United Kingdom, as British companies were awarded contracts financed in part or whole by British aid.

Some additional work has been awarded to a British contractor including construction of roads and a new town. More generally, Britain has enhanced its reputation in the power construction sector in Sri Lanka and British companies continue to pursue business opportunities in Sri Lanka in this sector.

Mr. Dalyell: To ask the Secretary of State for Foreign and Commonwealth Affairs what information the Overseas Development Administration has on leaks of the Victoria and Samanalawewa dams in Sri Lanka into limestone bedrocks.

Mr. Lennox-Boyd: At the Victoria dam, there were problems shortly after impounding with limestone on the right bank of the reservoir. This was overcome in 1982-83 by grouting under pressure down to 100 ft.

At Samanalawewa dam there is a leak on the right bank of the reservoir. Grouting has not been entirely satisfactory, so the ODA funded geophysical studies and an international panel of independent experts to review the situation. The panel concluded that the dam was safe, and that its stability could not be affected even by many times the maximum credible leakage, but recommended remedial works for economic reasons. A programme for these works is currently under preparation.

Mr. Dalyell: To ask the Secretary of State for Foreign and Commonwealth Affairs what is the total of British aid towards the Samanalawewa dam in Sri Lanka.

Mr. Lennox-Boyd: A total of £19 million was provided in support of the Samanalawewa dam.

EDUCATION

Manufacturing Industry

Mr. Nicholas Winterton: To ask the Secretary of State for Education what steps he is taking specifically to promote an understanding of manufacturing industry in schools and colleges.

Mr. Forth: The national curriculum offers pupils opportunities to acquire knowledge, skills and understanding relevant to manufacturing industry as part of their preparation generally for later life and for more specialised courses and training after the age of 16. The National Curriculum Council has published guidance on how these can be delivered within an industrial context.

The Government is encouraging schools and colleges to make available to 16 to 19-year-olds high quality vocational qualifications to complement A levels. A range of national vocational qualifications is available covering the skills needed in specific manufacturing jobs. Broadly based general NVQs, which develop the skills, knowledge and understadnding underpinning a range of occupations in manufacuring industry, are being piloted in a number of schools and colleges with a view to making them widely available from next September.

Bullying

Mr. Alfred Morris: To ask the Secretary of State for Education what inquiries or studies his Department has made of bullying in schools and its effects; and if he will make a statement on the results of any such inquiries or studies.

Mr. Forth: The Department is currently supporting a research project at Sheffield university which is evaluating the effectiveness of various intervention strategies designed to counter bullying. That project completes its work in August 1993. It is intended that the outcomes should be reflected in further practical guidance to complement the "Action Against Bullying" pack developed by the Scottish Council for Research in Education, which the Department sent to all schools in England in July 1992.

Voluntary Activities

Mr. Enright: To ask the Secretary of State for Education how many hours per week, on average, are devoted by *(a)* school staff and *(b)* school pupils to voluntary activities outside school hours; and what information he has as to their equivalent figures for the United States of America, France, Germany and Japan.

Mr. Forth: Data on the amount of time teachers in maintained secondary schools in England spent on extra-curricular activities were collected as part of the 1992 secondary school staffing survey. On average, full-time teachers recorded spending about one and a half hours on these activities in the survey week—13 to 19 January 1992. No corresponding data are available for pupils in secondary schools or for teachers or pupils in primary schools. Likewise, equivalent figures are not held centrally for the other countries listed.

Homework

Mr. Enright: To ask the Secretary of State for Education what assessment he has made as to how many hours per week, on average, secondary school students spend on school work at home; and what information he has on the equivalent figures for the United States of America, France, Germany and Japan.

Mr. Forth: Arrangements for setting homework are left to the discretion of individual schools and LEAs and there is no centrally held information on the time that pupils spend on this.

TRADE AND INDUSTRY

Pneumoconiosis

Mr. Clapham: To ask the President of the Board of Trade (1) how many mineworkers employed by the British Coal Corporation are diagnosed pneumoconiotics in each of the age bands under the mineworkers' pneumoconiosis compensation scheme;

(2) how many mineworkers employed by the British Coal Corporation and suffering from pneumoconiosis are in receipt of a weekly pension under the mineworkers' pneumoconiosis compensation scheme;

(3) what was the average age of coal miners at the date of diagnosis of pneumoconiosis over the last 10 years;

(4) how many coal miners diagnosed to be suffering from pneumoconiosis over the last 10 years had their claims backdated to an earlier development date.

Mr. Eggar: This is a matter for British Coal.

Ramfield plc

Mr. Cryer: To ask the President of the Board of Trade what amount of regional industrial development grant has been paid to Ramfield plc for the development and construction of a factory on Euroway estate, Bradford; and if he will give the dates of publication of regional industrial development grants during the past 10 years to Ramfield plc in the *Employment Gazette*.

Mr. Sainsbury: No regional industrial development grant has been paid to Ramfield plc.

Clarke Foods Ltd.

Mr. George Howarth: To ask the President of the Board of Trade if he has received an interim report from the receivers appointed following the collapse of Clarke Foods Ltd.

Mr. Neil Hamilton: An interim report has not been received from the administrative receivers of Clarke Foods (UK) Ltd.

Deregulation

Mr. Fatchett: To ask the President of the Board of Trade, pursuant to his answer of 16 March to the hon. Member for Harwich (Mr. Sproat), *Official Report*, column *208*, if he will list the organisations from which each of the chairmen of his Department's deregulation task forces are to be seconded; and if he will make a statement.

Mr. Neil Hamilton: The seven chairmen and their task forces are:

Duncan Bluck, Director, John Swire & Sons—communications and transport;

Chris Spackman, Managing Director, Bovis Construction—construction;

Malcolm Bates, Deputy Managing Director, GEC—engineering industries;

John Robb, Chief Executive, Wellcome—chemicals and pharmaceuticals;

Sir Sydney Lipworth, Chairman of the Monopolies and Mergers Commission—financial services;

Nigel Whittaker, Corporate Affairs Director, Kingfisher—other services; and

Michael Heron, Chairman, Post Office—food, drink and agriculture.

Regional Assistance

Mr. Madden: To ask the President of the Board of Trade what recent representations he has received concerning the retention of assisted area status by Bradford and the granting of assisted area status to Keighley; and if he will make a statement.

Mr. Sainsbury *[holding answer 22 March 1993]:* I refer the hon. Gentleman to the answer I gave to the hon. Member for Leeds, Central (Mr. Fatchett) on 12 March, *Official Report*, column 778.

WALES

Multiple Occupancy Houses

Mr. Dafis: To ask the Secretary of State for Wales if he will make it his policy to provide for licensing and mandatory inspection of all houses in multiple occupancy in Wales.

Mr. Gwilym Jones: Local housing authorities must consider housing conditions in their areas annually. They already have powers to inspect and register houses in multiple occupation.

Mr. Dafis: To ask the Secretary of State for Wales what is the level of financial resources provided by his Department for the enforcement and application of current housing laws to houses in multiple occupancy in Wales in each year since 1989.

Mr. Gwilym Jones: It is for individual housing authorities to determine locally what proportion of the overall resources available to them should be used for this purpose.

Village Halls

Mr. Dafis: To ask the Secretary of State for Wales what support is currently given by his Department to assist village halls with the cost of essential works related to new food, safety and hygiene regulations and the Children Act 1989.

Mr. Gwilym Jones: Village halls can be eligible for financial support from the Welsh Office under a range of grant schemes, including the rural initiative capital grants scheme, the child and family services grant scheme and the voluntary youth services, village halls and community centres programme. Such grants might be used for improvements to meet requirements of food safety and hygiene regulations and the registration conditions of the Children Act 1989.

Education Authorities

Mr. Beggs: To ask the Secretary of State for Wales if he will publish a list of education authorities in Wales with the total number of pupils for which each education authority is responsible.

Sir Wyn Roberts: Information on the total number of pupils for which each local education authority in Wales was responsible, as at January 1992, is given in the table. Figures exclude pupils in sixth-form colleges.

	Number
Clwyd	67,594
Dyfed	57,085
Gwent	74,700
Gwynedd	34,670
Mid Glamorgan	95,972
Powys	18,198
South Glamorgan	65,207
West Glamorgan	60,702

Dentistry

Mr. Ieuan Wyn Jones: To ask the Secretary of State for Wales what is the total number of *(a)* dental consultants and *(b)* administrative dental officers in Wales; and if he will indicate how many within each category are female.

Mr. Gwilym Jones: There were 42 hospital dental consultants in Wales at 30 September 1991. Of these, one was female. There were six chief administrative dental officers/directors of dental public health, whose duties were purely administrative, at 31 March 1993. Of these, one was female.

Unfit Housing

Mr. Wigley: To ask the Secretary of State for Wales what percentage of the housing stock in the districts of *(a)* Aberconwy, *(b)* Dinefwr, *(c)* Dwyfor and *(d)* Preseli, at the latest available date, (i) was unfit, (ii) required over £3,000 spent on it to render it fit, (iii) lacked basic amenities and (iv) lacked amenities where the head of the household is over pensionable age; and if he will make a statement on the strategy of the Welsh Office with regard to improving the housing stock in such areas.

Mr. Gwilym Jones: The latest available information is from the 1986 Welsh house condition survey and is shown in the table:

Percentage of all first homes

			Lacking exclusive use of basic amenities (3)	
	Unfit (1)	*Repair costs £3,000 and over (2)*	*All dwellings*	*Where head of household is over pensionable age*
Aberconwy	1·4	11·7	2·2	0·0
Dinefwr	13·9	17·8	7·5	1·1
Dwyfor	16·9	29·3	7·6	1·8
Preseli	11·9	16·8	3·8	0·4

Source: Welsh House Condition Survey 1986
(1) Unfit dwellings, as defined in Section 604 of the 1985 Housing Act.

(2) The estimated cost of repairs in 1986 which would be required to meet the standard for improvement grants.
(3) Those dwellings which lack exclusive use of one or more of the following: w.c. with entrance inside the building; a fixed bath or shower; a plumbed in wash hand basin; a plumbed in kitchen sink and a hot and cold water supply at the previous three points.

Very substantial resources have been made available to local authorities in Wales for the renovation of the housing stock. A further Welsh house condition survey is currently under way. The results are expected around the end of the year.

Housing, Dwyfor

Mr. Wigley: To ask the Secretary of State for Wales what proposals he has received with regard to improving the condition of housing in the Dwyfor district; and if he will make a statement.

Mr. Gwilym Jones: Dwyfor district council has submitted its housing strategy and operational plan to the Welsh Office. This includes its proposals for improving the condition of housing in the district. A copy will be placed in the Library of the House.

Care and Repair Schemes

Mr. Wigley: To ask the Secretary of State for Wales if he will list the factors he takes into consideration when deciding on *(a)* his number of schemes and *(b)* the areas selected for implementing care and repair schemes funded by the Welsh Office; and when he next intends to make an announcement concerning further extensions of such schemes.

Mr. Gwilym Jones: Scheme locations are selected for funding on the basis of demographic and other data, including the advice of Care and Repair Cymru, and in the light of available resources. I expect to be in a position to announce allocations to the care and repair initiative for 1993-94 shortly.

Local authorities can themselves establish arrangements to provide help and assistance to renovation grant applicants on an agency basis.

Hospitals

Mr. Hain: To ask the Secretary of State for Wales what effect the allocation of capital to finance the planned phase 2 extension at the Princess of Wales hospital will have on either the timetable, or the amount allocated, for construction of the new Neath and Port Talbot hospital with full general hospital facilities.

Mr. Gwilym Jones: My right hon. Friend's statement on 4 March 1993 confirmed that capital was available for both schemes. The nature of the new Neath and Port Talbot hospital will be informed by the outcome of the service review commissioned by West Glamorgan health authority.

Hill Livestock Compensatory Allowance

Mr. Ainger: To ask the Secretary of State for Wales how many specialist hill sheep farmers in Wales *(a)* received higher rate hill livestock compensatory allowance and *(b)* received lower rate hill livestock compensatory allowance in each year since 1979.

Mr. David Hunt: There is a differential in the rate of HLCAs as between payments for ewes in the less-favoured area (severely disadvantaged area)—SDA—and the LFA (disadvantaged area)—DA; and also between hardy breed ewes and other ewes within the SDA. Payment to claimants may be based on a combination of these rates, depending on their individual circumstances; detailed statistics to show the breakdown are not available. However, of almost 15,000 HLCA claimants in Wales, about 61 per cent. have some or all of their land within the LFA (SDA) and will therefore be eligible to have some or all of their claims paid at the rates for ewes in the SDA.

Livestock Identification Scheme

Mr. Ainger: To ask the Secretary of State for Wales if he will list the organisations which have made representations to him on the livestock identification scheme.

Mr. David Hunt: I have received representations about livestock identification schemes from the farming unions in Wales, representatives of livestock auctioneers and individual farmers.

Forestry Commission (Land Sales)

Mr. Ron Davies: To ask the Secretary of State for Wales if he will set out his targets for the sale of Forestry Commission land in Wales in the current year and for each of the next three years.

Mr. David Hunt: The Forestry Commission has sold 900 hectares of forest land in Wales in the current financial year. As announced in Cm 2214, "The Government's Expenditure Plans 1993-94 to 1995-96 for the Departments of the Secretary of State for Scotland and the Forestry Commission", table 13.10, the Commission plans to sell 15,000 hectares of forest land in Britain in each of the next three years. The proportion of this that will be sold in Wales will depend on the state of the market, particularly the demand for forest land in different parts of Britain. Over the past three years, 20 per cent. of the sales have been in Wales, but it is likely that the proportion will be smaller over the next few years.

Cash Limits

Mr. Richards: To ask the Secretary of State for Wales what proposals he has for changes to the cash limits for his Department in the current financial year.

Mr. David Hunt: The cash limits for Welsh Office/local authority capital will be reduced by £11,528,000 from £449,172,000 to £437,644,000 and the cash limit for Welsh Office/Housing for Wales will be increased by £11,326,000 from £156,469,000 to £167,795,000.

These changes largely reflect a transfer of £11,326,000 from local authorities to Housing for Wales which will enable housing associations to provide additional housing units.

The cash limit for WO/LACAP will also be reduced by £202,000 in respect of the transfer of unallocated fire service supplementary credit approvals to the Home Office —HO/LACAP—to facilitate the replacement of fire service mobilisation and communications systems. A corresponding increase will be made to the HO/LACAP cash limit.

None of these changes will add to the planned total of public expenditure.

EC Secondments

Mr. Morgan: To ask the Secretary of State for Wales how many persons and of what grade or level have been seconded to *(a)* the European Commission and *(b)* UKREP.

Mr. David Hunt: Four Welsh Office staff have been seconded to the European Commission since 1989. Two were higher executive officers and two were administrative trainees. There have been no secondments to the UKREP.

Public Bodies

Mr. Wyn Griffiths: To ask the Secretary of State for Wales if he will list each of the non-departmental government bodies and other bodies to which he makes appointments, with the names of each appointee and the date on which each was appointed; what was the selection procedure for appoinment in each case; and whether a Minister interviews those being considered before appointment.

Mr. David Hunt *[holding answer 9 March 1993]:* As the information requested is some 36 pages in length, I have arranged for a copy to be placed in the Library of the House.

Welsh Language Television

Mr. Hanson: To ask the Secretary of State for Wales what steps he is taking to improve Welsh language televison reception in north-east Wales; and if he will make a statement.

Mr. Brooke: I have been asked to reply.

It is for the broadcasters to determine the engineering priorities aimed at extending or improving reception of

DUCHY OF LANCASTER

Compulsory Competitive Tendering

Mr. Pope: To ask the Chancellor of the Duchy of Lancaster what consultations he had with the European Commission prior to issuing guidance on the implications for market testing of the Transfer of Undertakings (Protection of Employment) Regulations 1981.

Mr. Waldegrave: The guidance is an explanation, not an extension, of the current position on the application of the Transfer of Undertakings (Protection of Employment) Regulations. As such, the need for consultations with the European Commission did not arise.

Correspondence

Mr. Ancram: To ask the Chancellor of the Duchy of Lancaster if he will publish the latest figures showing the volume of correspondence from hon. Members to Ministers and agency chief executives, the targets set for reply and the percentage of replies sent within target.

Mr. Robert Jackson: The 1992 figures are set out in the table. Although there have been a large number of changes to the basis on which figures are collected, the table also sets out figures showing ministerial correspondence in 1991 first published on 3 July 1992, *Official Report*, columns *711-12*

Correspondence from Members of Parliament to Ministers and agency chief executives

	1991			*1992*		
Department/Agency	*Target set for reply (working days)*	*Number of letters received*	*Percentage of replies within target*	*Target set for reply (working days)*	*Number of letters received*	*Percentage of replies within targets*
Ministry of Agriculture, Fisheries and Food	15	9,984	76	15	11,001	81
Intervention Board	—	—	—	15	12	83
Cabinet Office (OPSS) (formerly OMCS)	10	49	71	[1]15	492	57
Recruitment Assessment Services	—	—	—	15	10	100
Central Statistical Office	10	36	92	18	26	85
Crown Prosecution Service	15	100	39	15	102	67
Customs and Excise[17]	13	1,673	66	[2]18	682	90
Ministry of Defence[17]	10	895	70	[3]15	5,189	74
	15	6,776	58	—	—	—
Meteorological Office	—	—	—	[3]15	11	100
Department for Education (formerly DES)	20	17,295	62	20	[4]15,192	72
Teachers Pensions Agency	—	—	—	10	115	93
Department of Employment	17	7,330	84	[5]17	3,797	96
Employment Service	—	—	—	15	248	94
Department of the Environment	15	21,818	54	15	18,103	56
Planning Inspectorate Agency	—	—	—	8	[6]430	81
Foreign and Commonwealth Office[17]	10	11,378	—	10	7,921	76
Wilton House Conference Centre	—	—	—	10	16	100

Department/Agency	1991 Target set for reply (working days)	1991 Number of letters received	1991 Percentage of replies within target	1992 Target set for reply (working days)	1992 Number of letters received	1992 Percentage of replies within targets
Department of Health	20	15,359	60	20	16,353	72
Home Office	—	21,939	—	[7]15	2,221	22
				[7]25	3,171	61
United Kingdom Passport Agency	—	—	—	10	51	29
Inland Revenue[17]	13	2,345	78	[8]18	680	27
	18	514	33	[9]23	202	12
Legal Secretariat to the Law Officers	15	662	75	15	729	82
Lord Chancellor's Department	20	4,130	82	[10]20	5,417	84
Department of National Heritage (formerly OAL)	10	462	69	[11]18	2,007	55
Northern Ireland Office[17]	7	719	46	[12]10	[4]3,194	57
(inc. Northern Ireland Depts.)	15	588	66	[13]15	[4]3,061	77
Social Security Agency (NI)	—	—	—	20	43	91
Compensation Agency (NI)	—	—	—	7	[14]34	79
Rate Collection Agency (NI)	—	—	—	7	12	75
Overseas Development Administration	15	4,001	83	15	5,500	83
Department of Social Security[17]	20	13,699	68	20	14,222	63
Benefits Agency	—	—	—	20	[15]20,822	64
Contributions Agency	—	—	—	20	340	63
Resettlement Agency	—	—	—	20	32	100
The Scottish Office[17]	10	9,605	24	[16]17	3,393	57
Historic Scotland	—	—	—	[16]17	15	80
Department of Trade and Industry[17]	10	16,180	92	10	[4]28,129	63
Companies House	—	—	—	10	79	42
Insolvency Service	—	—	—	10	60	91
Radiocommunications Agency	—	—	—	10	25	96
Department of Transport[17]	15	1,398	26	15	16,987	74
Driving Vehicle and Licensing Agency	—	—	—	10	891	98
Driving Standards Agency	—	—	—	15	123	91
Vehicle Inspectorate	—	—	—	10	61	72
Her Majesty's Treasury[17]	10	2,268	64	[2]15	1,241	58
Welsh Office[17]	10	8,018	89	12	3,022	61
Cadw (Welsh Historic Monuments)	—	—	—	12	21	90

Notes on 1992 figures only[18]

[1] OPSS established April 1992. Figures cover April-December 1992.
[2] New targets introduced in November 1992. Figures cover November-December 1992 only.
[3] Figures cover 1 December 1991 to 30 November 1992.
[4] Includes all ministerial replies, not only letters from Members of Parliament.
[5] Figures cover 1 January to 31 August. On 1 September new 15 working day target was set. From 1 September to 31 December 91 per cent. of 2,205 letters received were replied to within target.
[6] Figures relate to English cases only. Those for Wales were answered by the Secretary of State for Wales.
[7] New targets adopted on 1 October: 25 working days for Immigration and Nationality Department and Prison Service subjects, and 15 working days for all other subjects. In addition, Home Office answered 20,487 letters during the period January-September.
[8] Head Office figures } cover November-December only and are not thought to be representative of Department's performance over
[9] Local Office figures } whole year
[10] Target for officials to submit draft reply to Private Office.
[11] Figures from 10 April 1992, date on which DNH was established.
[12] Replies signed by Minister.
[13] Replies signed by Private Secretary to Minister.
[14] Agency established on 1 April 1992.
[15] The Benefits Agency encourages Members of Parliament to write direct to local operational units. These letters are included in the totals shown.
[16] New targets introduced on 20 July. Figures cover 20 July to 31 December.
[17] As a result of changes of definition or other factors between 1991 and 1992 the performance figures are not directly comparable.
[18] The 1991 figures are taken from the *Official Report*, 3 July 1992, columns *711-12*. Please refer to notes given with that reply.

In addition the following Departments/Agencies received less than 10 letters from Members of Parliament in 1992 and are not shown in the table:

Ministry of Agriculture, Fisheries and Food/ADAS, Central Science Laboratory;

Cabinet Office (OPSS)/Civil Service College, Central Office of Information, HMSO;
Ministry of Defence/Directorate General of Defence Accounts;
Department of the Environment/Building Research Establishment;
Department of Health/Medicines Control Agency, NHS Pensions Agency;
Inland Revenue/Valuation Office;
Attorney-General/Serious Fraud Office;
Department of National Heritage/Historic Royal Palaces Agency;
Northern Ireland Office (including Northern Ireland Departments)/Driver and Vehicle Testing Agency, Ordnance Survey Agency;
Scottish Office/Registers of Scotland;
Department of Trade and Industry/Export Credits Guarantee Department, National Weights and Measures Laboratory, Patent Office;
Department of Transport/Vehicle Certification Agency, Transport Research Laboratory;
Her Majesty's Treasury/Valuation Office.

SCOTLAND

Storm Damage

Mr. Kynoch: To ask the Secretary of State for Scotland, which local authorities will benefit from the Bellwin scheme invoked after the severe storms in January 1992; and by how much.

Mr. Lang: Only one authority, Shetland islands council, submitted a claim for grant under the Bellwin scheme following the storms in January 1992. This claim has been assessed, and I have decided to approve payment of £61,897 in grant to help meet an undue financial burden which the council suffered in responding to those storms under the terms of the scheme which I announced on 10 January last year. Payment of grant will be made to the council today.

Community Care

Mrs. Fyfe: To ask the Secretary of State for Scotland (1) by what means social work departments' joint discharge arrangements with health boards have been evaluated in connection with the care in the community programme;

(2) what measures were taken to evaluate the feasibility of the joint discharge arrangements made by each social work department with its health boards;

(3) what arrangements he has made for public access to written submissions on the integration of joint discharge arrangements between health boards and social work departments;

(4) what assessment he has made of progress in consultations between social work departments and health boards on transfer arrangements under care in the community;

(5) what plans he has to monitor implementation of arrangements for discharge from hospital into community care.

Mr. Stewart *[holding answer 19 March 1993]:* Agreements between social work authorities and health boards on discharge from long-stay hospitals are an essential component of community care plans. All plans submitted to the Scottish Office have been evaluated with this in mind and followed up by meetings between the community care implementation unit of the Scottish Office and local authorities and health boards. All community care plans are public documents. Discharge arrangements will be one of the aspects of community care monitored by the social work services inspectorate. In February 1992 guidance was issued on the care programme approach for persons being discharged from mental hospital. We are about to issue practice guidance on the discharge of persons from acute hospitals.

Dr. Godman: To ask the Secretary of State for Scotland what guidance has been given to the appropriate local authorities on implementing an individual's choice to be placed in residential or nursing home care when assessed for community care needs.

Mr. Stewart *[holding answer 18 March 1993]:* The direction on choice of residential accommodation and associated guidance which has been issued to authorities will ensure individuals have a real choice.

Dr. Godman: To ask the Secretary of State for Scotland (1) what assessment he has made of the extent of consultation between each social work department and the health boards on the subject of co-ordinating and integrating arrangements for the discharge of patients into community care; and what plans he has to monitor the effective and humane implementation of such arrangements;

(2) what arrangements he has made for public access to the documentary submissions concerning the integration of joint discharge arrangements between health boards and social work departments; and if he will make a statement.

Mr. Stewart *[holding answer 18 March 1993]:* Agreements between social work authorities and health boards on discharge from long-stay hospitals are an essential component of community care plans. All plans submitted to the Scottish Office have been evaluated with this in mind and followed up by meetings between the community care implementation unit of the Scottish Office and local authorities and health boards. All community care plans are public documents. Discharge arrangements will be one of the aspects of community care monitored by the social work services inspectorate. In February 1992, guidance was issued on the care programme approach for persons being discharged from mental hospital. We are about to issue practice guidance on the discharge of persons from acute hospitals.

Departmental Spending

Dr. Wright: To ask the Secretary of State for Scotland what percentage share of total departmental spending was accounted for by non-departmental public bodies in each year since 1979.

Mr. Lang *[holding answer 19 March 1993]:*
The percentages requested are estimated to be as follows:

	Per cent
1978-79	5·8
1979-80	4·5
1980-81	6·0
1981-82	5·3
1982-83	5·5

	Per cent
1983-84	5·3
1984-85	5·4
1985-86	5·6
1986-87	5·6
1987-88	6·4
1988-89	8·3
1989-90	7·4
1990-91	13·7
1991-92	10·5

The percentages have been calculated by reference to total expenditure within the Secretary of State's responsibility, as published in the departmental reports —Cm. 1515, 1915 and 2214—and similar publications for earlier years. There are discontinuities in the base expenditure lines which mean that the percentage calculations are not wholly comparable.

Expenditure information for non-departmental public bodies is taken from the Cabinet Office publication "Public Bodies" for years subsequent to 1980-81 and similar publications for earlier years. The figures used to calculate the percentages comprise grant and grant in aid to executive bodies.

The increase in 1990-91 was largely accounted for by a one-off grant to the Scottish new towns associated with a premature repayment of outstanding non-housing loan debt. Non-departmental public bodies expenditure in 1991-92 was substantially affected by a £170 million increase in grant in aid to Scottish Homes to enable it to repay short-term loans inherited from the Housing Corporation in Scotland. The other significant factor was the transfer of responsibilities for training to Scottish Enterprise and Highlands and Islands Enterprise.

Public Bodies

Dr. Wright: To ask the Secretary of State for Scotland how many appointments to the public bodies listed in "Public Bodies" for his Department were made from names supplied by the public appointments unit; and if he will list them.

Mr. Lang *[holding answer 19 March 1993]:* The Scottish Office maintains its own public appointments list and therefore makes limited use of names from the public appointments unit. The Scottish Office public appointments list is used as a source of names of suitably qualified candidates for consideration for a wide range of appointments which I make. From time to time, the public appointments unit passes names to the Scottish Office for the public appointment list, and vice versa. No central records are kept of the source of names of those who are appointed to public bodies.

GP Fund Holders

Dr. Godman: To ask the Secretary of State for Scotland how many general practitioners in *(a)* Inverclyde, *(b)* Strathclyde and *(c)* Scotland as a whole currently have fund-holding status; how many more have submitted applications for such status; and what is the number in *(a)*, *(b)* and *(c)* who have decided not to apply for fund-holding status.

Mr. Stewart *[holding answer 18 March 1993]:* Infor mation is provided on the basis of health board areas and only for those practices which have formally expressed interest in applying for fund-holding status and for those practices where health boards are considering formal applications to join the fund-holding scheme. The table sets out the current position.

	Argyll and Clyde	Health boards in Strathclyde[1]	Scotland
Fundholders from 1 April 1993	5	18	63
Other practices approved to join fund holding but not currently fund holding	Nil	3	8
Other practices which have formally expressed interest, or applied, but applications not yet approved by health board	2	15	37

[1] Ayrshire and Arran, Argyll and Clyde, Greater Glasgow, Lanarkshire.

Education Colleges (Capital Expenditure)

Mr. Morgan: To ask the Secretary of State for Scotland what assessment he has made of the effect of the imposition of value added tax on all capital expenditure projects initiated by colleges of higher and further education after 1 April; what consultations he has had with the appropriate funding councils on this; and if he will make a statement.

Lord James Douglas-Hamilton *[holding answer 19 March 1993]:* In the 1993-94 allocations of capital grant to the further education colleges in Scotland provision has been made for the costs of value-added tax. Grant-aided colleges of higher education are currently liable for value-added tax on capital expenditure projects, and that will continue after 1 April 1993. There is no Further Education Funding Council in Scotland. The further education colleges will receive grant from the Secretary of State for Scotland.

Sheriff Court, Greenock

Dr. Godman: To ask the Secretary of State for Scotland when the refurbishment of the Greenock sheriff court will be completed and the court recommence its work therein; and if he will make a statement.

Lord James Douglas-Hamilton *[holding answer 22 March 1993]:* The final phase of the refurbishment and extension of Greenock sheriff courthouse is scheduled for completion in May 1994. The building will then be fully commissioned and reoccupied in August 1994.

Speech Therapists

Dr. Godman: To ask the Secretary of State for Scotland how many speech therapists were employed, on a full-time or part-time basis, in *(a)* Inverclyde, *(b)* Strathclyde and *(c)* Scotland as a whole (i) in 1984 and (ii) at the latest available date.

Mr. Stewart *[holding answer 22 March 1993]:* The information requested for Scotland, Strathclyde and its

constituent health board areas is detailed in the table. The information for the administrative district of Inverclyde can be provided only at disproportionate cost.

Speech therapy staff at 30 September

	1984	[1]1992
Scotland	373	579
Whole-time	253	388
Part-time	120	191
Strathclyde	150	235
Whole-time	106	169
Part-time	44	66
Argyll and Clyde	36	47
Whole-time	23	29
Part-time	13	18
Ayrshire and Arran	19	34
Whole-time	15	27
Part-time	4	7
Greater Glasgow	72	105
Whole-time	50	76
Part-time	22	29
Lanarkshire	23	49
Whole-time	18	37
Part-time	5	12

[1]Data are provisional

Dental Care (Children)

Dr. Godman: To ask the Secretary of State for Scotland how many times each year school children are examined by a dentist in *(a)* Strathclyde and *(b)* Scotland as a whole.

Mr. Stewart *[holding answer 22 March 1993]:* The community dental service is required to screen all children in local education authority schools at least three times in each child's school life. In areas of poor dental health and where availability of general dental services is poor, such screening may be more frequent. The number of dental inspections carried out for children of school age in each of the health board areas within Strathclyde region and in Scotland as a whole for the period October 1991 to September 1992, the last 12-month period for which information is available, is shown in the table.

Number of dental inspections carried out for children of school age in Scotland by Community Dental Service

Health Board	Number of dental inspections October 1991—September 1992
Argyll and Clyde	5,149
Ayrshire and Arran	3,378
Greater Glasgow	12,350
Lanarkshire	23,431
All Scotland	129,138

Newton Street Railway Tunnel

Dr. Godman: To ask the Secretary of State for Scotland what recent discussions he has had with ScotRail and Strathclyde regional council concerning the repairs to be carried out to the Newton Street railway tunnel; and if he will make a statement.

Lord James Douglas-Hamilton *[holding answer 22 March 1993]:* The repairs to the Newton Street railway tunnel are matters for British Rail and Strathclyde regional council, through Strathclyde passenger transport executive. My right hon. Friend did, however, take the need for the repairs fully into account in Strathclyde regional council's capital allocations provision for 1992-93 and 1993-94. I understand that the works are expected to be carried out between October 1993 and May 1994.

Milk Quota

Dr. Strang: To ask the Secretary of State for Scotland what arrangements are currently in place for the administration of the milk quota in Scotland.

Sir Hector Monro *[holding answer 22 March 1993]:* The Scottish Office Agriculture and Fisheries Department is responsible for the administration of milk quotas in Scotland. Certain functions are currently performed on its behalf by the three milk marketing boards in Scotland and by Kennerty Dairies, in respect of Shetland producers, under the terms of individual agency agreements. The Intervention Board executive agency also performs certain milk quota functions on a United Kingdom basis.

NORTHERN IRELAND

Religious Affiliations

Mr. William Ross: To ask the Secretary of State for Northern Ireland (1) what is the annual cost of monitoring the religious affiliation of the employees of *(a)* the Northern Ireland Housing Executive, *(b)* the water service in Northern Ireland and *(c)* employees of the Western health and social services board;

(2) what is the annual cost of monitoring the religious affiliation of the employees of the Department of Education headquarters.

Mr. Mates: The information cannot be provided in the form requested, as these bodies monitor gender and disability of their employees as well as religious affiliations and it is not possible to separate costs purely attibutable to the religious aspect.

The following information is available, however:

(a) The chief executive of the Northern Ireland Housing Executive has advised me that the cost of all monitoring during 1991-92 was £26,000.

(b) The annual costs of equal opportunities monitoring in the Western health and social services board is £54,300.

(c) Monitoring for the whole of the Northern Ireland civil service is undertaken centrally by the equal opportunities unit, located in the Department of Finance and Personnel, but is not undertaken on a departmental, functional or geographical basis. The annual running costs for the equal opportunities unit which also has responsibility for developing, formulating, co-ordinating and monitoring the equal opportunities policy for the whole of the Northern Ireland civil service is £230,000.

Mr. William Ross: To ask the Secretary of State for Northern Ireland what is the annual cost of monitoring the religious affiliation of the employees of the Northern Ireland Office who work in Belfast.

Mr. Mates: With regard to the annual cost of monitoring the religious affiliation of Northern Ireland civil servants working for the Northern Ireland Office, I refer the hon. Gentleman to the answer I gave him today. The cost of monitoring home civil servants is negligible.

Mr. William Ross: To ask the Secretary of State for Northern Ireland what is the annual cost of monitoring the religious affiliation of the Royal Ulster Constabulary.

Mr. Mates: The information requested is not readily available and could be obtained only at disproportionate cost.

Mr. William Ross: To ask the Secretary of State for Northern Ireland what is the annual cost of monitoring the religious affiliation of the employees of the Police Authority for Northern Ireland.

Mr. Mates: Monitoring of the religious affiliation of the employees of the Police Authority for Northern Ireland is undertaken centrally by the Northern Ireland civil service equal opportunities unit. I would therefore refer the hon. Gentleman to the answer I gave him today.

EC Secondments

Mr. Morgan: To ask the Secretary of State for Northern Ireland how many persons, and of what grade or level, have been seconded to *(a)* the European Commission and *(b)* UKREP.

Mr. Mates: From 1984 to the present time the Northern Ireland civil service has seconded the following officers to the European Commission:

1 at Unified Grade 5 level (Assistant Secretary)
4 at Unified Grade 7 level (Principal)
1 at Deputy Principal level (equivalent to Senior Executive Office)
2 at Administration Trainee level
1 Senior Agricultural Economist
1 Principal Statistician
1 Principal Economist
1 Industrial Accountant
1 Veterinary Officer

There has also been the following secondments to the office of the United Kingdom representative:

2 at Unified Grade 7 level (Principal)
1 at Deputy Principal level (equivalent to Senior Executive Officer)

Publicity

Mr. Morgan: To ask the Secretary of State for Northern Ireland, pursuant to his answer of 2 June 1992 to the hon. Member for Holborn and St. Pancras (Mr. Dobson), *Official Report*, column *439*, what is his Department's *(a)* current outturn estimate for publicity expenditure for 1992-93 and *(b)* budgeted publicity expenditure for 1993-94.

Mr. Mates: *[holding answer 25 February 1993]:* Publicity expenditure figures are:

Year	*£*
1992-93	6,446,300
[1]1993-94	6,059,000

[1] Budgeted.

Prevention of Terrorism Acts

Mr. McNamara: To ask the Secretary of State for Northern Ireland how many people were *(a)* arrested or *(b)* stopped and questioned under the terms of the Prevention of Terrorism (Temporary Provisions) Act in 1990.

Mr. Mates *[holding answer 3 March 1993]:* The statistics relate to the total numbers of arrests under section 14 of the Prevention of Terrorism (Temporary Provisions) Act 1989; and of examinations for more than one hour, and detentions, under section 16 of that Act, rather than to the total numbers of individuals involved.

In Northern Ireland in 1990, there were 1,764 arrests under section 14 of the Act, but there is no record of anyone being examined for more than one hour, or detained, under section 16.

Departmental Functions

Mr. Dykes: To ask the Secretary of State for Northern Ireland if he will make a statement on the work of the Department of Economic Development since 1982.

Mr. Atkins: *[holding answer 18 March 1993]:* The Department of Economic Development has policies to encourage inward investment; to promote the competitiveness of local industry by identifying and removing obstacles to growth, building up management and work-force skills and supporting innovation; to stimulate the development of an enterprise culture and the growth of small firms; to ensure quality of opportunity in employment; and to provide a sound regulatory framework for the conduct of business in Northern Ireland through legislation on companies health and safety at work, consumer protection and industrial relations.

Against the background of the Single European market, the Department adopted a new strategy which was set out in "Competing in the 1990s: The Key to Growth". The strategy focuses on activities designed to improve business performance and competitiveness and on helping to grow in a sustained and profitable manner.

All the DED businesses—Industrial Development Board, Local Enterprise Development Unit, Training and Employment Agency, Industrial Research and Technology Unit and the Northern Ireland Tourist Board —have published and are implementing new corporate plans within the framework of the overall strategy.

Since the inception of the Industrial Development Board, in September 1982, investment projects worth a total of £3,011 million have been secured, an overall total of 45,019 new jobs have been promoted and 71,157 jobs safeguarded.

Since 1982 the Local Enterprise Development Unit, LEDU, has offered over £210 million to small businesses in Northern Ireland.

Under its local enterprise programme. LEDU has also assisted the establishment of a network of 34 local enterprise agencies which provide 1.3 million sq. ft. of workspace, housing more than 600 businesses employing 3,200 people.

Harland and Wolff plc was privatised in September 1989 and Short Brothers plc in October 1989.

On 2 April 1990 the Department launched the Training and Employment Agency. The agency's aim is to assist economic growth in Northern Ireland by ensuring provision of training and employment services which contribute to companies becoming more competitive and individuals obtaining the skills and competence needed to secure worthwhile employment.

Following a strategic review of tourism policy in 1989, a new strategy was implemented which aimed to maximise the potential of tourism as a generator of wealth and creator of employment. New tourism legislation came into

force on 1 April 1992 which placed the Northern Ireland tourist board in the pivotal role to promote, market and develop Northern Ireland as a tourist destination.

The Industrial Research and Technological Unit, established in 1993, has facilitated the establishment of high-quality research and development projects which are aimed at strengthening both the technological infrastructure of Northern Ireland, and the competitiveness of industry.

The Department has also published an energy strategy entitled "Engergy for the 1990s and Beyond". The document described Northern Ireland's strategic energy objectives against the rapidly changing energy scene in Northern Ireland.

The electricity industry was restructured during 1992. The generating stations were split from the remainder of Northern Ireland Electricity and sold to the private sector by means of trade sales. Plans for the flotation of NIE are well advanced.

The Government have considerably strengthened the law against unlawful discrimination in employment in Northern Ireland through the introduction of the Fair Employment (Northern Ireland) Act 1989. It represents the most radical anti-discrimination law ever enacted in the United Kingdom. Through the monitoring information which has been gathered and published by the Commission, a clearer picture has emerged of the extent of the problem of inequality in the work force. Already, a small but helpful improvement in the situation is evident.

The Department has introduced a substantial volume of new health and safety at work legislation, including that required by EC directives. Consumer protection legislation has been introduced to enforce EC directives on product liability and price marketing. In 1985 the General Consumer Council for Northern Ireland was established.

SOCIAL SECURITY

Vaccine Damage

Mr. Barry Field: To ask the Secretary of State for Social Security how many awards under the terms of the Vaccine Damage Payments Act where pertussis vaccine was claimed to be the cause have been made for each year since 1988; and how many applications have been refused.

Mr. Scott: The information is not available in the form requested. The table lists all awards and disallowances since 1988.

Year	*Awards*	*Disallowances*
1988	5	38
1989	2	53
1990	—	40
1991	2	41
1992	[1]16	36

[1]The increase in awards for 1992 was due to a combination of factors and includes a number of awards for claims made in earlier years, some consequent upon vaccine damage tribunal findings.

Administrative Headquarters, Leeds

Mr. Gordon Prentice: To ask the Secretary of State for Social Security if he will make a statement on the arrangements for recruiting personnel to work at the new administrative headquarters in Leeds.

Mr. Burt: When a vacancy first arises in DSS in Quarry house in Leeds, consideration is given to staff who are available within the organisation. Vacancies for clerical posts which cannot be filled in this way are advertised in the local Employment Service jobcentre or local press. Vacancies in specialist posts are drawn to the attention of staff in other Government Departments, advertised in the national press or possibly filled by the use of executive search agencies.

Pneumoconiosis

Mr. Clapham: To ask the Secretary of State for Social Security how many posthumous claims for pneumoconiosis were made in the last 10 years under the state scheme and under the mineworkers' pneumoconiosis compensation scheme.

Mr. Scott: This information is not available and could be obtained only at disproportionate cost. The mine workers' pneumoconiosis compensation scheme is a matter for British Coal.

Pensions

Dr. Godman: To ask the Secretary of State for Social Security if he will list the information about the transfer to the state retirement pension which is given to women who are in receipt of invalidity benefit, shortly before they attain the age of 60 years; what interviews dealing with these matters are offered to such women; and if he will place copies of the relevant documents in the Library.

Mr. Scott: The administration of invalidity benefit is a matter for Mr. Michael Bichard the chief executive of the Benefits Agency. He will write to the hon. Member with such information as is available and a copy will be placed in the Library.

Letter from Mr. M. Bichard to Dr. Norman Godman, dated 22 March 1993:

As Chief Executive of the Benefits Agency it is my responsibility to answer questions about relevant operational matters. I am therefore replying to your recent Parliamentary Question to the Secretary of State for Social Security asking if he will list the information about the transfer to the state Retirement Pension which is given to women who are in receipt of Invalidity Benefit (IVB) shortly before they attain the age of 60 years, and what interviews dealing with these matters are offered to such women.

Four months before pension age (age 60 for women, 65 for men) a Retirement Pension claims pack is automatically issued by one of our Area Computer Centres direct to the customers' address.

The claims package for women includes a Retirement Pension claim form (BR1), an information sheet (BR33) containing the rate of Retirement Pension the customer is entitled to at pension age and other advisory information, also a leaflet AC1 which gives the details of the option of having their Retirement Pension paid by Automated Credit Transfer (ACT) into their Bank/Building Society account.

Form BR1 advises customers requiring further information to get in touch with their local Social Security office, the same advice is given on form BR33. In addition form BR33 gives the Social Security Freeline number.

A woman aged 55-59 in receipt of IVB is issued with a letter 16 weeks before she reaches aged 60 advising her that as she is in receipt of IVB she may choose to elect to remain on that benefit rather than claim her Retirement Pension which may be at a lower rate than her IVB. It also explains that her choice may be affected by the fact that Retirement Pension is taxable but IVB is not.

The District Office would not as a matter of procedure offer an interview to women approaching age 60 who were in

receipt of Invalidity Benefit. However the normal interview facilities offered by all offices would be available to these ladies if they approached their District Office for advice.

I hope that you find this reply helpful. I enclose copies of relevant documents and have arranged for copies to be placed in the Library. A copy of this letter will appear in the Official Report and a copy will also be placed in the Library.

AGRICULTURE, FISHERIES AND FOOD

Industrial Waste

Mr. Roger Evans: To ask the Minister of Agriculture, Fisheries and Food what progress has been made in phasing out the dumping of industrial waste at sea; and if he will make a statement.

Mr. Gummer: I can confirm that, in accordance with my statement of 22 February 1990, this practice has now been brought to an end. The final licence for sea disposal of liquid industrial waste expired at the end of February and no further licences for disposal of industrial waste at sea will now be issued.

I have taken this action well ahead of our commitment under the London convention to phase out sea disposal of industrial waste globally by 1995. This action also anticipates new arrangements agreed last year under the Paris convention on the protection of the marine environment of the north-east Atlantic.

EMPLOYMENT

Labour Statistics

Mrs. Dunwoody: To ask the Secretary of State for Employment what percentage of people aged *(a)* 20 to 25 years, *(b)* 26 to 30 years, *(c)* 31 to 35 years, *(d)* 36 to 40 years, *(e)* 41 to 45 years, *(f)* 46 to 50 years and *(g)* 51 to 55 years are currently unemployed; and what percentage of each group is currently seeking employment.

Mr. McLoughlin: Unemployment levels for pre-determined age bands, expressed as a percentage of the work force in those particular age bands, are available using either the International Labour Organisation measure of unemployment, obtainable from the quarterly labour force survey, or the monthly claimant count measure. To be included in either of these measures, an unemployed person should be available for work and actively seeking employment. The table gives the extent of the readily available data from both sources—claimant unemployment rates by age are available only nationally and on a quarterly basis.

Labour force survey summer 1992
(Great Britain)

Age Group	*Unemployment rate*
20 to 25	15·2
26 to 30	10·5
31 to 35	9·1
36 to 40	7·7
41 to 45	6·4
46 to 50	6·2
51 to 55	7·9

Note: Figures are not seasonally adjusted.

Claimant count January 1993
(United Kingdom)

Age Group	*Unemployment rate*
20 to 24	17·5
25 to 29	13·5
30 to 39	10·2
40 to 49	7·7
50 to 59	10·0

Note: Figures are not seasonally adjusted.

EC Labour Statistics

Mr. Knox: To ask the Secretary of State for Employment if she will publish figures showing unemployment in each member state of the EC in 1975, 1985 and the latest date available, with the subtotals for youth unemployment.

Mr. McLoughlin: The Organisation for Economic Co-oporation and Development's internationally comparable unemployment rates for each member state of the European Community for which data are available for the dates requested are given in the table. Figures are not available for the subtotal of youth unemployment on this basis.

OECD standardised unemployment rates percent

	Annual Averages			
	1975	*1985*		*Latest Month*
EC Countries				
Spain	3·6	21·1	19·5	November
Ireland	n/a	17·0	16·8	February
United Kingdom	4·3	11·2	10·6	[1]February
France	4·0	10·2	10·5	December
Italy	5·8	9·6	9·9	July
Belgium	5·0	11·3	8·4	January
Netherlands	5·2	10·6	7·3	December
Germany (FR)[2]	3·6	7·1	5·2	December
Portugal	n/a	8·5	4·2	November

[1]Provisional
Source: OECD "Quarterly Labour Force Statistics, and "Main Economic Indicators".
There are no OECD standardised rates available prior to 1983 for Ireland and Portugal, and none at all for Denmark, Greece and Luxembourg.
[2]There are no reliable standardised figures available as yet for a unified Germany. The rate quoted relates to the former West Germany.

Industrial Tribunals (Deposits)

Mrs. Wise: To ask the Secretary of State for Employment how many industrial tribunal cases have involved payment of deposits since the introduction of the power to impose such deposits; and how many of these were at the maximum sum of £150.

Mr. McLoughlin: The procedural regulations governing industrial tribunals will be amended following Royal Assent for the Trade Union Reform and Employment Rights Bill to give effect to the pre-hearing review and deposit procedure and any other changes then required.

Legislative Changes (Consultation)

Mr. Dowd: To ask the Secretary of State for Employment what plans she has to review her Department's consultation procedures with local authorities and other public bodies with regard to the implications for them of any legislative changes, prior to their presentation to the House or implementation.

Mr. Michael Forsyth: We have no such plans.

Unemployment Tax

Mr. Leighton: To ask the Secretary of State for Employment what study her Department has made of the operation of the unemployment tax in the United States of America.

Mr. McLoughlin: The Department has made no study of the state unemployment tax.

Workplace Accidents

Mr. Ieuan Wyn Jones: To ask the Secretary of State for Employment if she will publish figures showing the number of reported workplace accidents in Wales in *(a)* 1990-91 and *(b)* 1991-92, indicating (i) the number of fatalities, (ii) the number of major injuries, (iii) the number of injuries causing absence from work for over three days and (iv) the number of days lost through accident or injury in the workplace; and if she will indicate both the fatal accident rate and the injury rate per 2,000 employed.

Mr. McLoughlin: The available information concerning the numbers and rates of fatal and other injuries caused by workplace accidents in Wales in 1990-91 and 1991-92—provisional figures—is provided in the table. We do not regularly collect information on the number of days lost through accident or injury in the workplace.

Occupational Injuries in Wales as Reported[2] to the Health and Safety Executive's Field Operations Division Inspectorates and Local Authorities, 1990-91 to 1991-92[1]

Year[3]	*Employees*		*Self Employed*	*Members of Public*[4]
	Number	*Rate*[5]		
Fatal Injuries				
1990-91	23	0.05	6	9
1991-92	16	0.03	7	8
Major Injuries[6]				
1990-91	1,119	2.31	70	474
1991-92	885	1.86	49	507
Over 3 Day Injuries[7]				
1990-91	8,026	16.57	87	—
1991-92	7,403	15.56	90	—

[1] Provisional.
[2] Under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations, 1985 (RIDDOR).
[3] Years commencing 1 April.
[4] Injured as a result of someone else's work activity. Over 3 day injuries to members of the public are not reportable under RIDDOR.
[5] Rate per 2,000 employees.
[6] As defined under RIDDOR.
[7] Injuries causing incapacity for normal work for more than three days.

Pneumoconiosis

Mr. Clapham: To ask the Secretary of State for Employment how many claims have been made under the Pneumoconiosis, etc., (Workers Compensation) (Payment of Claims) (Amendment) Regulations since 1979 in all the age bands in table A by disabled claimants; and how many payments have been made to dependants in all age bands in table B of the regulations.

Mr. McLoughlin: The table shows the number of claims received from, and number of claims paid to, persons suffering from diseases covered by the Pneumoconiosis, etc. (Workers' Compensation) Act 1979 and dependants of persons who have died from these diseases up to the end of January 1993.

	Claims received	*Claims paid*
Sufferers	5,105	3,836
Dependants	1,997	1,447
Total	7,102	5,283

Unemployment

Ms Ruddock: To ask the Secretary of State for Employment how many long-term unemployed people were registered on 1 March, or on the nearest available date, in *(a)* Lewisham, Deptford and *(b)* the London borough of Lewisham; how many of these she expects to be offered the opportunity to participate in the learning for work scheme announced in the Budget; and how many of these she expects to take part in the community action programme announced in the Budget.

Mr. McLoughlin *[holding answer 19 March 1993]:* On 14 January, the latest date for which figures are available, there were 3,834 claimants unemployed for over a year in the Lewisham, Deptford parliamentary constituency, and 8,901 in the Lewisham local authority district. The number of learning for work opportunities which will be available in each area from September will be determined in negotiations with local training and enterprise councils. Announcements will be made in due course of the number of opportunities, under community action, which the Employment Service will be making available in each area from the summer.

Ms Ruddock: To ask the Secretary of State for Employment if she intends to establish a work start pilot project in the constituency of Lewisham, Deptford, or the London borough of Lewisham.

Mr. McLoughlin *[holding answer 19 March 1993]:* My right hon. Friend the Secretary of State today announced that work start pilots will be run by Tyneside TEC, Devon and Cornwall TEC, and by the Employment Service in East Kent and in south and south-west London, which covers the boroughs of Southwark, Croydon, Bromley, Lambeth, Wandsworth, Merton and Sutton.

Mr. Winnick: To ask the Secretary of State for Employment how many persons were unemployed for 12 months and more in Britain in May 1979 and on the latest available date.

Mr. McLoughlin: *[holding answer 19 March 1993]:* In October 1983, the earliest date for which comparable figures are available, 1,089,060 claimants in Great Britain had been unemployed for over 12 months. This compares with 974,181 in January 1993. All figures are on the unadjusted basis.

Ms Ruddock: To ask the Secretary of State for Employment how many unemployed people have started up their own businesses in *(a)* the London borough of Lewisham and *(b)* the constituency of Lewisham, Deptford, in the last year; and how many more she expects to do so under the new business start-up scheme announced in the Budget.

Mr. McLoughlin *[holding answer 19 March 1993]:* Information on the numbers of unemployed people starting up their own businesses in Lewisham and Deptford is not available from this Department in the form requested.

Wool Industry

Dr. Strang: To ask the Secretary of State for Employment how many people were employed at the latest available date in the wool industry in England and Wales.

Mr. McLoughlin *[holding answer 19 March 1993]:* Figures at the level of industrial and geographical detail specified are available only from the census of employment. The number of employees in employment in the woollen and worsted industry at September 1989 in England and Wales stood at 28,400. The results of the 1991 census of employment will be available from 8 April.

ENVIRONMENT

Local Authority Debts

Mr. Moss: To ask the Secretary of State for the Environment what is the debt burden of the London borough of Harlow, Newcastle metropolitan district, Wellingborough district council and Huntingdonshire; and what proportion of their respective budgets is attributable to interest payments on those debt burdens.

Mr. Robin Squire: The information is as follows:

Total external debt, including both temporary and long-term debt at 31 March 1992 is:

	£ million
Harlow DC	41·3
Newcastle upon Tyne MDC	457·1
Wellingborough BC	44·7
Huntingdon DC	29·3

Budgeted external interest payments for 1992-93, expressed as a percentage of revenue expenditure, including HRA expenditure and that funded by sales, fees and charges and external interest receipts, is:

	Per cent.
Harlow DC	6·5
Newcastle upon Tyne MDC	9·9
Huntingdon DC	3·5
Wellingborough BC	15·7

Homelessness

Mr. Hendry: To ask the Secretary of State for the Environment which local authorities have not provided details of the numbers of homeless families for inclusion in the most recent statistics on homelessness published by his Department this week; and if he will make a statement.

Mr. Baldry: Information on the number of households for whom local authorities accept responsibility to secure permanent accommodation under the homelessness provisions of the 1985 Housing Act is reported in part E of the quarterly P1 return.

The statistics for the fourth quarter of 1992, published on 15 March 1993, were based on responses from 94 per cent. of English local authorities and included estimates for others which had not provided full information.

London
Islington
Newham
Redbridge
Wandsworth

Metropolitan districts
Leeds
South Tyneside

Non-metropolitan districts
Allerdale
Blyth Valley
Bolsover
Cambridge
Cannock Chase
Castle Morpeth
Craven
East Hertfordshire
Macclesfield
Nottingham

South Oxfordshire
The Wrekin
Torbay
Tynedale
Waverley
West Devon

Of the local authorities listed, Wandsworth and Redbridge did provide details of households in temporary accommodation. Late returns have since been received from Allerdale, Cambridge, East Hertfordshire, Torbay and West Devon.

I welcome this opportunity to thank authorities for their improved response to the homelessness return over the last year. I particularly commend the inner London boroughs which have made the effort to send more timely returns, despite the large volume of applications they have to deal with.

I hope that this improved response will be maintained and that other authorities will be able to provide their returns more promptly in future so that we can more accurately monitor the number of households who have to seek priority rehousing from local authorities. This is particularly important at a time when we will be watching to see whether the downward trend in homeless acceptances which emerged in 1992 is maintained in 1993.

Plymouth Development Corporation

Mr. Barry Field: To ask the Secretary of State for the Environment if he is yet in a position to announce who he will be appointing as chairman and members to the board of the Plymouth development corporation.

Mr. Redwood: Subject to the approval of Parliament to the establishment of the Plymouth urban development corporation, I have decided to appoint Vice Admiral Sir Robert Gerken KCB, CBE to the chairman of the Corporation. Sir Robert is a past flag officer Plymouth and lives in the city.

The board will have nine other members. Councillor John Ingham, leader of Plymouth city council, is to be the deputy chairman. Three other members of the board will represent the city council—Tom Savery, leader of the Conservative group, and councillors Tudor Evans and Jean Melder. Simon Day, leader of Devon county council, will also be on the board.

I have also decided to appoint Mr. Jonathan Harris FRICS, chairman and managing director of the Carlisle Group plc. The remaining appointments will be announced shortly.

East Thames Corridor

Mr. Vaz: To ask the Secretary of State for the Environment what plans he has to set up a task force to oversee development of the east Thames corridor; and what area will be covered by the development plans.

Mr. Baldry: An announcement will be made on this very shortly, following which I will write to the hon. Member.

Mr. Evennett: To ask the Secretary of State for the Environment what progress has been made in producing the revised regional planning guidance for the south-east and proposals for the east Thames corridor.

Mr. Howard: The new draft regional planning guidance for the south-east, a report by consultants Llewelyn Davies on the development potential of the east Thames corridor and a consultation paper on the Government's approach to that area's development will be published tomorrow at 10 am. Copies of these documents will be placed in the Vote Office and the Library at that time. The guidance will aim to meet the development requirements of the recovering economy in the south-east and the housing needs of its people for the period up to 2011, while responding to the range of environmental concerns and opportunities. It will emphasise the need for development to continue to take place throughout the region but recognise that in the medium to longer-term development opportunities in the eastern parts of the region, particularly the east Thames corridor, will have an increasingly important part to play. The consultation paper on the east Thames corridor will set out reactions to the consultants' findings and proposals for a task force to consider the future planning of that area.

Earnings

Mr. Alton: To ask the Secretary of State for the Environment by what amount would a couple with earnings of £70 a week, with two children, paying £30 a week rent and £10.54 in council tax, need to increase their earnings to secure an additional take-home pay of £4.42 per week.

Mr. Burt: I have been asked to reply.

A couple with two children, paying £30 a week rent and with earnings of £70 per week, would be entitled to family credit of £61.18. In order to secure an additional take-home pay of £4.42 a week they would need to increase their earnings by £5.09 a week. This assumes that the question refers to a community charge of £10.54, which is the correct amount in the circumstances described, rather than council tax which does not take effect until April 1993.

Renewable Energy

Mrs. Bridget Prentice: To ask the Secretary of State for the Environment to what extent the Government are committed to developing renewable energy sources as a means of limiting environmental destruction and pollution; how much money has been invested in renewable energy research for each year from 1985 to 1992; what plans he has to reduce Britain's dependency on, and consumption of, oil; and what plans the Government have drawn up to limit the amount of environmental damage caused by the drilling and transportation of oil.

Mr. Eggar: I have been asked to reply.

The Government are committed to the development of sources of renewable energy with prospects of being economically attractive, and environmentally acceptable. My Department has invested the following amounts on research, development, and demonstration as part of its programme on renewables.

Financial year	*Outturn (£ million)*
1985-86	13·2
1986-87	12·0
1987-88	16·3
1988-89	16·0
1989-90	17·9
1990-91	20·8
1991-92	24·6

The renewables orders under the non fossil fuel obligation have resulted in contracts being signed for 600 MW of plant so far.

The Government also continue to promote cost-effective energy efficiency measures which reduce the demand for fuel and emissions associated with their use.

The Government are fully committed to meeting their obligations on reducing pollution from offshore oil and gas activities. These obligations stem from agreements reached within the Paris Commission. Concerning the transportation of oil, in addition to the Department of Transport inquiry into the loss of Braer, the Government have announced a second inquiry, chaired by Lord Donaldson, to consider whether any further measures are appropriate and feasible to protect the United Kingdom coastline from pollution due to merchant shipping.

HEALTH

Prescriptions

13. **Mr. Martyn Jones:** To ask the Secretary of State for Health what is the average total cost of a prescribed item now; and what was the average cost in 1979.

Dr. Mawhinney: The estimated average total cost of a prescribed item to the national health service in England for 1993-94 is £7·95. In 1979 it was £2·42.

26. **Mr. Barry Jones:** To ask the Secretary of State for Health what has been the percentage rise in the cost of a prescription since 1979.

Dr. Mawhinney: On 1 April 1993, 757 per cent. in real terms. The charge remains substantially less than the average total cost of a prescribed item to the national health service. Only one in five prescribed items dispensed by community pharmacists and appliances contractors now attracts a charge, compared with two in five in 1979.

GP Fund Holders

Mr. Peter Atkinson: To ask the Secretary of State for Health how many general practitioner fund holders are due to start operating in April; and if she will make a statement.

Dr. Mawhinney: Around 600 further practices are expected to join the scheme from 1 April, when one in four of the population will be covered by the scheme.

21. **Mr. Wray:** To ask the Secretary of State for Health how many general practitioners currently have fund-holding status; how many more have applied; and what is the number of practices which neither have nor have applied for fund-holding status.

Dr. Mawhinney: Over 3,000 general practitioners in 585 practices are now fund holders. Around 600 more practices are expected to join the scheme from 1 April. The figure for the number of applications made for fund-holding status is not held centrally.

Ms Lynne: To ask the Secretary of State for Health (1) what guidelines she issues to general practitioner fund holders about the registration of people with disabilities;

(2) what representations she has had from disability support groups about discrimination in registering people with disabilities by general practitioner fund holders.

Dr. Mawhinney: An allegation of discrimination has been drawn to my attention by a local disability group. I understand that the issue has now been resolved. General practitioners have always had the right to decide whether or not to accept a patient on to their lists. We have now given patients the right to register with any doctor of their choice, who is willing to accept them. We endorse the advice issued by the General Medical Council that it is unacceptable to discriminate against patients on any grounds.

Fund-holding GPs have no financial reason to refuse to accept patients. The level of funding is set individually for each practice and takes into account factors such as the number of chronically sick and disabled people and other potentially "high-cost" patients. In addition, regions hold contingency reserves to meet any unforeseeable changes, such as an increase in the number of patients requiring high-cost treatment.

Community Care

15. **Mrs. Browning:** To ask the Secretary of State for Health how she intends to ensure that there is a wide diversity of provision of community care services.

Mr. Yeo: We have always made clear our commitment to a real choice of services for users and a mixed economy of care. We have reinforced this with initiatives such as the statutory direction on choice, giving people the right to enter the home they prefer, the conditions attached to the special transitional grant—which will mean that most of the funding for community care services will be spent in the independent sector—and the establishment of a users' and carers' group to provide direct feedback to Ministers.

Tomlinson Report

16. **Dr. Goodson-Wickes:** To ask the Secretary of State for Health what assessment she has made of the accident and emergency services for London, following the Government's decision on the Tomlinson report.

Mr. Sackville: We announced our policy for London after fully considering the evidence on accident and emergency services, both in the Tomlinson report and in other studies. We will consult on the specific changes we have outlined in the policy document "Making London Better". Good emergency services for the full range of cases will continue to be available.

Health Helpline

17. **Mrs. Angela Knight:** To ask the Secretary of State for Health what assessment has been made of the effect of the health helpline for patients.

Mr. Sackville: As a direct result of the national launch all regions have reported a fourfold increase in the number of inquiries dealt with by their helpline to over 17,000 calls in the first month since the launch.

The vast majority of callers to the service have expressed support for the health line and all regions report that they are beginning to receive repeat inquiries and calls from new users who have had the service recommended to them by satisfied customers.

Residential Care

19. **Mr. Bowden:** To ask the Secretary of State for Health what steps his Department is taking to encourage local authority associations to meet service providers to develop common forms of contract for residential care.

Mr. Yeo: We have already encouraged the local authority associations and representatives of service providers to establish forums where this kind of issue can be discussed. The Department would be happy to offer further assistance should all concerned find that helpful.

Health Promotion Clinics

20. **Mr. Simpson:** To ask the Secretary of State for Health if she will make a statement on the future of services provided in health promotion clinics.

Dr. Mawhinney: From 1 July 1993 payments to general practitioners for health promotion clinics will be replaced by annual payments for structured health promotion programmes, which could include clinics, concentrating, in the first instance, on reduction of smoking, coronary heart disease and stroke.

There will also be separate payment for chronic disease management programmes for asthma and diabetes, and a two-year transitional scheme to help protect existing activity outside the scope of the new programmes.

Cumberland Infirmary

22. **Mr. Martlew:** To ask the Secretary of State for Health what representations she has received with regard to the delay in the construction of stage two of the Cumberland infirmary.

Mr. Sackville: No such representations have been received.

NHS Trusts

23. **Mr. Simon Coombs:** To ask the Secretary of State for Health how many national health service trusts are due to start in the Wessex region in April; and if she will make a statement.

Dr. Mawhinney: From 1 April 1993 10 units will become operational as national health service trusts in Wessex. This will bring the total number of trusts in the region to 22.

28. **Mr. Garnier:** To ask the Secretary of State for Health how many NHS trusts are due to start work in the Trent region in April; and if she will make a statement.

Dr. Mawhinney: From 1 April 1993 16 units will become operational as national health service trusts in Trent. This will bring the total number of NHS trusts in the region to 29.

Amenity Beds

24. **Mr. Willetts:** To ask the Secretary of State for Health how many amenity beds there are in the NHS; and what annual revenues they yield.

Mr. Sackville: There were 2,956 amenity beds in England in 1990-91. The associated annual revenue was £1·3 million.

Priority Patients

25. **Mrs. Helen Jackson:** To ask the Secretary of State for Health what additional resources will be made available to health authorities to allow them to ensure that no patients are kept waiting for treatment until the new financial year if they are in priority need.

Mr. Sackville: The Government have invested an additional £2·5 billion in the national health service this year and patients who require urgent treatment will be given proper priority. The Government also plan to invest a further £1 billion for 1993-94 which could enable a further 190,000 more in and day patients to be treated.

Maternity Units

27. **Mr. Trimble:** To ask the Secretary of State for Health how many maternity units had *(a)* fewer than 1,000 births and *(b)* between 1,000 and 1,500 births in 1992.

Mr. Sackville: The information requested is not yet available. We hope that it will be available in May.

Natural Medicines

Mr. Colvin: To ask the Secretary of State for Health what amount of funds is being made available for research into the role of natural medicines into the key areas identified by the White Paper for priority action.

Mr. Sackville: Neither natural therapies nor natural medicines have been separately identified for research funding in relation to the "Health of the Nation" strategy.

Publication of Accounts

Mr. Redmond: To ask the Secretary of State for Health on what date the accounts of health authorities and health trusts for 1991-92 became available for publication.

Mr. Sackville: Each national health service trust is required to hold a public meeting by 30 September at which its annual report and accounts and any audit report on the accounts are presented. Health authorities are not obliged to publish their annual accounts individually, but are encouraged to prepare annual reports to meet local accountability requirements. After they have been audited the accounts of individual health authorities and NHS trusts are in the public domain and we would expect those bodies to make copies available on request.

The Department of Health summarises the accounts of health authorities, family health services authorities and NHS trusts in England and submits them to the Comptroller and Auditor General by 30 November each year. After audit the summarised accounts are presented to Parliament and subsequently published.

Suppliers' Bills

Dr. Twinn: To ask the Secretary of State for Health, if she will require health authorities and NHS trusts to declare in their annual reports how quickly they pay their suppliers' bills; and if she will make a statement.

Mr. Sackville: No. All national health service bodies are currently expected to pay their suppliers in accordance with contractual terms and sensible practice. Any changes to the present range of disclosures required in statutory company accounts would be adopted.

AIDS (Medical Staff)

Mr. Thurnham: To ask the Secretary of State for Health, pursuant to her oral answer of 11 March, *Official Report*, column 1107, to the hon. Member for Sheffield, Brightside, if she will carry out a full review of the recent AIDS doctor case in Bolton; if she will make it her policy to review the existing guidelines so as to allow doctors' names to be published and to establish a duty on health workers to report known AIDS cases among colleagues; and if she will make a statement.

Dr. Mawhinney: The Department is reviewing guidance in the light of the recent HIV/AIDS cases among health care workers, including the Bolton doctor.

Health care workers have the same rights to medical confidentiality as any patient. Health care workers also have an ethical duty not to place their patients at risk. If they undertake invasive procedures and suspect or know that they are HIV positive, they must remain under close medical supervision and obtain occupational advice on the possible need to alter their practices. If physicians are aware that an infected health care worker under their care has not followed advice to modify their practice, they must inform the relevant authority. Forthcoming departmental guidance on the management of infected health care workers will clarify advice on confidentiality.

Food Poisoning

Mrs. Dunwoody: To ask the Secretary of State for Health what research has been done into the link between plated food served in hotels and botulism and food poisoning generally.

Mr. Sackville: The Department of Health is presently funding two projects specifically related to the organism responsible for botulism.

The first project, funded at the Institute of Food Research, Norwich, looks at the factors affecting the heat resistance of spores of non-proteolytic strains—those capable of growth and toxin production at low temperatures—of Clostridium botulinum and the effect of preservation conditions on heat-damaged spores.

The second project, funded at the Campden Food and Drink Research Association, seeks to determine the growth potential of Clostridium botulinum non-proteolytic types B and E following heat treatment in foods containing lysozyme—a naturally occurring substance which can protect Clostridium botulinum spores.

Ambulance Service

Mr. Blunkett: To ask the Secretary of State for Health how many ambulance services are failing to meet the maximum response times set by the patients charter; and what action she is taking to improve response times.

Mr. Sackville: In 1991-92, the latest year for which information is available and before the patients charter was published, 20 ambulance authorities in England failed to achieve the standards set out in the patients charter for responding to calls. Under the national health service internal market it is for purchasers of services to set the standards required of service providers. This should ensure continued improvement in the standards met by ambulance authorities. The Government are concerned to see the charter standards achieved and we are monitoring closely ambulance authorities which still need to improve performance.

Stillbirth

Mrs. Wise: To ask the Secretary of State for Health if she will outline the definition of stillbirth used by *(a)* the World Health Organisation and *(b)* other major developed countries.

Mr. Sackville: The World Health Organisation does not suggest a definition of stillbirth, but does define fetal death, which would include stillbirths. This and further information about statistical data can be found in the WHO publication "International Statistics Classification of Diseases and Related Health Problems, Tenth Revision, Volume 1, 1992." A copy is available in the Library.

Copies of relevant pages from a publication by the Institut de Demographie—"Are Live and Stillbirths Comparable All Over Europe?," Working Paper 170, University of Louvain, January 1993—are also in the Library. Copies of the working paper are being obtained and one will be placed in the Library. This extract gives the legal criteria for registration of stillbirths in European countries at 1 January 1991. The entry for England and Wales show the age of gestation as 28 weeks. This was reduced to 24 weeks by the Stillbirth (Definition) Act 1992 which took effect on 1 October 1992.

Pharmacies

Mrs. Lait: To ask the Secretary of State for Health how many appeals against a family health service authority refusal to enter into a contract with a pharmacy for the dispensing of NHS prescriptions have been heard in the last year for which figures are available.

Dr. Mawhinney: For the year ending 31 March 1992, 37 appeals were made and heard against family health service authority refusal to award a contract to dispense national health service prescriptions.

Administrative Headquarters, Leeds

Mr. Gordon Prentice: To ask the Secretary of State for Health if she will make a statement on the arrangements for recruiting personnel to work at the new administrative headquarters in Leeds.

Mr. Sackville: The new administrative headquarters in Leeds has been staffed mainly with existing civil servants, many of whom relocated to Leeds with their jobs. Clerical and secretarial posts have been filled successfully through local recruitment exercises.

Tranquillisers

Mr. Ieuan Wyn Jones: To ask the Secretary of State for Health what information campaigns have been launched by her Department in the last year on issues relating to tranquilliser addiction.

Dr. Mawhinney: The booklet "Drugs—A Parent's Guide", promoted by the Department's national anti-drug publicity campaign launched in March 1992, contains information on tranquilliser use and misuse.

Physiotherapists

Mr. Ieuan Wyn Jones: To ask the Secretary of State for Health if she will make it her policy to extend the provisions of the Opportunity 2000 initiative to the national health service to cover physiotherapists.

Mr. Sackville: The Opportunity 2000 initiative applies to all occupational groups.

NHS Vacant Properties

Mr. Hendry: To ask the Secretary of State for Health how many vacant residential properties are owned by each regional health authority; what are her Department's plans for reducing this number; and if she will make a statement.

Mr. Sackville: This information is not available centrally. From a recent survey we estimate that across the national health service 1,800 residential properties are vacant. This figure excludes places in hostels for nurses and other staff.

In conjunction with the task force on Government Departments' empty homes, we are considering measures to bring more of these empty properties back into use.

Consultants (Merit Awards)

Dr. Goodson-Wickes: To ask the Secretary of State for Health what were the grades of merit awards granted to consultants in the National Health Service in 1991-92, categorised by region and specialty.

Dr. Mawhinney: The information is shown in the table.

Awards granted 1992 by speciality within region A+ awards

A+ awards / *Speciality*	*Region* Northern	Yorkshire	Trent	East Anglia	North West Thames	North East Thames	South East Thames	South West Thames
Accident and Emergency	—	—	—	—	—	—	—	—
Anaesthetics	—	1	1	—	—	1	—	—
Cardiology	—	—	—	—	—	—	—	—
Thoracic Surgery	—	—	—	—	—	—	—	—
CNP	—	—	—	—	—	—	—	—
Dentistry	—	—	—	—	—	—	—	1
Dermatology	—	—	—	—	—	—	—	—
Chest Medicine	—	—	—	—	—	—	—	—
General Medicine	1	—	1	—	1	1	2	—
General Surgery	—	—	—	—	—	—	2	1
Gum	—	—	—	—	—	—	—	—
Geriatric Medicine	—	—	—	—	—	—	—	—
Infectious Diseases	—	—	—	—	—	—	—	—
Mental Health	—	1	—	—	1	—	—	—
Neurology	—	—	—	—	—	—	—	—
Neurosurgery	—	—	—	—	—	—	—	—
Nuclear Medicine	—	—	—	—	—	—	—	—
Obstetrics and Gynaecology	—	—	—	—	—	—	1	—
Occupational Medicine	—	—	—	—	—	—	—	—
Ophthalmology	—	—	—	—	—	—	—	—
Orthopaedics	—	—	—	—	—	1	—	—
Otolaryngology	—	—	—	—	—	—	—	—
Paediatrics	—	—	—	—	—	—	1	—
Paediatric Surgery	—	—	—	—	—	—	—	—
Pathology	—	—	—	—	—	—	2	1
Public Health Medicine	—	—	1	—	—	—	—	—
Plastic Surgery	—	—	—	—	—	—	—	—
Radiology	—	1	—	—	—	—	1	—
Radiotherapy	—	—	—	—	—	—	—	—
Rheumatology	—	—	—	—	—	—	—	—
TOTAL NUMBER	1	3	3	—	2	3	9	3

Speciality	*Special Health Authorities*	*Wessex*	*Oxford*	*South Western*	*West Midlands*	*Mersey*	*North Western*	*Wales*
Accident and Emergency	—	—	—	—	—	—	—	—
Anaesthetics	—	—	—	—	—	—	2	—
Cardiology	—	—	—	—	—	—	—	—
Thoracic Surgery	—	—	—	—	—	—	—	—
CNP	—	—	—	—	—	—	—	—
Dentistry	1	—	1	—	—	—	—	1
Dermatology	—	—	—	—	—	—	—	—
Chest Medicine	—	—	—	—	—	—	—	—
General Medicine	1	—	—	—	—	1	—	1
General Surgery	—	1	—	—	—	—	—	—
Gum	—	—	—	—	—	—	—	—
Geriatric Medicine	—	—	—	—	—	—	—	—
Infectious Diseases	—	—	—	—	—	—	—	—
Mental Health	1	—	—	—	—	—	—	—
Neurology	—	—	—	—	—	—	—	—

Speciality	Special Health Authorities	Wessex	Oxford	South Western	West Midlands	Mersey	North Western	Wales
Neurosurgery	—	—	—	—	—	—	—	—
Nuclear Medicine	—	—	—	—	—	—	—	—
Obstetrics and Gynaecology	—	—	—	—	—	—	—	—
Occupational Medicine	—	—	—	—	—	—	—	—
Ophthalmology	—	—	—	—	—	—	—	—
Orthopaedics	1	—	—	—	—	—	—	—
Otolaryngology	—	—	—	—	—	—	—	—
Paediatrics	—	—	—	—	—	—	—	—
Paediatric Surgery	—	—	—	—	—	—	—	—
Pathology	—	—	—	—	—	—	—	1
Public Health Medicine	—	—	—	—	—	—	—	1
Plastic Surgery	—	—	—	—	—	—	—	—
Radiology	—	—	—	—	—	—	—	—
Radiotherapy	—	—	—	—	—	—	—	—
Rheumatology	—	—	—	—	—	—	—	—
TOTAL NUMBER	4	1	1	—	—	1	2	4

Awards granted 1992 by speciality within region A awards

A awards Speciality	Region Northern	Yorkshire	Trent	East Anglia	North West Thames	North East Thames	South East Thames	South West Thames
Accident and Emergency	—	—	—	—	—	—	—	—
Anaesthetics	—	1	—	1	1	1	1	—
Cardiology	—	—	—	—	2	—	—	—
Thoracic Surgery	—	—	—	1	—	—	—	—
CNP	—	—	—	—	—	—	—	—
Dentistry	—	—	—	—	—	1	—	1
Dermatology	1	—	—	—	1	—	1	—
Chest Medicine	—	—	—	—	—	—	—	—
General Medicine	—	1	2	2	3	—	1	—
General Surgery	1	—	1	—	1	1	—	1
Gum	—	1	—	—	—	—	—	—
Geriatric Medicine	—	—	—	—	—	—	—	—
Infectious Diseases	—	—	1	—	—	—	—	—
Mental Health	1	—	1	—	—	—	—	—
Neurology	—	—	1	—	—	2	1	—
Neurosurgery	1	—	1	—	—	—	—	—
Nuclear Medicine	—	—	—	—	—	1	1	—
Obstetrics and Gynaecology	—	—	—	—	—	2	1	—
Occupational Medicine	—	—	—	—	—	—	—	—
Ophthalmology	—	—	—	—	—	—	1	—
Orthopaedics	1	—	1	1	1	—	1	—
Otolaryngology	—	—	—	—	—	—	—	—
Paediatrics	—	1	—	—	—	1	1	—
Paediatric Surgery	—	—	—	—	—	—	—	—
Pathology	1	1	2	—	4	3	—	—
Public Health Medicine	—	1	1	—	—	—	—	1
Plastic Surgery	—	—	—	—	1	—	—	—
Radiology	—	2	1	—	—	1	—	—
Radiotherapy	—	—	—	—	—	1	—	—
Rheumatology	—	—	—	—	—	—	1	—
TOTAL NUMBER	6	8	12	5	14	14	10	3

Speciality	Special Health Authorities	Wessex	Oxford	South Western	West Midlands	Mersey	North Western	Wales
Accident and Emergency	—	—	—	—	—	—	—	—
Anaesthetics	—	—	2	1	—	—	—	1
Cardiology	—	—	—	—	—	—	—	—
Thoracic Surgery	1	—	—	—	—	—	—	—
CNP	—	—	—	—	—	—	—	—
Dentistry	—	—	—	1	—	—	1	—
Dermatology	—	—	—	1	—	—	—	—
Chest Medicine	1	—	—	—	—	—	—	—
General Medicine	3	2	3	1	3	2	2	1
General Surgery	—	—	—	—	1	1	—	1
Gum	—	—	—	—	—	—	—	—

Speciality	Special Health Authorities	Wessex	Oxford	South Western	West Midlands	Mersey	North Western	Wales
Geriatric Medicine	—	—	—	—	—	—	—	—
Infectious Diseases	—	—	—	—	—	—	—	—
Mental Health	1	—	1	—	1	1	1	1
Neurology	—	—	—	—	—	—	1	—
Neurosurgery	1	—	—	—	1	—	—	—
Nuclear Medicine	—	—	—	1	—	—	—	—
Obstetrics and Gynaecology	—	—	—	—	1	1	—	1
Occupational Medicine	—	—	—	—	—	—	—	—
Ophthalmology	—	—	—	—	—	—	—	—
Orthopaedics	—	1	1	—	1	—	—	—
Otolaryngology	1	—	—	—	—	—	—	—
Paediatrics	1	—	—	—	1	—	—	1
Paediatric Surgery	—	—	—	—	—	—	—	—
Pathology	1	1	—	—	1	1	1	—
Public Health Medicine	—	—	—	1	—	—	—	—
Plastic Surgery	—	—	1	—	—	—	—	—
Radiology	—	—	—	—	1	—	1	—
Radiotherapy	—	—	—	—	1	—	—	—
Rheumatology	—	—	—	—	—	—	—	—
TOTAL NUMBER	10	4	8	6	12	6	7	6

Awards granted 1992 by speciality within region B awards

B awards Speciality	Region Northern	Yorkshire	Trent	East Anglia	North West Thames	North East Thames	South East Thames	South West Thames
Accident and Emergency	—	—	—	—	—	—	—	—
Anaesthetics	2	1	2	1	—	2	1	—
Cardiology	1	1	—	—	—	—	1	1
Thoracic Surgery	—	2	—	—	—	—	—	1
CNP	—	—	1	—	—	1	—	—
Dentistry	—	1	1	—	—	1	1	—
Dermatology	1	—	—	—	1	1	2	—
Chest Medicine	—	—	1	—	1	—	—	—
General Medicine	2	3	2	2	4	5	3	1
General Surgery	1	2	3	—	3	2	3	1
Gum	—	—	1	—	—	—	—	—
Geriatric Medicine	—	1	1	—	—	1	—	—
Infectious Diseases	—	—	—	—	—	—	—	—
Mental Health	1	—	2	—	2	3	1	1
Neurology	—	—	—	1	1	1	1	—
Neurosurgery	—	—	—	—	1	—	—	—
Nuclear Medicine	—	—	—	—	—	—	—	—
Obstetrics and Gynaecology	—	1	1	1	2	1	—	1
Occupational Medicine	—	—	—	—	—	—	—	—
Ophthalmology	—	2	1	1	—	—	—	—
Orthopaedics	—	—	1	1	—	1	1	—
Otolaryngology	1	—	—	—	—	—	—	1
Paediatrics	—	2	3	—	2	1	1	1
Paediatric Surgery	—	—	1	—	—	—	—	—
Pathology	1	2	3	1	2	1	3	—
Public Health Medicine	1	—	1	—	—	2	1	—
Plastic Surgery	—	—	—	—	—	—	—	2
Radiology	1	—	1	—	1	3	—	—
Radiotherapy	—	—	—	—	1	1	1	—
Rheumatology	—	—	—	—	1	1	—	1
TOTAL NUMBER	12	18	26	8	22	28	20	11

Speciality	Special Health Authorities	Wessex	Oxford	South Western	West Midlands	Mersey	North Western	Wales
Accident and Emergency	—	—	—	—	—	1	—	1
Anaesthetics	1	1	1	2	2	2	1	1
Cardiology	1	1	—	—	—	—	1	—
Thoracic Surgery	—	—	—	—	1	—	—	—
CNP	—	1	—	—	—	—	—	—
Dentistry	1	1	1	—	2	—	2	1
Dermatology	—	1	—	—	—	1	—	1

Speciality	Special Health Authorities	Wessex	Oxford	South Western	West Midlands	Mersey	North Western	Wales
Chest Medicine	2	—	1	—	—	—	1	—
General Medicine	—	1	2	2	4	—	5	1
General Surgery	—	—	1	2	1	—	3	3
Gum	—	—	—	—	—	—	—	—
Geriatric Medicine	—	1	—	—	—	—	—	—
Infectious Diseases	—	—	—	—	—	1	—	—
Mental Health	2	—	1	1	2	—	—	1
Neurology	2	—	1	—	—	—	—	—
Neurosurgery	1	—	—	—	—	1	—	—
Nuclear Medicine	—	—	—	—	—	—	—	—
Obstetrics and Gynaecology	2	1	1	1	1	—	2	2
Occupational Medicine	—	—	—	—	—	—	—	—
Ophthalmology	1	—	—	1	1	—	—	—
Orthopaedics	—	1	—	1	2	1	—	—
Otolaryngology	—	—	—	—	1	—	—	—
Paediatrics	1	1	—	1	1	—	1	2
Paediatric Surgery	—	—	—	—	—	1	1	—
Pathology	—	—	1	2	1	4	1	1
Public Health Medicine	—	—	—	—	—	1	—	—
Plastic Surgery	—	1	1	—	1	—	—	—
Radiology	1	—	1	1	—	—	—	—
Radiotherapy	—	1	—	—	—	1	1	—
Rheumatology	1	1	—	—	—	—	1	—
TOTAL NUMBER	16	13	12	14	20	14	20	14

Awards granted 1992 by specialty within region C awards

C awards Specialty	Northern	Yorkshire	Trent	East Anglia	North West Thames	North East Thames	South East Thames	South West Thames
Accident and Emergency	1	2	1	—	—	1	—	1
Anaesthetics	3	3	5	2	5	6	3	2
Cardiology	—	1	1	—	—	—	1	1
Thoracic Surgery	1	—	1	—	—	—	1	—
CNP	—	—	—	—	—	—	—	—
Dentistry	2	2	2	—	2	1	2	1
Dermatology	—	—	1	—	—	—	1	—
Chest Medicine	1	1	1	—	2	1	—	—
General Medicine	2	3	5	4	5	4	5	3
General Surgery	3	1	4	3	6	3	3	2
Gum	—	1	—	1	2	1	—	—
Geriatric Medicine	1	—	—	—	2	1	1	—
Infectious Diseases	—	—	—	—	—	—	—	—
Mental Health	2	3	3	1	4	8	3	3
Neurology	1	—	1	—	1	—	—	—
Neurosurgery	—	1	1	—	—	—	—	1
Nuclear Medicine	—	—	—	—	—	1	1	—
Obstetrics and Gynaecology	2	—	2	2	2	3	2	—
Occupational Medicine	—	—	—	—	—	—	1	—
Ophthalmology	—	1	1	—	—	—	1	—
Orthopaedics	—	2	1	2	—	1	2	—
Orolaryngology	—	1	—	—	—	1	1	1
Paediatrics	2	1	2	1	2	2	3	2
Paediatric Surgery	—	—	—	—	1	—	—	—
Pathology	3	5	7	1	7	9	2	1
Public Health Medicine	—	1	1	—	2	2	2	1
Plastic Surgery	—	1	—	—	1	—	—	—
Radiology	—	3	2	1	2	4	2	—
Radiotherapy	—	—	1	1	3	1	1	—
Rheumatology	—	—	—	1	—	—	1	1
TOTAL NUMBER	24	33	43	20	49	50	39	20

Speciality	Special Health Authorities	Wessex	Oxford	South Western	West Midlands	Mersey	North Western	Wales
Accident and Emergency	—	—	—	—	—	—	1	—
Anaesthetics	—	4	3	3	4	3	7	3
Cardiology	1	—	—	—	2	—	1	—
Thoracic Surgery	2	—	—	—	1	—	—	—
CNP	1	—	—	—	—	—	—	—

Speciality	Special Health Authorities	Wessex	Oxford	South Western	West Midlands	Mersey	North Western	Wales
Dentistry	1	1	—	2	3	3	3	3
Dermatology	—	1	1	—	—	—	1	1
Chest Medicine	—	—	—	1	1	—	1	—
General Medicine	4	2	2	2	3	5	7	5
General Surgery	—	2	1	1	5	1	5	4
Gum	—	1	—	—	1	—	1	—
Geriatric Medicine	—	—	—	1	1	—	1	—
Infectious Diseases	—	—	—	—	—	—	1	—
Mental Health	2	3	2	1	5	2	6	4
Neurology	—	1	1	—	—	—	2	1
Neurosurgery	—	—	—	—	—	—	1	—
Nuclear Medicine	—	—	—	—	—	—	—	—
Obstetrics and Gynaecology	—	2	—	3	—	1	1	—
Occupational Medicine	—	—	—	—	1	—	1	1
Ophthalmology	1	—	—	—	—	—	2	1
Orthopaedics	—	—	—	—	3	1	1	—
Otolaryngology	—	—	—	—	1	—	—	—
Paediatrics	1	—	3	1	3	3	3	—
Paediatric Surgery	—	—	—	—	—	—	1	—
Pathology	—	2	3	2	6	3	7	2
Public Health Medicine	—	1	1	1	—	1	2	2
Plastic Surgery	—	1	1	—	—	—	—	1
Radiology	2	3	2	1	2	2	2	2
Radiotherapy	3	2	—	2	1	—	—	1
Rheumatology	—	—	—	—	—	—	1	—
TOTAL NUMBER	18	26	20	21	43	25	59	31

Dr. Goodson-Wickes: To ask the Secretary of State for Health what is the number of merit awards granted to consultants in the national health service, categorised by region and specialty.

Dr. Mawhinney: The latest available information is shown in the table.

Number of awards by speciality within region At 31st December 1992

Speciality	Region Northern	Yorkshire	Trent	East Anglia	North West Thames	North East Thames	South East Thames	South West Thames
Accident and Emergency	2	6	6	1	4	5	3	5
Anaesthetics	37	46	52	30	45	59	54	33
Cardiology	5	5	5	1	12	8	12	9
Thoracic Surgery	5	3	5	4	6	4	3	6
CNP	1	1	3	—	—	2	3	1
Dentistry	11	14	18	4	11	20	30	13
Dermatology	6	5	9	1	8	8	16	6
Chest Medicine	2	3	7	2	9	10	5	1
General Medicine	45	42	54	30	71	89	69	41
General Surgery	36	35	46	21	47	61	61	42
Gum	1	4	4	2	5	6	5	1
Geriatric Medicine	10	12	11	4	8	11	10	6
Infectious Diseases	—	2	6	—	—	5	—	1
Mental Health	21	30	43	20	48	61	31	40
Neurology	7	4	7	4	14	15	12	7
Neurosurgery	3	4	5	3	5	6	4	3
Nuclear Medicine	—	—	—	1	1	4	3	2
Obstetrics and Gynaecology	28	25	31	13	24	31	29	12
Occupational Medicine	1	—	—	—	1	—	—	—
Ophthalmology	10	14	11	7	12	9	20	7
Orthopaedics	18	16	32	13	16	32	21	15
Otolaryngology	10	10	11	4	9	20	14	8
Paediatrics	20	19	23	14	25	31	30	20
Paediatric Surgery	1	2	3	—	1	2	—	1
Pathology	33	31	57	24	58	75	42	25
Public Health Medicine	6	9	9	11	19	16	12	7
Plastic Surgery	5	2	2	2	7	6	3	3
Radiology	18	25	32	12	24	27	20	17
Radiotherapy	3	7	3	8	14	10	10	10
Rheumatology	6	4	8	3	13	15	11	8
TOTAL NUMBER	351	380	503	239	517	648	533	350

Speciality	Special Health Authorities	Wessex	Oxford	South Western	West Midlands	Mersey	North Western	Wales
Accident and Emergency	—	3	1	2	4	3	1	1
Anaesthetice	28	33	33	44	55	36	50	36
Cardiology	14	2	5	3	10	3	8	3
Thoracic Surgery	14	3	2	2	6	4	4	2
CNP	7	1	1	1	2	1	—	—
Dentistry	13	7	11	13	20	11	19	17
Dermatology	1	3	5	7	3	6	5	5
Chest Medicine	17	1	3	1	3	2	6	3
General Medicine	32	37	38	39	82	31	58	44
General Surgery	13	29	27	34	46	23	44	33
Gum	—	3	—	2	3	2	3	1
Geriatric Medicine	—	6	6	8	12	6	13	8
Infectious Diseases	—	—	—	1	3	1	2	—
Mental Health	48	23	29	28	40	21	31	29
Neurology	23	2	8	5	6	6	12	6
Neurosurgery	6	1	3	4	7	5	6	1
Nuclear Medicine	2	—	—	1	1	1	1	—
Obstetrics and Gynaecology	13	12	11	17	36	11	26	20
Occupational Medicine	—	—	—	—	2	—	1	1
Ophthalmology	27	9	7	8	12	2	10	7
Orthopaedics	2	12	11	17	34	17	16	15
Otolaryngology	7	8	6	10	13	4	12	8
Paediatrics	32	14	13	14	28	17	29	14
Paediatric Surgery	4	1	—	1	2	4	3	2
Pathology	44	32	30	30	50	21	49	27
Public Health Medicine	1	4	13	9	9	7	10	13
Plastic Surgery	—	4	4	4	4	2	2	2
Radiology	20	14	15	21	28	15	25	17
Radiotherapy	13	7	3	10	6	4	6	4
Rheumatology	2	3	4	4	3	1	5	3
TOTAL NUMBER	383	274	289	340	530	267	459	322

Note: Where a consultant works in more than one region he has been included in the total for each.

Breast Cancer

Mr. Ieuan Wyn Jones: To ask the Secretary of State for Health if she will make it her policy to extend the current breast cancer screening programme by individual invitation to women over 64 years of age.

Mr. Sackville: There is evidence to suggest that women over the age of 64 are less likely to accept routine invitations to screening. Should experience show a strong demand we will look again at including this age group within the recall programmes.

Children in Care

Mr. Ieuan Wyn Jones: To ask the Secretary of State for Health if she will seek to amend the Children Act to enable social services departments to initiate wardship proceedings as a means of taking a child into care.

Mr. Yeo: No. The Children Act 1989 sought to rationalise the grounds for placing children in care within a single statutory framework. In so doing the new legislation removed the rights of local authorities to initiate wardship proceedings as a means of taking a child into care. If local authorities wish to place a child in care they must demonstrate that the statutory threshold criteria for the making of a care order apply—section 31 of the Children Act 1989—and that the order will positively contribute to the welfare of the child—section 1(5).

Eastman Dental Hospital

Dr. Goodson-Wickes: To ask the Secretary of State for Health what will be the future of the Eastman dental hospital, following the Government's reaction to the Tomlinson report.

Dr. Mawhinney: The Government response to the Tomlinson report was set out in the document "Making London Better". As with the other postgraduate teaching hospitals it is the intention that the Eastman dental hospital enters the national health service internal market as a trust in April 1994.

Environmental Health Officers

Mr. Gill: To ask the Secretary of State for Health how many environmental health officers are employed in the United Kingdom.

Mr. Sackville: This information is not available centrally.

Secure Accommodation

Lady Olga Maitland: To ask the Secretary of State for Health what is the average waiting time for a youth before being allocated a place in a secure unit.

Mr. Yeo: This information is not available centrally.

GPs (Computers)

Ms Primarolo: To ask the Secretary of State for Health what amount has been spent in primary care on computer reimbursement in each of the last 10 years.

Mr. Sackville: I refer the hon. Member to the reply I gave her on 25 January at columns *528-32*.

The general practitioner computer reimbursement scheme came into effect on 1 April 1990.

Ms Primarolo: To ask the Secretary of State for Health how many general practices have computer systems.

Dr. Mawhinney: A survey in 1991 indicated that 63 per cent. of practices had their own computers or shared facilities with other practices. A survey of the current position has recently been commissioned.

Ethnic Minorities

Mr. Sumberg: To ask the Secretary of State for Health what action she is taking to improve health services for people from black and ethnic minorities.

Mrs. Virginia Bottomley: We are determined that people from black and ethnic minorities should benefit fully from the national health service. We already have programmes to promote better recognition of specific needs and to overcome cultural and other barriers to using health services.

There are convincing demonstrations of good practice in places where voluntary organisations and the health service are delivering high-quality services to the local black and ethnic minority population.

We need to spread this good practice. My noble Friend the Parliamentary Under-Secretary of State has appointed a task force to report to her on the action to be taken. Membership is drawn from community groups, the national health service and the Department to consider action at all levels to ensure the wide application of current best practice.

We are looking to the task force for advice on early action—on how to secure the measurable, practical progress which we regard as esential. This will complement the initiative to improve equal opportunities in the staffing of the national health service, which will itself help to improve the responsiveness and cultural sensitivity of services.

Community Care

Mr. Jim Marshall: To ask the Secretary of State for Health what assessment she has made of the extent to which the distribution of the community care transitional grant reflects need within local authority areas.

Mr. Yeo: The distribution provides a balanced transition from the present pattern of spending by the Department of Social Security towards one based on local authorities' standard spending assessment. The grant will provide an opportunity for authorities and service providers to adjust to the arrangements, ensuring that all authorities are able to meet their new statutory obligations from April this year.

Psychiatric Patients

Mr. Harry Greenway: To ask the Secretary of State for Health what steps her Department is taking to care for psychiatric patients released into the community; and if she will make a statement.

Mr. Yeo: We required all district health authorities to implement the care programme approach from 1 April 1991 in collaboration with local social services departments for all psychiatric patients about to be discharged into the community. The needs of each patient, both for continuing health and social care and for accommodation, are systematically assessed and appropriate arrangements made. These include the appointment of a key worker to keep in close touch with the patient and to monitor that the agreed health and social care is given. If an adequate package of care cannot be agreed and provided in the community, the patient must be offered alternative in-patient care.

We are also paying the mental illness specific grant to local authorities to enable them to improve the social care they provide for mentally ill people. The grant amounts to £31·4 milliion in 1992-93 supporting expenditure of £44·8 million. Next year, 1993-94, the grant will be £34·4 million supporting expenditure of £46·6 million, an increase of 9 per cent.

The Department's social services inspectorate is monitoring the impact of the mental illness specific grant and its first report has been issued.

Xenotransplantation

Mr. Dalyell: To ask the Secretary of State for Health what assessment she has made of the potential dangers of xenotransplantation.

Mr. Sackville: I refer the hon. Member to the reply I gave him on 15 February at column *80*.

Premature Births

Mrs. Jane Kennedy: To ask the Secretary of State for Health what is the estimated average cost per child to her Department in terms of its after care and treatment of children born prematurely, weighing less than 1,500 grams, who develop retinopathy of prematurity to advanced stage 3 and who do not respond to treatment.

Mr. Sackville: This information is not available centrally.

Bone Marrow Treatment

Mr. Blunkett: To ask the Secretary of State for Health (1) if she will list in full the facilities for bone marrow treatment within the NHS in London; and what plans she has for the future of such facilities;

(2) if she will provide additional funding to help secure the necessary treatment for sufferers of Batten's disease; and if she will make a statement;

(3) what steps she is taking to protect the bone marrow unit at the Westminster children's hospital; and if she will make a statement.

Mr. Sackville: We expect health authorities, when deciding upon the allocation of resources in the national health service, to give proper consideration to funding appropriate treatment for patients suffering from Batten's disease.

The care of children who had already started treatment at the bone marrow transplant unit of the Westminster children's hospital will be transferred to the new Chelsea and Westminster hospital in the next few weeks. Alternative arrangements for treatment will be found for children not yet treated, who are suitable for transplantation and where matched donors have been identified and agreed.

There are a number of other facilities in London for bone marrow transplant treatment which include Great

Ormond Street and Hammersmith hospitals. The provision of these facilities is a matter for local discussion between relevant professionals, health authorities and providers.

Executive Training Programmes

Mr. Blunkett: To ask the Secretary of State for Health if she will make a statement on *(a)* the content of her Department's executive training programmes, *(b)* the cost per year of these programmes in 1992-93 and 1993-94 and *(c)* her policy on the use of cosmetic courses for women hospital managers.

Dr. Mawhinney: The content of executive coaching consists of:

initial diagnostic interview;
up to 12 hours one to one sessions with a coach designed around individual needs;
a follow-up interview six months after completion of the coaching.

The average cost of the programme is £1,500 per person which compares favourably with other forms of management development.

Approximately £100,000 has been spent on the programme in 1992-93 with a second tranche of 45 women contracted to join the programme in 1993-94; the approximate cost is £67,500.

Ministerial policy on individual positive image sessions is that these will not be available through the women in the national health service management development programme.

Lewisham Hospital

Ms Ruddock: To ask the Secretary of State for Health what is the cost of new office kitchen and waiting room facilities being prepared at Lewisham hospital for the chairman of Lewisham hospital NHS trust.

Mr. Sackville: The use of capital funds for the refurbishment of the site and facilities at Lewisham Hospital is a matter for local management. The hon. Member may wish to contact Sir Philip Harris, chairman of the Guy's and Lewisham national health service trust for details.

Ms Ruddock: To ask the Secretary of State for Health if she has now approved the establishing of the Lewisham hospital NHS trust.

Dr. Mawhinney: My right hon. Friend the Secretary of State has approved the establishment of the Lewisham hospital national health service trust, which will come into being on 1 April 1993.

Ms Ruddock: To ask the Secretary of State for Health (1) if she has now decided who is to be the chairman of the Lewisham hospital NHS trust;

(2) what are the terms of contract under which Sir Philip Harris has been offered the position of chairman of the proposed new Lewisham hospital NHS trust.

Dr. Mawhinney: Sir Philip Harris has been invited to serve as chairman from 21 March 1993 until 31 October 1995 under the normal rules.

Ms Ruddock: To ask the Secretary of State for Health what are the total start-up costs of the proposed new Lewisham hospital NHS trust.

Dr. Mawhinney: The national health service management executive has made available £206,000 for the expenditure incurred by the Lewisham unit during its shadow period.

Written Answers to Questions

Wednesday 24 March 1993

FOREIGN AND COMMONWEALTH AFFAIRS

Committee of the Regions

Mr. Gordon Prentice: To ask the Secretary of State for Foreign and Commonwealth Affairs what criteria will be used to select representatives of British local government to sit on the EC Committee of the Regions.

Mr. Garel-Jones: No final decisions have yet been taken, but clearly United Kingdom members on the Committee of the Regions should have a broad range of expertise in order to deal with the issues which the committee will address.

Korea

Mr. Parry: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will publish a précis of the non-proliferation treaty agreement covering the Korean peninsula; and if he will make a statement.

Mr. Douglas Hogg: Under the terms of the non-proliferation treaty both North and South Korea undertake not to manufacture or otherwise acquire nuclear weapons. The text of the separate joint North/South Korean declaration for a non-nuclear Korean peninsula has been deposited in the Library of the House. This declaration has not yet been implemented.

Mr. Parry: To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment he has made of whether Team Spirit manoeuvres how being carried out in South Korea run counter to the spirit of the non-proliferation treaty; and if he will make a statement.

Mr. Goodlad: Team Spirit is a routine defence training exercise, normally held annually, involving United States and Republic of Korea forces. It is misleading to try to link such exercises to the non-proliferation treaty and obligations arising therefrom.

Foreign Affairs Council

Mr. Barnes: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his answer to the hon. Member for Esher (Mr. Taylor), 16 March, *Official Report*, columns *127-28*, what were the voting figures recorded in the meeting of the Foreign Affairs Council held on 8 March.

Mr. Garel-Jones: There were no votes at the Foreign Affairs Council on 8 March.

Diplomatic Posts

Mr. William Ross: To ask the Secretary of State for Foreign and Commonwealth Affairs how many British staff are employed in diplomatic posts in each of the member states of the European Community, with a separate number for each post.

Mr. Goodlad: The numbers of United Kingdom-based staff are as follows:

	Number
Germany	
Bonn	58
Berlin	27
Dusseldorf	11
Frankfurt	3
Hamburg	3
Munich	7
Stuttgart	1
Total	110
Greece	
Athens	28
Total	28
Irish Republic	
Dublin	21
Total	21
Luxembourg	
Luxembourg	6
Total	6
Portugal	
Lisbon	18
Oporto	1
Total	19
Belgium	
Brussels Embassy	24
Brussels Joint Management Office	4
Brussels UK Representative to EC	64
Brussels UK Delegation to NATO	41
Total	133
Denmark	
Copenhagen Embassy	20
Total	20
France	
Paris Embassy	72
Paris OECD	7
Bordeaux	1
Lille	1
Lyons	1
Marseilles	1
Strasbourg	5
Total	88
Italy	
Rome Embassy	37
Rome FAO	1
Holy See	2
Florence	1
Milan	6
Naples	2
Total	49
Netherlands	
The Hague Embassy	21
Amsterdam	3
Total	24
Spain	
Madrid Embassy	31
Barcelona	2

	Number
Bilbao	1
Malaga	1
Palma	1
Total	36

Egypt (WENA Hotels)

Mr. Hunter: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations HM embassy in Egpt has made recently to the Egyptian authorities regarding the experiences in Egypt of the United Kingdom company WENA Hotels.

Mr. Douglas Hogg *[holding answer 19 March 1993]:* Her Majesty's ambassador discussed the affairs of WENA Hotels with the Egyptian Minister of Tourism on 27 January.

Mr. Hunter: To ask the Secretary of State for Foreign and Commonwealth Affairs what action he proposes to take to safeguard the interests in Egypt of the United Kingdom company WENA Hotels.

Mr. Douglas Hogg *[holding answer, 19 March 1993]:* We understand that WENA Hotels is taking its dispute with the Egyptian Hotels Company to arbitration. We are in close touch with WENA Hotels, its Egyptian lawyer and the US embassy in Cairo, and will be in touch with the Egyptian authorities as necessary should WENA Hotels experience further difficulties.

Mr. Hunter: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will discuss with the United States Government the experiences in Egypt of the United Kingdom company WENA Hotels and the interests of its British and American shareholders; and if he will make joint representations with the United States Government to the Egyptian Government.

Mr. Douglas Hogg *[holding answer 19 March 1993]:* We are in close touch with the US Embassy in Cairo on this matter. We understand that WENA Hotels is taking its dispute with the Egyptian Hotels Company to arbitration. We will be in touch with the Egyptian authorities as necessary, should WENA Hotels experience further difficulties.

NATIONAL FINANCE

11 Downing Street (Catering)

Mr. Austin Mitchell: To ask the Chancellor of the Exchequer, pursuant to his answer of 10 March, *Official Report*, column *576*, how many outside contractors have been used for functions at 11 Downing street since 1987; if he will list them; and whether the contracts were put out to public tender.

Mr. Nelson: Information going back to 1987 is not readily available and could be obtained only at disproportionate cost. The contractors engaged to provide catering services for official functions at 11 Downing street are selected from an approved list of contractors who have the necessary security clearance. For security reasons, these contracts are not usually put out to public tender.

Council Tax

Mr. Ieuan Wyn Jones: To ask the Chancellor of the Exchequer how many farms have been placed in each council tax band in each of the local authority areas of Wales.

Mr. Nelson: The information is not readily available and can be obtained only at disproportionate cost.

Smoking

Ms Primarolo: To ask the Chancellor of the Exchequer what is the estimated number of smokers in the United Kingdom; and what are the total projected tax revenues from each tax applied to tobacco products in 1992-93.

Sir John Cope: Estimates for the numbers of smokers in Great Britain in 1990 indicate that there were around 15 million smokers.

Our latest estimate for total receipts from tobacco duties in 1992-93 is £6·1 billion. Within this total, the likely yield from cigarette duties (specific and ad valorem) is £5·6 billion; from cigars is £0·1 billion; from hand-rolling tobacco is £0·3 billion; and from other smoking and chewing tobacco is £0·£1 billion. Latest consumers' expenditure data suggest that the VAT yield from tobacco products is likely to be around £1·5 billion in 1992-93.

Value Added Tax

Mr. Alan W. Williams: To ask the Chancellor of the Exchequer how much he expects to raise from value added tax in each year from 1992-93 to 1995-96 levied on *(a)* industry's fuel costs, *(b)* domestic electricity supply, *(c)* domestic gas sales and *(d)* other domestic fuels.

Sir John Cope: Separate forecasts of value added tax yield from industrial fuel costs, domestic electricity supply, domestic gas sales and other fuels are not available. "The Financial Statement and Budget Report 1993-94" shows the estimated yield from applying value added tax to domestic fuel and power as zero in 1993-94, £950 million in 1994-95 and £2,300 million in 1995-96. There is no current estimate of revenue raised from applying value added tax to industrial fuel costs.

EC Directive

Mr. Haselhurst: To ask the Chancellor of the Exchequer when he intends to implement article 27 of the Council directive 92/50/EEC.

Mr. Portillo: The Government intend to implement Council directive 92/50/EEC as a whole by 1 July 1993, together with Council directive 89/665/EEC insofar as it is relevant, by means of legislation under section 2(2) of the European Communities Act 1972.

Finance (No. 2) Bill

Mr. Burns: To ask the Chancellor of the Exchequer when the Finance (No. 2) Bill will be published.

Mr. Dorrell: The Finance (No. 2) Bill will be published on Wednesday 14 April.

GDP and Purchasing Power

Mr. Milburn: To ask the Chancellor of the Exchequer if he will provide for each county *(a)* a figure for gross domestic product per head and *(b)* a purchasing power standard per head compared with the EC average.

Mr. Nelson *[holding answer 22 March 1993]:* The latest available information relating to gross domestic product by county for 1989 was published in the November 1991 issue of "Economic Trends". Eurostat, in its "Rapid Reports" series on the regions, publishes estimates on purchasing power standards. The latest report to appear showing detail below regional level for 1989 was published in 1991. Copies of both publications are available in the House of Commons Library.

NORTHERN IRELAND

Research Expenditure

Mr. Dafis: To ask the Secretary of State for Northern Ireland what are the annual figures for spending by the Northern Ireland Office on commissioning research from the higher education sector for each year from 1989-90 to 1993-94.

Mr. Mates: The figures requested are as follows:

	£
1989-90	366,642
1990-91	759,123
1991-92	1,079,305
1992-93	[1]1,015,527
1993-94	[1]597,469

[1] Estimate.

Religious Affiliations

Mr. William Ross: To ask the Secretary of State for Northern Ireland what is the annual cost of monitoring the religious affiliation of the employees of the Fire Authority for Northern Ireland.

Mr. Atkins: £25,000.

Mr. William Ross: To ask the Secretary of State for Northern Ireland what is the annual cost of monitoring the religious affiliation of the employees of the Standing Advisory Commission on Human Rights.

Mr. Mates: Monitoring of the religious affiliation of Northern Ireland civil service employees of the Standing Advisory Commission on Human Rights is undertaken centrally by the equal opportunities unit in the Department of Finance and Personnel. I therefore refer the hon. Gentleman to the answer I gave him on 23 March.

The cost of monitoring home civil service employees is negligible.

Mr. William Ross: To ask the Secretary of State for Northern Ireland what is the annual cost of monitoring the religious affiliation of the employees of the Probation Board for Northern Ireland.

Mr. Mates: I am informed by the Probation Board for Northern Ireland that, at current costs and based on current practice, it estimates, to the nearest £500, the annual cost to the board representing the input of staff to monitoring work in relation to religious affiliation, gender and disability, to be £4,500. The board is not able to disaggregate the respective proportions of the total accounted for by these three components.

Education

Mr. Peter Robinson: To ask the Secretary of State for Northern Ireland what were the main proposals of the report commissioned from Coopers and Lybrand in 1986 into the operation of the Department of Education in Northern Ireland; what actions have been taken by the Department in light of its recommendations; and if he will publish the report.

Mr. Hanley: The internal top structure review of the Department of Education for Northern Ireland, carried out in 1986 by Coopers and Lybrand, recommended that: a "top management" support group be established; the finance and personnel functions of the Department be grouped into a single Division; a separate policy planning division be established; and the divisional structure of the Department should reflect the regional structure of education administration in Northern Ireland rather than the functional areas of educational activity.

All but the last of these recommendations were accepted and implemented.

The report was an internal administration document and will not be published.

Electricity Privatisation

Mr. Molyneaux: To ask the Secretary of State for Northern Ireland when he expects to complete the privatisation of the electricity supply industry in Northern Ireland; and if he will make a statement.

Mr. Atkins: It is the Government's intention to proceed straight away with the necessary preparations to allow Northern Ireland Electricity to be floated in the early summer.

LORD CHANCELLOR'S DEPARTMENT

Civil Appeals Office

Mrs. Anne Campbell: To ask the Parliamentary Secretary, Lord Chancellor's Department what is the procedure for complaints to the civil appeals office; and how these complaints are dealt with.

Mr. John M. Taylor: The chief clerk at the civil appeals office generally replies to formal complaints about the civil appeals office.

More complex matters are referred to the court administrator at the royal courts of justice to investigate.

Mrs. Anne Campbell: To ask the Parliamentary Secretary, Lord Chancellor's Department how many complaints there have been in the last three years to the civil appeals office about erroneous advice given to members of the public.

Mr. John M. Taylor: Four complaints have been made to the civil appeals office in the last three years about erroneous advice given to members of the public.

Mrs. Anne Campbell: To ask the Parliamentary Secretary, Lord Chancellor's Department how many complaints there were in 1990, 1991 and 1992 about the civil apeals office; and what was the subject matter of the complaints in each year.

Mr. John M. Taylor: There were 36 complaints about the civil appeals office in 1990, 32 in 1991, and 49 in 1992. The categories of subject matter were:

	1990	*1991*	*1992*
Listing	6	7	12
Judicial decision	14	11	18
Staff error	12	12	11
Erroneous advice	2	—	2
Other	2	2	6
	36	32	49

Of these, three were found to be justified in 1990, three in 1991 and five in 1992.

Cash Limits

Mr. Milligan: To ask the Parliamentary Secretary, Lord Chancellor's Department what plans there are to change the cash limit for class X, vote 1—Administration of Justice: England and Wales.

Mr. John M. Taylor: The cash limit on class X, vote 1 will be reduced by £11,885,000 from £756,376,000 to £744,491,000. This reflects provision for current and capital grants to local authorities for magistrates courts which will not be required, largely because audited claims for the balance of 1991-92 expenditure, which are submitted and paid during 1992-93, have proved to be lower than expected.

Legal Aid

Mr. Stern: To ask the Parliamentary Secretary, Lord Chancellor's Department what target his Department has set for reducing the rate of growth in the unit cost of legal aid cases.

Mr. John M. Taylor: The rapid rise in the unit cost of legal aid cases in recent years is a major cause for concern. Reducing the rate of growth in unit cost is one of my Department's top priorities. Our target is to contain the unit cost growth in legal aid remuneration so that by March 1996 it does not exceed the rate of inflation.

PRIME MINISTER

Government Hospitality Fund

Mr. Austin Mitchell: To ask the Prime Minister, pursuant to his answer, of 9 March, *Official Report*, column *517*, if he will list the number and names of outside contractors used by the Government hospitality fund for official functions; how many and which caterers were used at official functions other than those arranged by the Government hospitality fund; and, in each case, whether the contract was put out to tender.

The Prime Minister: There are three caterers (Crown Catering Group, Leiths Good Food and Ring and Brymer) employed by the Government hospitality fund for functions at 10 Downing street. Only one caterer (Lady Blennerhassett) is employed for official functions other than those arranged by the Government hospitality fund. For every GHF function at 10 Downing street, quotations are called for from the approved caterers.

Royal Prerogative

Mr. Mackinlay: To ask the Prime Minister which clauses of the European Communities (Amendment) Bill affect the royal prerogative; and if he will list the extent to which each of those clauses limits the current extent of the royal prerogative.

The Prime Minister *[holding answer 22 March 1993]:* As appears from the Order Paper, the Queen's consent to the Bill is to be signified on Third Reading. Her Majesty's consent has been sought because of clause 2 of the European Communities (Amendment) Bill. That clause limits the exercise of the royal prerogative in foreign affairs by preventing the United Kingdom from moving to the third stage of economic and monetary union until the move has been approved by Act of Parliament.

HOME DEPARTMENT

Paving Stones (Sales)

Mr. Cryer: To ask the Secretary of State for the Home Department if he will introduce legislation to provide that when sales of paving stones take place to a dealer the vehicle registration number and driver's name and address are required to be recorded with other details of the transaction and that such records are available for police inspection; and if he will make a statement.

Mr. Charles Wardle: My right hon. and leaned Friend has no plans to do so. If the hon. Member is aware of any particular problem, my right hon. and learned Friend would be grateful if he would bring it to his attention.

Immigration (Carriers' Liability)

Mrs. Dunwoody: To ask the Secretary of State for the Home Department, how many prosecutions of airlines under the Immigration (Carriers' Liability) Act 1987 have taken place in each year since its entry into force.

Mr. Jack: The Act creates no criminal offence, and therefore could not give rise to prosecutions. Proceedings against four carriers for the recovery of charges under the Act were initiated in the civil courts in 1990. The cases were settled out of court.

Police Complaints Authority

Sir John Wheeler: To ask the Secretary of State for the Home Department what changes he has made in the membership of the Police Complaints Authority.

Mr. Kenneth Clarke: Brigadier John Pownall will be retiring from his post as deputy chairman of the Police Complaints Authority on 31 July this year, having accepted my invitation to delay his departure for three months beyond his current term of appointment. I wish to take this opportunity to thank him for his service to the authority. As the last of its original members, Brigadier Pownall has made a distinguished contribution to the establishment of the authority as an accepted part of the police complaints system.

Mr. John Cartwright, the former Labour and Social Democrat Member for Woolwich, who has been a member of the authority since October last year, has accepted my invitation to succeed to the vacant deputy chairman post on 1 August.

Previous Convictions

Lady Olga Maitland: To ask the Secretary of State for the Home Department what representations he has had regarding the Criminal Justice Act 1991 in relation to the ability of the courts to take into account all previous convictions when sentencing a defendant.

Mr. Jack: A substantial number of representations have been received from right hon. and hon. Members, sentencers, practitioners and members of the public about the sentencing provisions of the Criminal Justice Act, many of them concentrating on section 29.

All representations will receive careful consideration, and my right hon. and learned Friend made clear to this House on 2 March in column 147, that he is prepared to re-examine the 1991 Act in due course.

Car Crime

Mr. Thurnham: To ask the Secretary of State for the Home Department what recent representations he has received about the levels of car crime; what were the figures for such crimes in each of the last four quarters for which figures are available; what conclusions he has drawn from the most recent monthly figures; and if he will make a statement.

Mr. Jack: We continue to receive many representations about car crime, which is rightly a matter of continuing concern to the public. The latest period for which recorded car crime statistics have been published is April-June 1992, and these figures are as follows, together with those for the three preceding quarters:

	Theft from	*Theft of*	*Total Car Crime*
3rd Quarter 1991	220,536	141,324	361,860
4th Quarter 1991	235,411	145,333	380,744
1st Quarter 1992	240,399	147,840	388,239
2nd Quarter 1992	234,912	137,734	372,646
Total	931,258	572,231	1,503,489

The figures for April-June 1992 show a reduction in car crime of some 2 per cent. on the corresponding quarter of 1991. Looking at the change over a longer period, car crime rose by 7 per cent. in the 12 months to June 1992 compared with the previous 12 months, whereas in 12 months to June 1991 it had risen by 23 per cent. The figures therefore suggest that car crime is rising at a significantly lower rate than before.

The themes of Car Crime Prevention Year continue to play a significant part in encouraging action to combat car crime. The advisory committee which I have set up to further inform policy development in this area recently met for the second time. In addition, we are actively promoting schemes such as the secured car parks initiative.

Drugs and Health Education

Mr. Rathbone: To ask the Secretary of State for the Home Department when he expects to publish the report on drugs and health education in schools from the Advisory Council on the Misuse of Drugs.

Mr. Jack: We hope to publish the report, which is entitled "Drug Education in Schools: the Need for New Impetus", in June.

Young Offenders, London

Ms Ruddock: To ask the Secretary of State for the Home Department how many young offenders in the Metropolitan police district were *(a)* cautioned by the police and *(b)* prosecuted; and what orders were made in respect of them in the last three available years.

Mr. Jack *[holding answer 23 March 1993]:* The information available centrally is given in the table.

Persons aged under 21 cautioned, prosecuted and sentenced[1] *by type of sentence or order for all offences, excluding summary motoring in the Metropolitan police district[2], 1989 to 1991*

	1989	*1990*	*1991*
Cautioned			
10-13	2,661	3,061	2,777
14-16	7,231	8,756	8,048
17-20	12,110	12,934	11,500
Prosecuted			
10-13	707	638	561
14-16	5,946	5,018	1,789
17-20	26,803	24,676	23,519
Sentenced[1] by type of sentence or order			
Discharge			
10-13	228	194	157
14-16	1,179	1,047	971
17-20	3,340	3,149	3,405
Fine			
10-13	64	55	52
14-16	1,094	782	595
17-20	12,165	10,359	8,091
Community penalty[3]			
10-13	129	99	85
14-16	1,239	1,120	1,077
17-20	3,892	3,883	4,031
Detention in a young offender institution			
10-13	—	—	—
14-16	319	194	200
17-20	2,226	1,730	1,701
Otherwise dealt with			
10-13	43	21	23
14-16	257	191	154
17-20	530	457	458
All sentences or orders			
10-13	464	369	317
14-16	4,088	3,334	2,997
17-20	22,153	19,578	17,686

[1] Includes persons sentenced at the Crown court.
[2] Includes the City of London.
[3] Attendance centre orders, community service order, probation order or supervision order.

Police Doctors

Mr. Milburn: To ask the Secretary of State for the Home Department who is responsible for receiving and investigating complaints against police doctors.

Mr. Charles Wardle *[holding answer 22 March 1993]:* Complaints against police surgeons are normally made to the chief officer of the force concerned in the first instance. Where the complaint relates to specific matters of professional misconduct, it may be referred to the General Medical Council.

EDUCATION

Lip Reading

Mr. Barnes: To ask the Secretary of State for Education what representations he has received seeking an amendment to schedule 2 to the Further and Higher Education Act 1992, chapter 13, to allow lip-reading classes to be funded by the further education funding councils; and how he has responded.

Mr. Boswell: My right hon. Friend has received a number of representations about the arrangements under the Further and Higher Education Act 1992 for the provision of lip-reading classes for adults. Schedule 2 to the Act specifies the scope of the duty on the Further Education Funding Councils to secure further education for adults, including courses in lip reading and other communication skills. Under section 11 of the Act, LEAs' duty is to secure the availability of such provision where it does not fall within schedule 2. The requirement on both the funding councils and LEAs is to ensure that adequate provision is available, in their respective spheres of responsibility.

Student Grants

Ms Ruddock: To ask the Secretary of State for Education if he intends to increase mandatory student grants to take account of the additional expenditure on gas and electricity bills due to the imposition of value added tax on domestic fuel.

Mr. Boswell: It is my right hon. Friend's policy to review annually the overall level of mandatory support available to students through the basic grant and loan, in the light of forecast cost movements. Any increase is applied only to the loans element and to the supplementary allowances within the award, leaving the basic grant fixed at its present cash level. The rates for the 1993-94 academic year will be announced in due course.

Teachers' Salaries

Mr. Douglas French: To ask the Secretary of State for Education what percentage of each education authority's budget is spent on teachers' salaries.

Mr. Forth *[pursuant to his reply, Official Report, 15 March, c. 19-20]:* The table referring to the percentage of local education authorities' budgets spent on teachers' salaries should have included a figure of 56 per cent. for 1990-91 for Hereford and Worcester and not for Herefordshire as stated.

Education Expenditure

Mr. Redmond: To ask the Secretary of State for Education if he will list details of funds expended per pupil in each local education authority in 1991-92; and if he will make a statement.

Mr. Forth *[pursuant to his reply, Official Report, 9 March, c. 520-21]:* The table referring to unit costs in local education authorities should have included a figure of £1,520 for 1990-91 for Hereford and Worcester and not for Herefordshire as stated.

DUCHY OF LANCASTER

Research

Mr. Peter Bottomley: To ask the Chancellor of the Duchy of Lancaster if he will give the annual total costs of the four largest European science and social science research projects.

Mr. Jackson: Several of the largest European collaborative science organisations fund a variety of projects and programmes from within a single core budget. Available information on specific projects, covering 1993 in-year capital and research costs, indicates that the largest research projects will be four European Space Agency programmes, as follows:

	1993 expenditure
Programme	*£ million*
Columbus	
European element for International Space Station; development of Columbus Polar Platform; studies for future European Space Station	330
Ariane	
Satellite Launcher	643
Hermes	
Manned space flight study	159
ERS	
European Remote Sensing Satellite	115

TRANSPORT

Concessionary Fares

Mr. Wilson: To ask the Secretary of State for Transport if he will list all the local authorities in England and Wales which operate concessionary fare schemes for travel on the railways, indicating which of them operate schemes for *(a)* the elderly, *(b)* the disabled, *(c)* the blind and *(d)* young people.

Mr. Freeman: I am placing the information in the Library of the House, and I have sent the hon. Gentleman a copy direct.

Channel Tunnel Rail Link

Mr. Spearing: To ask the Secretary of State for Transport what changes in design or alignment he expects over those sections of the newly proposed fast rail route from London to the channel tunnel following an alignment and design already announced; and if he will give the reason for each such change.

Mr. Freeman: My right hon. Friend the Secretary of State for Transport made a statement on the rail link on 22 March. Details of the route for consultation, the changes made in refining the route and the reasons for the changes are contained in the Union Railways report and other material deposited in the Vote Office.

Mr. Spearing: To ask the Secretary of State for Transport if he will estimate the approximate capital sum, at 1993 prices, which he expects will be required to construct the fast channel rail link from St. Pancras to Cheritan; and by what means he expects a return on such sums to be achieved.

Mr. Freeman: The estimated cost of the link is about £2·5 billion, towards which some Government support will be available in respect of domestic passenger benefits. Main sources of income will be fares, track charges and ancillary revenues.

London Crossrail Project

Mr. Spearing: To ask the Secretary of State for Transport by what means he expects private capital invested into the London crossrail project to make a return comparable to that obtainable from other forms of lending.

Mr. Norris: The re-examination announced by my right hon. Friend the Chancellor of the Exchequer in his Budget statement of 16 March will be directed particularly at means to make the project attractive to the private sector.

Bridge Strengthening

Mr. Norman Hogg: To ask the Secretary of State for Transport what progress has been made on rail bridge strengthening; when the programme will be concluded; and if he will make a statement.

Mr. Freeman: I understand that the British Railways Board does not currently have any specific programme of rail bridge strengthening.

Mr. Norman Hogg: To ask the Secretary of State for Transport (1) what progress has been made on the road bridge strengthening programme; when it will be completed; and if he will make a statement;

(2) what progress has been made by local authorities in their road bridge strengthening programme; when the programme will be completed; and if he will make a statement.

Mr. Kenneth Carlisle: Heavier lorries, of 40 tonnes gross weight and 11·5 tonnes drive axle, will be allowed on roads in the United Kingdom from 1 January 1999. On trunk roads and motorways in England, some 8,000 structures are being assessed to determine whether they can safely carry this additional load. Strengthening is being carried out where necessary as part of a co-ordinated and cost-effective programme of road and bridge improvements.

Good progress is being made. All assessments are planned to be completed by the end of 1995, at a total cost of about £50 million. All strengthening is planned to be completed by the end of 1998, at a total cost of about £200 million.

Local highway authorities in England are being encouraged, through the transport supplementary grant system, to undertake a similar programme on structures for which they are responsible and they will be asked to include a progress report in this year's transport policies and programme submissions.

Arrangements are also being made for a programme of inspection and strengthening of road bridges owned by British Rail and other transport undertakings.

Road Schemes (North-West)

Mr. Matthew Banks: To ask the Secretary of State for Transport what progress he has made with plans for the link road from the M57 to the A565; and if he will make a statement.

Mr. Kenneth Carlisle: This is Sefton metropolitan borough council's scheme, and its progress is a matter for the council. I understand that a public inquiry was held recently into the council's planning application.

Mr. Matthew Banks: To ask the Secretary of State for Transport what plans he has to upgrade the A570 Ormskirk to Southport road; and if he will make a statement.

Mr. Kenneth Carlisle: We have two schemes in the national programme; the A570 Ormskirk bypass and the A570 Scarisbrick-Pinfold bypass. We expect to consult the public about possible route options later this year.

Mr. Matthew Banks: To ask the Secretary of State for Transport what road schemes are *(a)* under construction and *(b)* planned but not under construction in the north-west; and if he will make a statement.

Mr. Kenneth Carlisle: The major (over £1 million) schemes in our trunk roads programme are as follows:

Schemes on non-trunk roads are the responsibility of the region's 18 local highway authorities.

(a) Road schemes under construction
Cheshire
M6 Junction 20-21A improvement (Thelwall Viaduct)
A568 Widnes Easterly Bypass (northern section)
Cumbria
A590 Dalton Bypass
A595 Egremont Bypass
A596 Wigton Bypass
Lancashire
M6 Junctions 30-32 widening
A59 Greengates-Gutteridge

(b) Road schemes planned but not yet under construction
Cheshire
M6 Junction 16-20 widening
A556(M) GWMNRR (Stage 1)
M56 Junction 7-M6 Junction 19
A6(M)-M56 Manchester Airport Link
A6 High Lane-Disley
A41 Christleton-Waverton Bypass
A41 Milton Green Bypass
A41 Nomansheath and Macefen Bypass
A49 Weaverham and Lower Whitley improvement
A51 Burford and the Green Bypass improvement
A51 Tarporley-Calveley Bypass (including Tiverton Bypass)
A51 Duddon and Clotton Bypass
A51 (A41-A54) improvement
A54 Kelsall Bypass-A556
A500 Basford-Hough-Shavington Bypass
A523 Poynton Bypass
A523 Poynton-Macclesfield improvement
A550 Deeside Park-Ledsham improvement
A550 Ledsham-M53 improvement
A556 M6-A559 improvement

A556 A54 Northwick Bypass
A568 Widnes Easterly Bypass (southern section)
Cumbria
M6 Extension, Carlisle to Scottish border
A65 Hornsbarrow diversion
A65 Moss Side-Lupton improvement
A66 Stainmore-Banksgate improvement
A66 Temple Sowerby Bypass
A66 Stainburn and Great Clifton Bypass
A590 Bouth Toll Bar to Greenodd
A590 High and Low Newton Bypass
A590 Ulverston-Dalton Bypass
A595 Carlisle Southern Bypass
A595 Duddon Bridge improvement
A595 Parton-Lillyhall improvement
Greater Manchester
M56 Junction 4-6 widening
M56-M62 Greater Manchester Western and Northern Relief Road Stage II
M62-M66 Greater Manchester Western and Northern Relief Road Stage III
M62 Junction 12-14 widening
M62 Junction 14-17 widening
M62 Junction 18-22 widening
M62 Junction 20 improvement
M63 Junction 6-9 widening
M66 Manchester Outer Ring Road (four contracts)
Denton-Middleton
A6(M) Stockport North-South Bypass
A6(M)-M56 Manchester Airport Link (western section)
A6 Disley-High Lane Bypass
A57/A628 Mottram-Hollingworth-Tintwistle Bypass
A5225 Wigan-Hindley-Westhoughton Bypass
Lancashire
M65 Blackburn Southern Bypass
Preston Southern and Western Bypass
A59 Ormskirk-Walmer Bridge improvement
A570 Ormskirk Bypass
A570 Scarisbrick-Pinfold Bypass
A585 Norcross-M55 Link
Merseyside
M62 Junction 6-7 widening
A580 Liverpool-Manchester improvements

Road Schemes (Compulsory Purchase)

Ms Walley: To ask the Secretary of State for Transport what are the rules for assessing compensation for property compulsory purchased for road schemes; what allowance is made for negative equity; in how many cases in the last two years compulsory purchase orders have been made in respect of property which is subject to negative equity; and what advice is given to owners of such property by his Department.

Mr. Kenneth Carlisle: The long-standing principle of the statutory compensation code is that the owner of property subject to compulsory purchase is compensated on the basis of its current value on the open market, discounting any depreciation or enhancement attributable to the scheme for which the property is needed. Residential owner-occupiers normally qualify in addition for a home loss payment of 10 per cent. of market value, up to a maximum of £15,000.

I am aware of, and fully understand, the concern that in current housing market conditions there could be cases where compensation offered fell short of the mortgage debt. No such cases have arisen. However, where people fear they may be affected in this way in future as a consequence of forthcoming schemes, we are inviting them to write to us with full details of their situation. This will help me, my right hon. Friend and my hon. Friend the Minister for Housing and Planning, who has the main responsibility for the compensation code, to assess the position and consider what action might be needed.

Catalytic Converters

Mrs. Wise: To ask the Secretary of State for Transport what studies he has made of the different effectiveness of catalytic converters in reducing emissions as between long journeys and the short journeys more typical of urban travel; and with what result.

Mr. Kenneth Carlisle: The Transport Research Laboratory, the Warren Spring laboratory and the Motor Industry Research Association have all been studying emission rates from in-service vehicles equipped with catalysts, and their final report is expected by mid-1993. Preliminary data indicate that a catalyst has very little effect for the first kilometre. For longer journeys, however, average emissions of carbon monoxide, hydrocarbons, oxides of nitrogen, and carbon dioxide are reduced by:

(a) for trips of 4 km, 62, 65, 58 and 15 per cent. respectively against journeys of 1km; and

(b) for trips of 11 km, 76, 85, 62 and 37 per cent. respectively.

For trips beyond 11 km, further reductions are minimal.

HOUSE OF COMMONS

Infra-red Detectors

Mr. Steen: To ask the Chairman of the Accommodation and Works Committee what savings are expected as a result of the fitting of infra-red detectors in the Palace of Westminster; and how such savings have been calculated.

Mr. Ray Powell: This is a matter for the Serjeant at Arms.

DEFENCE

Departmental Property

Mr. Hendry: To ask the Secretary of State for Defence, pursuant to his answer to the hon. Member for Blackburn (Mr. Straw) of 11 January, *Official Report*, columns *633-34*, if he will break down the figures for vacant residential properties owned by his Department by county; and if he will make a statement.

Mr. Archie Hamilton: As at 31 December 1992, MOD owned 9,253 vacant properties, of which 9,087 were Service married quarters and 166 were MOD civilian houses. The married quarters were broken down by county as follows:

	Number
England	
Avon	38
Bedfordshire	48
Berkshire	212
Buckinghamshire	80
Cambridgeshire	249
Cheshire	135
Cleveland	4
Cornwall	277
Cumbria	28
Derbyshire	0
Devon	296
Dorset	248
Durham	1

	Number
East Sussex	20
Essex	279
Gloucestershire	55
Greater London	590
Greater Manchester	11
Hampshire	933
Hereford and Worcester	48
Hertfordshire	54
Humberside	69
Isle of Wight	0
Kent	379
Lancashire	62
Leicestershire	80
Lincolnshire	450
Merseyside	13
Norfolk	114
Northamptonshire	8
Northumberland	21
North Yorkshire	358
Nottinghamshire	51
Oxfordshire	569
Salop	93
Somerset	76
South Yorkshire	158
Staffordshire	63
Suffolk	220
Surrey	169
Tyne and Wear	2
Warwickshire	128
West Midlands	55
West Yorkshire	5
West Sussex	12
Wiltshire	834
	7,595
Wales	
Clwyd	75
Dyfed	162
Gwent	12
Gwynedd	23
Mid Glamorgan	0
Powys	30
South Glamorgan	11
West Glamorgan	0
	313
Scotland	
Borders	21
Central	0
Dumfries and Galloway	3
Fife	78
Grampian	98
Highlands	61
Lothian	172
Orkney	0
Shetland	18
Strathclyde	240
Tayside	79
Western Isles	47
	817
Northern Ireland	
Antrim	56
Armagh	11
Down	151
Fermanagh	6
Londonderry	104
Tyrone	34
	362

Of these 9,087 properties, 2,217 were either undergoing or awaiting major maintenance or modernisation, 1,690 were allocated to Service families who were due to move in shortly, 594 were being held for agreed deployments or deployments under study and 274 were being considered for possible disposal.

The civilian houses were broken down by county as follows:

	Number
England	
Berkshire	33
Devon	7
Gloucestershire	4
Hampshire	3
Hereford and Worcester	1
Kent	3
Wiltshire	9
	60
Wales	
Dyfed	5
	5
Scotland	
Fife	3
Strathclyde	98
	101

In addition there were 1,872 vacant surplus married quarters in the process of being sold, broken down by county as follows:

	Number
England	
Avon	12
Bedfordshire	8
Cambridgeshire	2
Cheshire	12
Cornwall	6
Cumbria	2
Devon	287
Dorset	7
East Sussex	3
Essex	1
Gloucestershire	3
Greater London	39
Hampshire	888
Kent	70
Lancashire	1
North Yorkshire	14
Nottinghamshire	23
Oxfordshire	19
Shropshire	32
Somerset	9
South Yorkshire	119
Staffordshire	27
Surrey	1
Warwickshire	9
Wiltshire	71
	1,665
Wales	
Gwent	1
	1
Scotland	
Dumfries and Galloway	27
Fife	85
Grampian	3
Highlands	1

	Number
Lothian	44
Shetland	2
Western Isles	9
	171
Northern Ireland	
Fermanagh	3
Londonderry	32
	35

There were also 57 vacant civilian houses in the process of being sold, broken down by county as follows:

	Number
England	
Bedfordshire	1
Cumbria	4
Gloucestershire	5
Hampshire	11
Middlesex	3
Wiltshire	4
	28
Wales	
Gwent	1
	1
Scotland	
Highland	11
Strathclyde	17
	28

Anti-tank Missiles

Mr. Cousins: To ask the Secretary of State for Defence if Her Majesty's Government have decided to co-operate with European partners in a new anti-tank missile programme.

Mr. Aitken: The United Kingdom is continuing to participate in the development of third generation anti-tank guided missile programmes, known as TRIGAT, in collaboration with European partners.

Polly Peck

Mr. Rogers: To ask the Secretary of State for Defence what arrangements were made by his Department concerning the interests of Polly Peck plc and the Turkish Government, in relation to shipping movements in the Mediterranean in the years 1981 to 1989.

Mr. Aitken: I am unaware of any such arrangements. If the hon. Gentleman provides more details, I shall be happy to investigate further.

Britannia Royal Naval College

Mr. Steen: To ask the Secretary of State for Defence what plans he has regarding the Britannia royal naval college in Dartmouth.

Mr. Archie Hamilton: The Britannia royal naval college, Dartmouth, provides new entry naval officers with a broad view of the naval profession, preparing them for further training in the fleet or elsewhere. While a study is under way examining the future of all seven naval training establishments, there are no current plans to alter the role of the college.

TRADE AND INDUSTRY

Sellafield

Mr. Llew Smith: To ask the President of the Board of Trade, pursuant to his answer to the hon. Member for Leyton (Mr. Cohen), on 15 March, *Official Report*, column 50, if he will set out those matters relating to British Nuclear Fuels' operations and Sellafield which he does not regard as being matters for the company in respect of answers to parliamentary questions.

Mr. Eggar: In broad terms, questions directly relating to Government policy are matters upon which Ministers answer in Parliament, while questions relating to the day-to-day affairs of a particular company are for that company. Questions are considered individually as they arise. Those about the functions of particular buildings at Sellafield should normally be addressed to the company.

Assisted Area Status

Mr. Robert Ainsworth: To ask the President of the Board of Trade what are the consequences for an area which loses assisted area status with regard to objective 2 status and therefore access to European regional development fund and European social fund funding from the European Community.

Mr. Sainsbury: There are no necessary consequences. Eligibility for objective 2 of the structural funds does not depend on national assisted area status.

The eligibility of areas for objective 2 will be reviewed after revised structural funds regulations have been adopted by the Council of Ministers, probably this summer.

Most European social fund assistance is available without geographical restriction.

International Atomic Energy Authority

Mr. Parry: To ask the President of the Board of Trade if he will place in the Library a copy of the report by the British representative on the International Atomic Energy Authority's meeting in Vienna in February; and if he will make a statement.

Mr. Eggar: Proceedings of the board of governors meeting in February were held in private, as set out in the rules of procedure of the board of governors.

Aerospace Programmes

Mr. Fatchett: To ask the President of the Board of Trade what was his Department's expenditure on aerospace research in the last financial year; what is the planned expenditure for the current and next three financial years; and if he will make a statement.

Mr. Sainsbury: Expenditure on civil aerospace research and technology demonstration was £16·4 million during financial year 1991-1992 and during the current year

expenditure is forecast at £19·2 million. Information on expenditure planned for the coming three financial years is published in "The Government's Expenditure Plans", a copy of which is available in the Library.

Mr. Fatchett: To ask the President of the Board of Trade if he will set out the aerospace programmes that have received launch aid payments in the last five years; the value of the launch aid in each case; and if he will make a statement on the Government's future plans for aerospace launch aid.

Mr. Sainsbury: The following aerospace programmes have received launch aid over the last five years:

Programme	*Launch aid made available £ million*	*Total launch aid paid to date £ million*
Airbus A320	249·3	249·3
EH101	60·0	57·4
Airbus A330/340	447·1	447·1

The Government will consider any future application for launch aid on its merits.

Strategic Technology Acquisition Plan

Mr. Fatchett: To ask the President of the Board of Trade if he plans to publish his Department's aviation committee's report, "The National Strategic Technology Acquisition Plan;" and if he will make a statement.

Mr. Sainsbury: The DTI aviation committee's national strategic technology acquisition plan for aeronautics contains commercially sensitive information and is, therefore, not available for publication.

Electricity

Mr. Dover: To ask the President of the Board of Trade what information is available on the comparative costs of electricity produced from *(a)* opencast coal, *(b)* deep mined coal, *(c)* oil, *(d)* gas, *(e)* wind power, *(f)* wave power, *(g)* tidal barrages, *(h)* hydro-power, *(i)* nuclear power and *(j)* imported coal.

Mr. Eggar: Evidence on comparative generation costs, received by the coal review, has been placed in the Library of the House. Additionally the report of the renewable energy advisory group, published by my Department last December as energy paper No. 60, contains estimates of costs for a number of renewable sources of generation.

Auditing

Mr. Ronnie Campbell: To ask the President of the Board of Trade if he will make a statement on current auditing procedures and practices in the United Kingdom.

Mr. Neil Hamilton: I refer the hon. Member to the first annual reports of the five recognised supervisory bodies and the Auditing Practices Board's first review of its activities, copies of which have been placed in the Library.

Mr. Ronnie Campbell: To ask the President of the Board of Trade what consideration he is giving to the establishment of a Government regulatory body to ensure adequate standards of auditing and compliance to United Kingdom and European law by accounting practices operating in the United Kingdom.

Mr. Neil Hamilton: The new regulatory regime for company auditors in part II of the Companies Act 1989, which came into force on 1 October 1991, places responsibility for the supervision of auditors upon the five recognised supervisory bodies. I have no plans to alter those arrangements.

Japanese Dividends

Mr. Leighton: To ask the President of the Board of Trade what was the value of dividends repatriated by Japanese companies operating in the United Kingdom to Japan in the last 10 years.

Mr. Nelson: I have been asked to reply.

The value of dividends remitted to Japan by Japanese companies operating in the United Kingdom is given in the table for the latest 10 years for which information is available.

Dividends remitted by Japanese companies operating in the United Kingdom

Year	*£ million*
1980	3·2
1981	3·5
1982	3·1
1983	7·5
1984	6·1
1985	6·3
1986	10·0
1987	22·9
1988	30·1
1989	23·2
1990	45·8

Source: CSO Business Monitor series MA4 Overseas Transactions

HEALTH

Leighton Hospital, Crewe

Mrs. Dunwoody: To ask the Secretary of State for Health what role her Department has played in the decisions relating to the consequences of the overspend at Leighton hospital, Crewe; and if she will make a statement.

Mrs. Dunwoody: To ask the Secretary of State for Health what discussions have been held with the chairman of Merseyside regional health authority about the overspend for Leighton hospital, Crewe.

Mr. Sackville: Discussions have taken place between the Mid Cheshire hospitals trust, the National Health Service Management Executive and Mersey regional health authority. The trust will meet its financial obligations at the end of this year. The trust is discussing with Crewe health authority the possibility of additional funding to enhance existing services.

Cervical Screening

Mr. Ieuan Wyn Jones: To ask the Secretary of State for Health if she will make a statement upon the effect of the new general practitioner regime on the promotion of cervical screening.

Dr. Mawhinney: There has been no change in the arrangements for target payments to general practitioners for cervical cytology. GPs receive target payments for

reaching either 50 per cent. coverage of women in the target population (the lower target) or 80 per cent. coverage (the higher target).

Over 90 per cent. of GPs in England and Wales are achieving the targets and over 70 per cent. the higher target.

Consultant Vacancies

Lady Olga Maitland: To ask the Secretary of State for Health if she will list the number of vacant consultant posts in *(a)* mental illness, *(b)* child and adolescent psychiatry, *(c)* forensic psychiatry, *(d)* mental handiap, *(e)* old age psychiatry and *(f)* psychotherapy, and give the number of vacant posts as a percentage of all posts in these specialties.

Dr. Mawhinney: The information is shown in the table.

Vacant hospital consultant posts by specified specialties and as a percentage of all posts in these specialties England (whole-time equivalent) 30 September 1991

	All vacant posts	All vacant posts as percentage of all posts	Posts wholly unoccupied by locums	Posts wholly unoccupied by locums as percentage of all posts
Mental illness	74·3	6·7	25·6	2·3
Child and adolscent psychiatry	17·2	5·2	14·6	4·4
Forensic psychiatry	2·0	3·0	1·0	1·5
Mental handicap	20·2	11·6	11·0	6·3
Old age psychiatry	20·0	16·4	7·0	5·7
Psychotherapy	4·3	5·6	1·5	2·0

Lady Olga Maitland: To ask the Secretary of State for Health how many consultant posts in *(a)* mental illness, *(b)* child and adolescent psychiatry, *(c)* forensic psychiatry, *(d)* mental handicap, *(e)* old age psychiatry and *(f)* psychotherapy, have been vacant for (i) longer than one year and (ii) longer than two years.

Dr. Mawhinney: The available information is shown in the table.

Consultant posts vacant for more than one year England (whole-time equivalent) 30 September 1991

	All vacant posts	Vacant posts unoccupied by locums
Mental illness	26·1	7·4
Child and adoloscent psychiatry	9·1	6·4
Forensic psychiatry	0·0	0·0
Mental handicap	9·7	5·6
Old age psychiatry	12·0	4·9
Psychotherapy	0·5	0·0

The number of posts vacant for longer than two years is not available centrally.

Teenage Pregnancies

Mr. Ieuan Wyn Jones: To ask the Secretary of State for Health if she will publish figures showing the number of teenage pregnancies in the United Kingdom in 1990, 1991 and 1992; and what were the pregnancy rates per 1,000.

Mr. Sackville: The number of conceptions to women aged under 20 in England and Wales during 1990, which resulted in live births, stillbirths or legal abortions were 115,055. This represents a rate of 69·0 per 1,000 women in the age group 15 to 19. Data for 1991 and 1992 are not yet available. Comparable data on numbers of conceptions in a calender year are not available for Scotland or Northern Ireland. However, the relevant information for Scotland and Northern Ireland that is available is shown in the table.

Teenage births and abortions

	1990		[2]1991	
	Number	Rate[1]	Number	Rate[1]
Scotland				
Therapeutic Abortions	6,814	38·8	6,564	39·5
Births (Live and still)	5,631	32·1	5,559	33·5
Northern Ireland				
Births (Live and still)	1,871	29·5	1,794	28·9

[1] Based on the population of women aged 15-19.
[2] 1991 data for Northern Ireland are provisional.

Solvent Abuse

Mr. Hanson: To ask the Secretary of State for Health what was the total amount spent on the publicity campaign on solvent abuse prevention in February 1992, and the pilot campaign in October 1992 aimed at raising adult awareness.

Dr. Mawhinney: The amounts spent on the two campaigns were:

Drugs and solvent abuse parental awareness campaign £2,558,765

Solvent abuse parent awareness pilot campaign £1,025,209 (estimated)

Broadgreen Hospital

Mr. Alton: To ask the Secretary of State for Health how many representations she has now received about the future of Broadgreen hospial; and when she expects a decision to be made about the future of the accident and emergency unit.

Mr. Sackville: My right hon. Friend the Secretary of State has received 21 representations from hon. Members, approximately 20,000 letters from members of the public and a number of petitions. All letters and petitions have been passed to Liverpool health authority to be considered as part of the public consultation excercise which ends on 31 March.

Birth Registrations, Lambeth

Mr. Fraser: To ask the Secretary of State for Health how many children in each of the last three years born in Lambeth were registered without the name of the father; and what percentage of births each year this represents.

Mr. Sackville: In 1989, there were 753 live births outside marriage solely registered by the mother in the London borough of Lambeth. This represented 16·8 per cent. of all 1989 live births in the borough. Equivalent figures for 1990 and 1991 were 721 and 723 live births respectively. This represented 16·6 per cent. of all live births in the borough for both 1990 and 1991.

Mr. Fraser: To ask the Secretary of State for Health what number and percentage of children born in Lambeth in each of the last three years were born of parents who were not married.

Mr. Sackville: In 1989, there were 2,184 live births outside marriage in the London borough of Lambeth. This represented 48·7 per cent. of all 1989 live births in the borough. Equivalent figures for 1990 and 1991 were 2,072 and 2,100 live births respectively. This represented 47·6 per cent. and 48·2 per cent. respectively of all live births in the borough for 1990 and 1991.

Abortions

Mrs. Bridget Prentice: To ask the Secretary of State for Health how many abortions, funded by the NHS, were performed *(a)* in hospitals, *(b)* by charitable organisations and *(c)* by commercial organisations on women resident in England and Wales in each year since 1981.

Mr. Sackville: The information requested can be provided only at disproportionate cost. However, statistics of the number of abortions performed since 1981 on women resident in England and Wales in (a) national health service hospitals and (b) non-NHS premises under agency agreement (that is, abortions performed on NHS patients in non-NHS premises) are shown in the table.

Year	*Number of abortions carried out in NHS hospitals*	*Number of abortions carried out under agency agreement*
1981	61,103	2,343
1982	62,409	4,425
1983	62,609	4,614
1984	64,823	4,912
1985	65,176	5,929
1986	67,451	6,819
1987	69,442	8,041
1988	69,103	9,357
1989	70,722	9,200
1990	73,517	9,582
1991	75,172	9,197

Mrs. Bridget Prentice: To ask the Secretary of State for Health if she will list the number of NHS abortions under 13 weeks since the last menstrual period, and the number of these operations involving admission and discharge on the same date, performed on women resident in each regional health authority and in each district health authority area in England and Wales in 1991.

Mr. Sackville: The information has been placed in the Library.

Mrs. Bridget Prentice: To ask the Secretary of State for Health how many pregnancies were terminated in the United Kingdom in each year since 1987.

Mr. Sackville: The Abortion Act 1967 applies to Great Britain only. The numbers of legal abortions notified to the chief medical officers of England, Wales and Scotland in each year since 1987 are shown in the table:

Year	*Number of Abortions*
1987	183,736
1988	193,926
1989	194,183
1990	197,131
1991	190,562

NHS Supplies Authority

Mrs. Dunwoody: To ask the Secretary of State for Health what criteria were used in selecting the non-executive directors and chairman for the NHS Supplies Authority.

Dr. Mawhinney: They were selected for their personal skills and experience in a variety of areas both within the national health service and in the commercial world.

Colorectal Cancer

Ms Primarolo: To ask the Secretary of State for Health how many *(a)* men and *(b)* women in each standard age group died from colorectal cancer in each of the last five years.

Mr. Sackville: The numbers of deaths from malignant neoplasms of the colon (ICD 153) and malignant neoplasms of the rectum, rectosigmoid junction and anus (ICD 154) by age group and sex in England and Wales from 1987 to 1991, are shown in the table.

	1987		1988		1989		1990		1991	
	males	*females*	*males*	*females*	*males*	*females*	*males*	*females*	*males*	*females*
All ages	8,228	8,825	8,399	8,851	8,505	8,877	8,539	8,684	8,452	8,619
Under 1	0	0	0	0	0	0	0	0	0	0
1-4	0	0	0	0	0	0	0	0	0	0
5-9	0	0	0	0	0	0	0	0	0	0
10-14	0	1	2	0	0	0	1	0	0	0
15-19	0	0	0	1	3	1	2	0	0	1
20-24	4	0	2	1	5	1	5	2	2	2
25-29	12	5	10	4	9	5	11	12	6	7
30-34	20	13	13	13	12	12	16	10	13	13
35-39	44	42	48	47	46	36	34	39	24	25
40-44	92	87	111	83	104	79	98	96	95	71
45-49	166	140	178	134	178	128	143	149	185	159
50-54	329	278	356	245	350	234	289	198	350	234
55-59	582	454	586	408	536	402	529	416	550	372
60-64	921	734	946	733	918	655	973	628	950	650
65-69	1,302	923	1,327	1,112	1,457	1,060	1,421	1,041	1,330	1,021
70-74	1,440	1,313	1,398	1,179	1,379	1,154	1,402	1,155	1,495	1,215
75-79	1,492	1,544	1,562	1,529	1,514	1,554	1,563	1,492	1,446	1,430
80-84	1,140	1,531	1,121	1,629	1,201	1,606	1,211	1,584	1,214	1,541
85-89	515	1,092	573	1,148	608	1,249	628	1,215	581	1,145
90-94	147	553	139	481	159	567	175	501	183	612
95+	22	115	27	104	26	134	38	146	28	121

Hospital Grades

Ms Primarolo: To ask the Secretary of State for Health when the results of her Department's survey of the ethnic make-up of each hospital grade will be published.

Dr. Mawhinney: Information on the ethnic origin of nurses, midwives, senior and general managers will be collected centrally from September 1993, followed by all other staff groups in September 1994. Results will be available in autumn 1994 and autumn 1995 respectively. In order to provide a general picture the Department is currently conducting a "snapshot" survey of the ethnic origin of all employees in a sample of provider units. Subject to the quality of data supplied, results will be available in the autumn.

Hepatitis B

Ms Primarolo: To ask the Secretary of State for Health what is her estimate of the percentage of doctors who have had Hepatitis B vaccinations.

Dr. Mawhinney: This information is not available centrally. Independent studies indicate that the number of doctors immunised against Hepatitis B varies from 50 per cent. of those practising to a much higher figure—up to 90 per cent.—among surgeons who are at a greater risk from transmission of the disease.

Hypothermia

Ms Primarolo: To ask the Secretary of State for Health how many deaths were attributed to hypothermia in each of the last five years; and what is the projected number of such deaths in the coming two years.

Mr. Sackville: The number of deaths *(a)* with hypothermia as the underlying cause of death and *(b)* with any mention of hypothermia on the death certificate, England and Wales, 1987-91 is shown in the table:

Year	*Underlying cause*	*Mentions*
1987	269	559
1988	194	440
1989	166	372
1990	152	368
1991	249	534

Note: The information for 1992 is not yet available. The projected number of deaths from hypothermia is not calculated.

Nurses (Community Work)

Ms Jowell: To ask the Secretary of State for Health what plans she has to make it possible for experienced hospital nurses to work in the community in accordance with paragraph 27 of "Making London Better".

Mr. Sackville: The London implementation group and Thames regions will be discussing retraining arrangements with training providers, as the transfer of hospital nurses to community and primary care nursing is best handled at local level.

Newbury

Mr. Barnes: To ask the Secretary of State for Health what are the latest available estimates from the Registrar General of Populations of those aged 17 years and over, plus 63 per cent. of those aged 16 years, for the parliamentary constituency of Newbury; and what are the equivalent electoral registration figures.

Mr. Sackville: There are 81,939 parliamentary electors on the 1993 register for the Newbury constituency. Population estimates are not available for parliamentary constituencies.

Speech and Language Therapy

Ms Lynne: To ask the Secretary of State for Health how many speech and language therapy posts cover special schools within each district health authority in England; how many posts were vacant at the latest available date; and what assessment she has made of the extent of problems in recruitment to speech and language therapy posts.

Dr. Mawhinney *[holding answer 23 March 1993]:* Information on the number of speech and language therapy posts covering special schools are not available centrally. In 1991 the number of whole-time equivalent speech therapists employed in the national health service in England was 2,979, an increase of 57 per cent. since 1982. The vacancy rate in funded posts has fallen from 11·8 per cent. in 1990 to 6·8 per cent. in 1992.

SOCIAL SECURITY

Review Boards and Tribunals

Ms Mowlam: To ask the Secretary of State for Social Security how many housing benefit internal reviews were received by each borough in Cleveland during 1990, 1991 and 1992; how many review boards were held by each borough during the period; and how many *(a)* social security appeal tribunals and *(b)* medical appeal tribunals were held for the county in this period.

Mr. Burt: The information available is in the tables.

The following figures have been provided by the local authorities concerned:

Local authority	*April 1990 to April 1991*		*April 1991 to April 1992*	
	Housing benefit internal reviews carried out	*Housing benefit review boards held*	*Housing benefit internal reviews carried out*	*Housing benefit review boards held*
Hartlepool	1,500	20	64	12
Langbaurgh	137	11	102	12
Middlesbrough	345	15	41	17
Stockton on Tees	182	8	30	4

The following figures have been provided by the Independent Tribunal Service, and cover the county as a whole:

	January to December 1990	*January to December 1991*	*January to December 1992*
Medical appeal tribunals	74	76	124
Social security appeal tribunals	[1] [2]215	[2]402	493

[1] Figures available from April to December 1990 only.

[2] These figures including some cases heard at Hartlepool social security appeal tribunal which did not emanate from the county of Cleveland.

Benefits Statistics

Mr. Robert Ainsworth: To ask the Secretary of State for Social Security if he will give details of the total annual expenditure on benefits for people in employment, broken down into *(a)* family credit, *(b)* income support, *(c)* housing benefit and *(d)* community charge benefit for the last available year.

Mr. Burt: The latest available information shows that, at May 1991, the annual expenditure was:

	£ million
Family credit	566
Income support	480
Housing benefit	490
Community charge benefit	110

Housing Benefit

Mr. Burns: To ask the Secretary of State for Social Security what is the average time being taken to process housing benefit claims in the Chelmsford local authority area; what powers he has to intervene where a local authority fails to deliver an adequate service in processing housing benefit; and if he will make a statement.

Mr. Burt: This Department is responsible for the scope and structure of the housing benefit scheme, but the day to day administration is the resonsibility of individual local authorities. Quality of service is a local matter, as for all local authority services. Ministers and the departmental accounting officer are involved if the statutory requirements of the housing benefit scheme are not being implemented or if central Government funds are not being properly administered or accounted for.

Information on the average length of time taken to process a housing benefit claim is not available. However, during 1991-92, Chelmsford borough council processed 11 per cent of all claims for housing benefit within 14 days of receipt of all the necessary information.

Social Fund

Ms. Ruddock: To ask the Secretary of State for Social Security for the current financial year, how many grants and how many loans were awarded from the social fund; and what was the average amount in each category for the Lewisham district office.

Mr. Scott: The administration of the social fund is a matter for Mr. Michael Bichard, the chief executive of the Benefits Agency. He will write to the hon. Member, and a copy will be placed in the Library.

Letter from Michael Bichard to Ms Joan Ruddock, dated 23 March 1993:

As Chief Executive of the Benefits Agency, it is my responsibility to answer questions about relevant operational matters. I am therefore replying to your recent Parliamentary Question to the Secretary of State for Social Security about awards from the Social Fund in Lewisham and Brixton District.

Details of the number of grants and loans awarded for Lewisham and Brixton District for the period 1 April 1992 to 28 February 1993, the latest for which figures are available, are in the Library. The average amounts of awards in this period are £378 for grants, £274 for budgeting loans and £93 for crisis loans.

I hope you find this reply helpful. A copy of this letter will appear in the *Official Report* and a copy will be placed in the Library.

Disability Living Allowance

Dr. Wright: To ask the Secretary of State for Social Security how many disability living allowance claims have gone to review during the last year; and in how many reviews the claim has been allowed.

Mr. Scott: The administration of disability living allowance is a matter for Mr. Michael Bichard, the chief executive of the Benefits Agency. He will write to the hon. Member, and a copy will be placed in the Library.

Letter from Mr. Michael Bichard to Dr. Tony Wright, dated 23 March 1993:

As Chief Executive of the Benefits Agency, it is my responsibility to answer questions about relevant operational matters. I am therefore replying to the points raised in your recent Parliamentary Question to the Secretary of State for Social Security asking how many Disability Living Allowance (DLA) claims have gone to review during the last year; and in how many reviews the claim has been allowed.

A customer can request a review on any grounds within 3 months of the original decision; outside this period, a review can still be requested but on limited grounds, for example where the Adjudication Officer has been ignorant of a fact which would have affected entitlement or where there is an award of benefit and the customers's condition has changed. Generally speaking if a customer is dissatisfied with the original decision on his claim, then a review request is likely to be received within 3 months. I assume from the wording of your question, that it is this category with which you are particularly concerned.

Between February 1992 and the end of February 1993 a total of nearly 81,500 reviews both within and outside 3 months have been received. Of decisions given on these applications almost 22,000 related to reviews requested within 3 months of the original decision notification; and nearly 9,600 were in the customers favour.

All figures are provisional and rounded and may be subject to amendment.

Finally, I hope you find this reply helpful. A copy of this letter will appear in the *Official Report* and a copy will also be placed in the Library.

SCOTLAND

Contaminated Land

Mr. Kynoch: To ask the Secretary of State for Scotland when he intends to announce his proposals for registers of land subject to contaminative uses under section 143 of the Environmental Protection Act 1990; and if he will make a statement.

Mr. Lang: I have considered carefully the comments made on our proposals to introduce public registers of land which may be contaminated under section 143 of the Environmental Protection Act 1990. In consultation with my right hon. and learned Friend the Secretary of State for the Environment, I have concluded that introducing such registers would not achieve the environmental objectives for which they were designed. I do not therefore intend to proceed with their introduction.

Our aim is to improve the environment; to ensure that pollution is properly tackled; and that, where possible, contaminated land is brought back into good use. Registers were intended to facilitate this. However, in practice they have been perceived as introducing an unfair and unacceptable degree of blight and uncertainty into an already subdued property market. This additional loss of market confidence threatens in turn to undermine the investment needed for land reclamation and urban regeneration and, in so doing, to increase the pressure for development on greenfield land.

I remain committed to our underlying environmental objectives, but intend to find a way forward that encourages a responsible partnership of private and public sector interests in identifying, assessing, and then dealing with contaminated land as appropriate. I therefore intend to look beyond registers, with their focus on identifying possible problems, at possible solutions. Such an approach will help reduce market anxieties and encourage the pragmatic co-operation through which I believe we can bring contaminated land in Scotland back into more widespread and beneficial use.

As a first step, I therefore intend to initiate a wide-ranging review of the underlying issues. Initially we will examine the current powers and responsibilities of public authorities; thereafter we will consider wider issues such as the options for identifying, assessing and treating contaminated land and the regulatory burden on the private sector and mechanisms for recovering the costs of such rehabilitation. In this, I will liaise closely with my right hon. and learned Friend the Secretary of State for the Environment and, in Scotland, with Scottish Enterprise and Highlands and Islands, Enterprise.

My aim will be to ensure effective arrangements, both to remove the threats posed by contaminated land and to take advantage of opportunities such land offers for regeneration; to ensure a better understanding by all concerned of the ways in which that can be achieved; and to ensure restored confidence in the viability of our approach to this important environmental issue. In the meantime, public authorities in Scotland will continue to exercise their existing duties and powers to safeguard public health and the environment; including the provision of information on land as appropriate.

ENVIRONMENT

Compulsory Competitive Tendering

15. **Mr. Riddick:** To ask the Secretary of State for the Environment if he will extend the range of local services put out to compulsory competitive tendering.

19. **Mr. Ian Bruce:** To ask the Secretary of State for the Environment if he will make a statement on compulsory competitive tendering for white collar services.

Mr. Robin Squire: Yes. My right hon. and learned Friend announced last November details of the Government's decision to extend compulsory competitive tendering to a wide range of local authority professional and corporate services. Arrangements for implementation are now being discussed with the local authority associations and others.

Mr. David Evans: To ask the Secretary of State for the Environment if he will initiate statutory action against the London borough of Lambeth for failing to comply with compulsory competitive tendering legislation.

Mr. Robin Squire: My Department has today served five notices on Lambeth under section 19A of the Local Government Planning and Land Act 1980 and section 13 of the Local Government Act 1988. These notices relate to

possible failure to keep true and fair accounts for work carried out by the authority through its direct labour organisation and failure to submit to my right hon. and learned Friend statements showing that the required financial objectives in respect of this work have been met.

The notices require the authority to respond to the matters concerned by 30 April 1993. My right hon. and learned Friend will consider, in the light of Lambeth's responses, whether he should proceed to give directions under the Acts.

Council Tax

16. **Mr. Gill:** To ask the Secretary of State for the Environment if he will make a statement on the levels of council tax for a band D property in Shropshire and in Powys.

Mr. Redwood: The average headline band D council tax set in Shropshire is £570. The average set in Powys is £304. As my hon. Friend will be aware, these amounts are not comparable because of the different valuation bands and local government finance arrangements applying in Wales and England.

House Building

17. **Mr. Skinner:** To ask the Secretary of State for the Environment what are the latest figures for house building for 1992-93 in the public sector; and what plans he has to increase local authority dwellings.

Mr. Baldry: Housing associations are now the main providers of social housing through new build, renovation of existing dwellings and a whole range of other measures, including those announced as part of the autumn statement. An extra 66,000 housing association homes supported by Housing Corporation grants will be made available to new tenants during the financial year 1992-93.

The Government see the primary tasks of local authorities as to manage effectively their large stocks of council housing and to enable others to provide new housing.

Urban Policy

20. **Mr. Jim Cunningham:** To ask the Secretary of State for the Environment if he will make a statement on his plans for future initiatives on urban policy.

26. **Mr. Bill Michie:** To ask the Secretary of State for the Environment if he will make a statement on his plans for future initiatives on urban policy.

Mr. Howard: I refer the hon. Member to the answer I gave earlier to the hon. Member for Lewisham, West (Mr. Dowd).

Housing Associations

21. **Mr. Barron:** To ask the Secretary of State for the Environment what assessment he has made as to the likely effect on the building of houses by housing associations of the reduction of housing association grants.

Sir George Young: Increasing the private finance input into housing association schemes enables us to produce significantly greater numbers of new homes with the available public resources. The reduction in the average housing association grant rate for rented schemes from 72 per cent. in 1992-93 to 67 per cent. in 1993-94 was achieved through lower costs without any significant impact on the affordability of rents implied. Associations put forward more than four and a half times the number of schemes that could be supported by the resources available for next year. This clearly demonstrates their confidence in being able successfully to undertake schemes at the grant rates available, and to achieve the higher output that we have sought.

22. **Mr. Bryan Davies:** To ask the Secretary of State for the Environment what assessment he has made of the effect of the percentage of housing association grants in 1995 on the level of housing association rents.

23. **Mr. Hutton:** To ask the Secretary of State for the Environment what representations he has received about housing association grant rates.

Sir George Young: The Government have not yet taken any decision on grant rates for housing association development beyond those for 1993-94, but have made clear their objective to increase the proportion of private finance in new housing association schemes. Final decisions will be taken on grant rates for 1994-95 and beyond when we have assessed the likely impact on rents and on associations' ability to raise private finance. This work is currently being undertaken. Ministers receive representations throughout the year on rates of housing association grant from many organisations, including the National Federation of Housing Associations, individual housing associations and other national and local bodies.

25. **Mr. Colin Shepherd:** To ask the Secretary of State for the Environment how many homes have been bought by housing associations as part of the special scheme announced in the autumn statement.

32. **Lady Olga Maitland:** To ask the Secretary of State for the Environment how many extra houses have been bought by housing associations since the autumn statement.

Sir George Young: By 12 March 12,611 purchases had been completed. We expect this total to rise to almost 18,000 by the end of the month.

35. **Dr. Liam Fox:** To ask the Secretary of State for the Environment whether he expects the Government's target of 153,000 housing association homes over the years 1992-93 to 1994-95 to be reached.

Mr. Baldry: We expect our target to be exceeded comfortably, due to the additional funds made available this year in the autumn statement, the highly competitive prices currently being achieved by housing associations and the increased contribution from private finance which enables us to provide more units for a given amount of public funding.

Council House Repairs

24. **Mr. Dickens:** To ask the Secretary of State for the Environment what steps he has taken to ensure that council tenants can get repairs carried out quickly.

Mr. Baldry: The Housing and Urban Development Bill includes provisions for a new right to repair to enable

council tenants to get small urgent repairs affecting their health, safety and security, carried out by an alternative contractor, if the first contractor does not complete work within a specified time.

Irish Sea and Liverpool Bay (Pollution)

27. **Mr. Barry Jones:** To ask the Secretary of State for the Environment if he will make a statement on pollution in the Irish sea and Liverpool bay.

Mr. Maclean: The four reports of the Irish sea study group in 1990 on the environmental health and management of the Irish sea suggested that the general health of the Irish sea was similar to comparable semi-enclosed seas. The United Kingdom and Irish Governments have set up a co-ordination group to review research and monitoring programmes and advise on priorities for further work to improve our knowledge of environmental issues affecting the Irish sea.

Community Charge Collection

28. **Mr. Thomason:** To ask the Secretary of State for the Environment if he will list the 10 councils with the worst community charge collection figures.

Mr. Redwood: Most authorities have made a determined effort to collect the community charge and by the end of December English authorities had collected 76 per cent. of their budgeted income for this financial year. But some authorities are way behind. The worst collection rate this year is to be found in Hackney, only 45·5 per cent., followed by Langbaurgh, Islington, Middlesbrough, Plymouth, Brent, Teesdale, Lambeth, Camden and Harlow.

Energy Conservation

29. **Mr. Denham:** To ask the Secretary of State for the Environment what action he proposes to take to encourage energy conservation in domestic properties.

Mr. Maclean: My Department will continue to promote energy efficiency in housing through a combination of publicity and information programmes, targeted Government grants and regulatory measures.

Housing Subsidy (Macclesfield)

30. **Mr. Nicholas Winterton:** To ask the Secretary of State for the Environment what representations have been received by his Department from Macclesfield borough council about the level of housing subsidy under the allocation of resources in the revenue support grant.

Mr. Baldry: Macclesfield borough council made no representations to my Department during last autumn's consultation exercise on the draft housing revenue account subsidy determinations for 1993-94.

The chairman of the council's housing services committee wrote to my hon. Friend the Minister for Housing and Planning on 22 February, about Macclesfield council's entitlement to housing revenue account subsidy for 1993-94. I have replied on my hon. Friend's behalf and have sent a copy of my letter to the hon. Member.

Private Rented Sector

31. **Mr. Merchant:** To ask the Secretary of State for the Environment whether he will examine ways of providing further encouragement to the private rented sector.

Mr. Baldry: We have already taken a number of steps to encourage this sector, but we are keen to explore further initiatives to stimulate additional growth.

Local Authority Debt

33. **Mr. Peter Atkinson:** To ask the Secretary of State for the Environment what is the current debt burden of *(a)* the London borough of Harlow, *(b)* Newcastle upon Tyne metropolitan district, *(c)* Wellingborough district council and *(d)* Huntingdonshire; and what proportion of their respective budgets is attributable to interest payments on those debt burdens.

Mr. Robin Squire: I refer my hon. Friend to the answer I gave to my hon. Friend the Member for Cambridgeshire, North-East on Tuesday 23 March 1993.

34. **Mr. David Martin:** To ask the Secretary of State for the Environment if he will make a statement about the level of council debt.

Mr. Robin Squire: At 31 December 1992, the total outstanding debt of local authorities in England stood at £37·5 billion. We will continue to encourage authorities to reduce their outstanding debt using sums which they have set aside for this purpose.

Market Testing

36. **Mr. Flynn:** To ask the Secretary of State for the Environment what new proposals he has to alter the conditions for bids for market testing in his Department.

Mr. Baldry: Bids for market testing will be subject to the normal tendering procedures that pertain for all procurements undertaken by my Department. The Department will ensure that in-house bids are entered on the same terms as those from the private sector.

East London River Crossing

37. **Mr. Peter Bottomley:** To ask the Secretary of State for the Environment if he will reconsider his approval of the route for the southern approach to the east London river crossing.

Mr. Baldry: No.

Open Spaces Society

Mr. Chris Smith: To ask the Secretary of State for the Environment what grant has been made available to the Open Spaces Society in each of the last three years from his Department; what grant will be given for 1993-94; what criteria have been used in deciding the level of grant for the forthcoming year; and if he will make a statement.

Mr. Maclean: Over the past three years the Open Spaces Society has received grants from the Department's special grants programme as follows:

1990-91	£37,285
1991-92	39,280
1992-93	40,150

The society was advised that 1992-93 would be the final year of the latest agreed period of funding. Their application for further support, from the new environmental action fund, therefore competed for limited resources with the many others we received.

Given the large number of worthy voluntary groups eligible for support from the fund, it would not be right for any one group to expect full support for an unlimited period. However, the society's work in protecting common land and town and village greens is highly regarded by the Department and I have therefore decided that the society should receive some further support for another three years towards its work in this area. This will amount to £15,000 in 1993-94 reducing to around £10,000 in 1995-96, giving time for the society to seek alternative sources of funding after that.

Correspondence

Mr. Llew Smith: To ask the Secretary of State for the Environment if he will publish the letter of 4 March to the hon. Member for Blaenau Gwent from the Parliamentary Under-Secretary of State, Lord Strathclyde.

Mr. Maclean: Copies of the letter will be placed in the Library.

Hampshire Structure Plan

Mr. James Hill: To ask the Secretary of State for the Environment when he proposes to publish his comments on the Hampshire structure plan.

Mr. Baldry: We are currently considering the report and recommendations of the panel which held the examination in public into the plan and expect to publish proposed modifications to the plan within the next few days.

Hazardous Waste

Mr. Llew Smith: To ask the Secretary of State for the Environment what recent communications he has had with the European Commission on the application in the United Kingdom of EC directive 78/319/EEC on toxic and dangerous waste.

Mr. Maclean: The Commission has made three informal inquiries about the directive within the last six months.

Mr. Llew Smith: To ask the Secretary of State for the Environment if he will make a statement on the current status of Council regulation COM(92)601 final SYN276 of 4 January on the evaluation and control of environmental risks of existing substances, following the re-examination by the European Commission.

Mr. Maclean: I refer the hon. Member to explanatory memorandum No. 4260/93 submitted by the Department of the Environment and the Department of Employment on 18 February. As the memorandum said, the regulation is expected to be adopted by the Council of Ministers on 23 March, and will come into force 60 days after publication in the *Official Journal* of the European Communities.

Organochlorines

Mr. Dafis: To ask the Secretary of State for the Environment if he will make it his policy to set a timetable for phasing out discharges of organochlorines in the United Kingdom.

Mr. Maclean: No. The system of controls under the Environmental Protection Act 1990, the Water Industry Act 1991 and the Water Resources Act 1991 provides a comprehensive means of controlling the discharge of organochlorines to sewers and rivers.

Toxic Waste

Mr. Dafis: To ask the Secretary of State for the Environment if he will make it his policy to set a target date for the phasing out of the consent system established to allow companies to discharge toxic substances into rivers and river estuaries in the United Kingdom.

Mr. Maclean: No. Water is a legitimate disposal route for certain types of waste and the system of consents and authorisations under the Water Resources Act 1991 and the Environmental Protection Act 1990 provides a comprehensive means for controlling substances discharged to the aquatic environment and for securing improvements in water quality.

Rhinoceroses

Mr. Tony Banks: To ask the Secretary of State for the Environment (1) what action he is proposing to protect remaining numbers of rhinoceroses in Africa and Asia;

(2) what financial assistance he has offered to the International Rhinoceros Foundation to assist in its programme to conserve rhinoceroses;

(3) what financial support he intends to give to the United Nations environment programme and convention on international trade in endangered species to protect the remaining number of rhinoceroses.

Mr. Maclean: The Government recognise the need for urgent action and have made a major contribution to international efforts to save rhinoceroses from extinction. My Department works closely with the Overseas Development Administration, through which major financial support for conservation overseas is given, and the Foreign and Commonwealth Office.

My Department has not received any requests from the International Rhinoceroses Foundation for financial assistance, but we are currently funding wildlife projects abroad worth £18 million and many of these will benefit rhinos. In addition, since 1990, we have committed £167,200 to projects which aim to protect the rhino, including £33,600 specifically for a project in Tanzania. Further, we have recently provided £20,000 for rhino de-horning operations in Zimbabwe and have given financial support to TRAFFIC, an organisation monitoring the trade in rhino horn.

The United Nations Environment Programme and the CITES secretariat are planning a major international conference in Nairobi in June. This is intended to develop a long-term strategy for saving the rhino from extinction, based on conservation plans drawn up by rhino range states. We have already promised to provide £5,000 to help delegates from the rhino range states attend the conference

and a further £20,000 for rhino conservation projects. We shall consider making further contributions on the basis of the plans which are put forward.

Mr. Tony Banks: To ask the Secretary of State for the Environment what is the British Government's policy on sanctions against Taiwan, Yemen and South Korea for possession of illegal rhinoceros horn; and if he will make a statement.

Mr. Maclean: The Government have made very clear their wish to see an end to the illegal trade in rhino horn and we have made substantial diplomatic efforts to this end.

At the recent meeting of the standing committee to the Convention on International Trade in Endangered Species, the United Kingdom firmly supported the dispatch of letters, warning of possible sanctions, to the relevant authorities in Taipei, Seoul and Sana'a. These letters advised that the committee would recommend a ban on trade in CITES goods if it considered at its next meeting that those authorities had not taken adequate action to end trade in, and stockpiling of, rhino horn. At the United Kingdom's instigation, the chairman of the committee is also writing to all CITES parties, urging them to take action, as we are, to support rhinoceros conservation and to end illegal trade.

Radioactive Discharges

Mr. Dafis: To ask the Secretary of State for the Environment if he will make it his policy to establish a target date for the ending of all discharges of radioactive pollution into the sea around the United Kingdom coastline.

Mr. Maclean: No. The present system of control is designed to prevent any such pollution.

Smoke Control Areas

Mr. Chris Smith: To ask the Secretary of State for the Environment what plans he had to make regulations on sales of unauthorised fuels in smoke control areas in *(a)* 1991 and *(b)* autumn 1992; and when he now expects to make those regulations.

Mr. Maclean: As required under section 140(5) of the Evironmental Protection Act 1990, the Advisory Committee on Hazardous Substances was consulted on the proposed regulations during 1991. A notice, under section 140(6) of the Act, announcing our intention to make regulations, was published last year in the London and Edinburgh *Gazettes* on 2 and 3 November, respectively. We are currently considering responses to the notice.

Environmental Awareness

Mr. Llew Smith: To ask the Secretary of State for the Environment what assistance his Department will provide to United Kingdom applicants to the European Commission invitation to submit proposals relating to general measures to provide information and raise awareness about the environment, published in the *Official Journal* of the European Communities, column 54, 10 to 12 and 25 February.

Mr. Maclean: My Department supports the aim of increasing environmental awareness. The Commission has asked for proposals to be sent to it direct, not via member states, but we would be happy to advise any applicant who approached us.

Domestic Fuel

Mr. Chris Smith: To ask the Secretary of State for the Environment what progress was made toward the commitment to prohibit the sale of high-sulphur fuel for domestic use by the end of 1992; and when he now intends to introduce regulations.

Mr. Maclean: I refer the hon. Member to the reply I gave the hon. Member for Sheffield, Hillsborough (Mr. Blunkett) on 16 March, *Official Report, 164-65.*

Farm Valuation

Mr. Ieuan Wyn Jones: To ask the Secretary of State for the Environment if he will make it his policy to base the valuation of farms on the estimated value of the farmhouse only for council tax purposes.

Mr. Robin Squire: Working farmhouses will normally form part of composite hereditaments. As such, they will be banded according to the proportion of the value of the whole farm which can reasonably be attributed to the domestic use of the farmhouse.

Wild Birds

Mr. Don Foster: To ask the Secretary of State for the Environment how many wild birds were imported into the United Kingdom in 1990; and how many of these birds and how many species were not properly identified.

Mr. Maclean: A total of 175,967 birds were imported into Great Britain in 1990. All such imports are subject to customs controls. Whenever necessary, HM Customs seek expert advice to assist with the identification of particular species. Imports of wild birds are subject to further independent health and welfare checks on entry into quarantine. The results of these checks are published in the Ministry of Agriculture, Fisheries and Food's "Importation of Birds—Mortality Statistics from Quarantine Returns", copies of which are available in the Library of the House.

Mr. Don Foster: To ask the Secretary of State for the Environment what plans he has to ban the import of wild-caught birds into the United Kingdom.

Mr. Maclean: In accordance with the provisions of the Convention on International Trade in Endangered Species, trade in 156 species of bird is already banned worldwide. In addition, the European Community has banned the import of 89 bird species throughout their range and a further 102 bird species from selected countries.

Together with our European Community partners and other CITES parties, we shall consider the need for restrictions on trade in further species on the basis of the best scientific evidence available.

Regional Water Companies

Mr. Spearing: To ask the Secretary of State for the Environment if he has anything to add to his reply to the hon. Member for Newham, South concerning any liabilities of any regional water company, *Official Report*, 15 March, column *4*.

Mr. Maclean: Customers of the regulated water and sewerage businesses of water companies are fully protected by the provisions of their licences, against liabilities incurred as a result of water plcs' other activities. This protection has recently been strengthened by the Competition and Service (Utilities) Act 1992, which requires the Director General of Water Services to ensure that the interests of customers are protected as respects any activities of the company which are not attributable to the exercise of its functions as a water and sewerage undertaker and, in particular, that transactions are carried out at arms length. The Director General has recently amended the licences of water and sewerage undertakers to enable him to fulfil this duty.

Planning Appeals

Mr. Steen: To ask the Secretary of State for the Environment on how many occasions he has exercised his power to make an order for costs in respect of a planning appeal dealt with by written representations; and if he will make a statement.

Mr. Baldry: My right hon. and learned Friend has not yet brought into force the power, in section 322(2) of the Town and Country Planning Act 1990, to award a party's costs against another party for "unreasonable" conduct in a planning appeal decided on the basis of the parties' written representations. Following a public consultation exercise last year, we intend to publish shortly the Government's revised policy guidance on awards of costs in the entire range of planning proceedings.

Contaminated Land

Mr. Hawksley: To ask the Secretary of State for the Environment when Her Majesty's Government expect to reach a decision on their consultative proposals for local authorities in England and Wales to set up statutory registers of contaminated uses of land under section 143 of the Environmental Protection Act 1990; and if he will make a statement.

Mr. Howard: My right hon. Friend the Secretary of State for Wales and I have received a large number of comments on the consultative proposals we issued last July. I am placing in the Library a list of respondents.

Although there is widespread agreement that the problem of the contamination of land from past industrial activities is a serious one that needs to be addressed, there has also been substantial criticism of the proposals for the registers on three main grounds:

- that since the proposed registers would be based on the criterion of use or former use by a limited range of potentially contaminating activities it would include a large number of sites that are not actually contaminated, while missing other sites that are actually contaminated by other former uses not on the prescribed list;
- that since the register would record past potentially contaminative uses of land there would be no way of removing such sites from the register even if any contamination had been satisfactorily dealt with;
- that when sites are identified as actually contaminated it remains unclear in some cases what action should be taken, what remediation measures should be carried out and by whom, which regulatory authorities should be involved, and, where the liability for the cost of remediation or compensation should fall.

We have given very careful consideration to all comments received. The Government remain determined to ensure that land contamination does not give rise to unacceptable risks to health and safety, to ground water and the environment generally, and also to ensure that vacant urban and industrial land can be put back into good use wherever practicable. The responses to our consultation paper showed that the proposed registers would have made this objective more difficult by reducing confidence in the value of sites placed on the register, thereby exacerbating blight without giving any clear indication on how such sites could be brought back into good condition and confidence restored.

We are therefore today withdrawing our proposals for establishing registers of contaminative uses of land, and announcing a new wide-ranging review of the problems in this area. The review will be conducted by an interdepartmental group of officials under the chairmanship of my Department and will seek contributions from interested parties. Its terms of reference will be as follows:

> To review the powers and duties of public authorities which relate to the identification, assessment and appropriate treatment or control of land that could cause pollution of the environment or harm human health, having regard to the need to minimise the costs which existing and new regulatory burdens place on the private sector; to consider the mechanisms for recovering authorities' costs in controlling or remedying pollution of such land sufficient to ensure its safety for health and the environment, and its return to beneficial use where practicable to consider the applications of these for the role of the Environment Agency; to report initially on any statutory changes needed in the short term and on the scope of any longer-term studies that should be put in hand; and to undertake and report on those studies.

Meanwhile, local authorities will still have their long-standing statutory powers to find and deal with actual pollution which is a source of danger and to decide planning issues about contamination. They will therefore continue to keep information about land for those purposes and to give informed answers to queries. The Government will continue to provide technical guidance to assist authorities in their tasks.

Housing Partnership Fund

Mr. Knapman: To ask the Secretary of State for the Environment when he will announce the allocation of resources to local authorities under his Department's housing partnership fund for 1993-94.

Mr. Baldry: A list of the resources being allocated to local authorities under the housing partnership fund 1993-94, which is a component of the capital partnership programme, will be placed in the Library of the House tomorrow.

Home Improvements (Compensation)

Mr. Cran: To ask the Secretary of State for the Environment whether he has reached conclusions following the consultation exercise on the new right to compensation from home improvements in the Housing and Urban Development Bill.

Mr. Baldry: In December, my right hon. and learned Friend and my right hon. Friend the Secretary of State for Wales published a consultation paper entitled "Compensation for Tenants' Improvements". The consultation paper sought views from interested parties on the operation of a new mandatory scheme whereby local authority tenants can receive compensation for carrying

out certain home improvements, once their tenancy ends. The Departments have together received 80 responses and I am today announcing our conclusions.

Subject to parliamentary approval, the new scheme will be applicable to secure tenants of local authorities; the Housing Corporation and Housing for Wales will be formulating proposals to ensure that tenants of housing associations will have similar rights under their tenants' guarantee. We intend to draw up a list of eligible improvements; other improvements, outside this core list, will be eligible for compensation under discretionary schemes run by authorities. The amount of compensation, payable once the tenancy ends, will be based on the costs incurred by the tenant, depreciated over time. We intend to provide for an element of discretion for authorities in the assessment of compensation—for example, to deal with situations where the improvement has deteriorated more rapidly that would have been expected. We also intend there to be both upper and lower limits on the amount payable in respect of improvements. We will be proposing minor amendments to the enabling powers in clause 110 of the Housing and Urban Development Bill, to reflect a number of suggestions from consultees on the operation of the scheme.

This new initiative, contained in our election manifesto, will further extend the rights of council tenants. It will encourage tenants to invest in their homes, by guaranteeing them due recompense. It will also stimulate further improvements in the condition of local authority housing stock.

The Department will consult during the summer on draft regulations governing the detailed operation of the scheme, with a target date of 1 April 1994 for the scheme to come into operation.

I have placed in the Libraries of the House copies of a note which gives further details of our proposals.

Construction Industry

Sir Michael Neubert: To ask the Secretary of State for the Environmnent what estimate he has made of changes in the level of activity in the bullding and construction industry following the Chancellor's autumn statement.

Sir George Young: I refer my hon. Friend to the answer I gave on 27 January, *Official Report*, column *762*. The measures announced by my right hon. Friend in the Budget recently reinforce our strategy to sustain growth and build a strong and sound economy.

Urban Programme

Mr. Fatchett: To ask the Secretary of State for the Environmnent if he will set out the criteria used to determine which local authorities qualify as urban programme authorities.

Mr. Robin Squire *[holding answer 18 March 1993]:* The current list of urban programme authorities, which are now known as urban priority areas, was drawn up following the 1981 census and amended in the light of subsequent information on unemployment levels and derelict land. Both of the latter sets of information were published; unemployment data in the regular statistical series from the Department of Employment and derelict land from the Department of the Environment's survey, Survey of Derelict Land in England 1982, DOE 1984.

AGRICULTURE, FISHERIES AND FOOD

Sea Fish Conservation Act

Mr. Steen: To ask the Minister of Agriculture, Fisheries and Food what is the cost to the taxpayer of administering the Sea Fish Conservation Act 1992; how these costs are calculated; how many officials are involved in administration of the Act; and what was the 1992 manning level.

Mr. Curry: The estimated cost of enforcing days at sea and extending licensing to vessels of 10 m overall length and below is £1·5 million per year for the United Kingdom as a whole. Inspectorate manpower is being increased from 184 in 1992 to 233. There will be additional one-off costs associated with the sea fish licence tribunal which is being established to hear fishermen's appeals against their days at sea allocations, but it is not possible to indicate these with any precision, not least because much will depend upon the number of appeals.

EMPLOYMENT

Exchange Trading Schemes

Dr. Wright: To ask the Secretary of State for Employment what support is given to the local exchange trading schemes in respect of the long-term unemployed.

Mr. McLoughlin: The Government already offer a wide range of help for long-term unemployed people to help them find work and promote a flexible and efficient labour market. We have no plans to extend this to local exchange trading schemes.

European Social Fund

Ms Quin: To ask the Secretary of State for Employment if it is her Department's policy to obtain Britain's full entitlement from the European social fund for each year since 1990; and if she will make a statement.

Mr. Michael Forsyth: The Department's general policy is to seek to commit and spend Britain's full allocation from the European social fund (ESF) in an orderly and cost-effective manner. We also have an obligation to ensure that sufficient funds are available to pay individual sponsors of projects up to the level agreed at the time of their application.

The European Commission's method of accounting for ESF expenditure and the fluctuations in the exchange rate since the United Kingdom's departure from the ERM have however combined to cause difficulties. The Commission recalculates the value of a year's programme using the exchange rate current at the time the final claims for payment are submitted to Brussels. This is at least 18 months after the start of a programme. It is now clear that under this method we are likely to receive fewer sterling receipts than anticipated when 1991 and 1992 plans and programmes were originally drawn up and individual projects were approved. We are urgently seeking a solution to this matter with the Commission, to ensure that we can meet our obligations to project sponsors in full.

Health and Safety

Mr. Cryer: To ask the Secretary of State for Employment what is the total number of statutory instruments currently applying to health and safety at work; what consolidation is being undertaken; and if she will make a statement.

Mr. McLoughlin: There are currently 399 statutory instruments which apply to health and safety at work.

The Health and Safety Commission has a remit under section 1(2) of the Health and Safety at Work, etc. Act 1974 to seek to reform health and safety legislation, by means including consolidation, into a coherent system of regulations and approved codes of practice, and has made substantial progress. In the context of the Government's de-regulation initiative, the Commission is now undertaking a fresh review of the remaining health and safety legislation. The review will consider whether further repeals or simplification are possible without endangering acceptable health and safety standards.

Nuclear Installations Inspectorate

Mr. Cryer: To ask the Secretary of State for Employment what is the current number of nuclear installations inspectors in post; what vacancies exist; and if she will make a statement.

Mr. McLoughlin: On 1 March 1993, 172 nuclear installations inspectors were in post in the Health and Safety Executive. The published planned target for 1 April 1993 is 179. Figures given are for full-time equivalent posts (part-timers are counted as half units).

Nine new inspectors are being appointed.

Factory Inspections

Mr. Cryer: To ask the Secretary of State for Employment what is the average number of years between each visit of a factory inspector to factories employing less than 200 people; and if she will make a statement.

Mr. McLoughlin: Information is not available in the form requested. Visits to workplaces including factories are made for a variety of purposes including planned inspection, and visits to give advice and guidance as well as to investigate incidents or complaints.

When planning visits to workplaces the Health and Safety Executive give priority to premises which were known to pose a higher risk, or potential risk, to employees and the public.

Mr. Cryer: To ask the Secretary of State for Employment what is the current number of factory inspectors in post *(a)* of a general nature and *(b)* specialists; how many vacancies exist; and if she will make a statement.

Mr. McLoughlin: On 1 March 1993, 708·0 factory inspectors and 253·0 specialist inspectors were in post in the Health and Safety Executive (HSE). The published planned targets for 1.4.93 were 739·5 and 242·5 respectively. Figures given are full-time equivalent posts (part timers) are counted as half units).

Forty five factory inspectors have been recruited and are due to start employment in HSE between April and June 1993.

Allied Colloids—Hickson and Welch

Mr. Cryer: To ask the Secretary of State for Employment what special measures have been instituted by the Health and Safety Executive following explosions at Allied Colloids Hickson and Welch, in West Yorkshire and to avoid a repetition of such incidents; and if she will make a statement.

Mr. McLoughlin: The Health and Safety Executive (HSE) has initiated investigations into the incidents that occured at Allied Colloids on 21 July and Hickson and Welch on 21 September 1992 respectively. The investigations involve the companies concerned very closely and attempt to identify the causes of the incidents and what precautions and remedial measures should be taken to prevent a recurrence. Discussions on the lessons to be learnt are continuing; HSE will publish separate reports on each of its investigations.

Self-employment

Mr. Cryer: To ask the Secretary of State for Employment if she will give the basis for the calculation of the number of self-employed persons currently engaged in work; and if she will make a statement.

Mr. McLoughlin: Self-employed estimates in the work force in employment series are derived from the 1981 census of population, updated annually from the Ministry of Agriculture, Fisheries and Food's agricultural census and quarterly, for other sectors, from the labour force survey (LFS).

Before 1992 the LFS was carried out annually. The results were used to produce estimates for June; figures for other quarters were derived by interpolation.

From spring 1992, the LFS has been conducted every quarter in Great Britain. The LFS provides an alternative estimate of people who are self-employed, based upon the respondents' own assessment of their employment status.

Offshore Oil and Gas Industry

Dr. Godman: To ask the Secretary of State for Employment, pursuant to her answer of 15 March, *Official Report*, columns *62-63*, if she will list the length of time which elapsed in each case between a recommendation for prosecution and court proceedings taking place; and if she will make a statement.

Mr. Michael Forsyth: Information on the dates on which prosecution was recommended, and the dates of conviction is as follows:

Company	*Date of prosecution recommended*	*Date of conviction*
Allseas Marine Contractors	20 August 1990	15 May 1991
Smedvig Ltd.	4 December 1990	9 March 1992
Amoco (UK) Exploration	4 December 1990	9 March 1992
Atlantic Drilling	17 April 1991	21 April 1992
Atlantic Drilling	17 April 1991	21 April 1992
Stena Offshore Ltd.	13 March 1992	9 May 1992
Stena Offshore Ltd.—employee	13 March 1992	8 May 1992
Sedco Forex Drilling Services Ltd.	12 June 1992	22 July 1992
ETPM Services (UK)	26 June 1992	26 November 1992
BP Exploration	21 September 1992	17 December 1992

Two recommendations failing to result in convictions were made on 5 December 1991, with the court decision on 22 May 1992.

Information on the dates when court hearings commenced are not readily obtainable and the reply therefore refers to dates of conviction.

Dr. Godman: To ask the Secretary of State for Employment if she will detail the time it took between reports of incidents involving breaches of health and safety laws in the offshore oil and gas industries and referrals made to the procurator fiscal in each of the past seven years; and if she will make a statement.

Mr. Michael Forsyth: It is possible to determine whether reported incidents on offshore installations involve possible breaches of health and safety legislation only after the Health and Safety Executive inspectors have conducted their investigations. If as a result of investigation a recommendation for prosecution is made, details would be referred to the procurator fiscal forthwith.

Unemployment Benefit

Mr. Ralph Howell: To ask the Secretary of State for Employment under what circumstances an unemployed person earning £53 per week can receive unemployment benefit.

Mr. Burt: I have been asked to reply.

Unemployment benefit is not payable for any day on which net earnings exceed £2 and for any benefit week in which net earnings equal or exceed the lower earnings level for the payment of national insurance contributions—currenlty £54.

There are more generous rules for those undertaking public duties such as manning a lifeboat or serving as a member of the territorial or reserve forces.

WALES

Home Temperatures

Mr. Dafis: To ask the Secretary of State for Wales how many homes in Wales have an indoor winter temperature lower than the recommendation of the World Health Organisation.

Mr. Gwilym Jones: The information is not available centrally.

Village Halls

Mr. Ieuan Wyn Jones: To ask the Secretary of State for Wales if he will list the grants given by his Department for the repair and improvement of village halls in Wales during each of the last two years, with both the recipient and the amount of grant paid in each case.

Sir Wyn Roberts: Welsh Office support for the repair and improvement of village halls in Wales is provided through the capital grants to voluntary youth services, village halls and community centres programme and the rural initiative. Approved projects which describe themselves as "village halls" and the amount of grant aid, as opposed to the amount of grant allocated, in 1991-92 and 1992-93 for each one are as follows:

	1991-92 £	*1992-93* £
Bethel village hall	16,192	16,416
Brynberian village hall	4,750	2,000
Bwlch y Groes village hall	9,375	—
Caerwent village hall	—	250
Cilgerran village hall	—	5,325
Ciliau Aeron village hall	—	570
Cosheston village hall	2,760	1,220
Croescoch village hall	6,160	—
Cwmann village hall	—	498
East Williamson village hall	3,628	—
Five Roads village hall	—	26,240
Garndolbenmaen village hall	5,700	—
Glangrwyney village hall	677	12,955
Gwynfe village hall	3,516	—
Ifan village hall	—	1,147
Kinnerton village hall	6,200	—
Leighton village hall	1,717	3,138
Little Mill village hall	4,133	—
Llandderfel village hall	739	—
Llanddulais village hall	—	792
Llandenny village hall	—	1,154
Llandyfaelog village hall	4,250	—
Llanfairpwll village hall	—	360
Llanfihangel village hall	1,172	—
Llangathan village hall	1,495	—
Llangynog village hall	—	2,080
Llanigon village hall	47,710	2,290
Llanon village hall	—	19,300
Llansaint village hall	5,964	6,970
Llansoy village hall	385	—
Llechryd village hall	9,252	503
Maesywaen village hall	10,525	200
Manorbier village hall	7,510	1,990
Marianglas village hall	4,570	—
Mynytho village hall	8,954	—
Nantglyn village hall	54	—
Pantperthog village hall	—	10,118
Pelham village hall	—	15,000
Rhydlewis village hall	2,015	—
Simpsons Cross village hall	4,540	2,240
Talgarreg village hall	—	11,200
Tallarn Green village hall	3,270	—
Tavernspite village hall	11,460	11,040
Trefnant village hall	6,000	—
Tysul village hall	9,900	—
Whitebrook village hall	1,500	6,267

Council Tax

Mr. Llwyd: To ask the Secretary of State for Wales how many representations he has received on the poundage levels on Welsh properties regarding the council tax in the last 12 months; and if he will make a statement.

Mr. Gwilym Jones: Poundage applies to non-domestic properties under the non-domestic rating system. It is not a feature of the arrangements for levying council tax on domestic properties.

Executive Coaching

Mr. Barry Jones: To ask the Secretary of State for Wales which health authorities and hospital trusts have enrolled female staff for executive coaching; at what cost; and if he will make a statement.

Mr. Gwilym Jones: This information is not collected centrally.

Printing

Mr. Rowlands: To ask the Secretary of State for Wales what was the *(a)* budget and *(b)* estimated cost of all printing authorised by his Department in 1992-93; and what proportion of that budget was spent with companies based in Wales.

Mr. David Hunt: Within the budgets for publicity, forms, circulars and other material associated with the delivery of Welsh Office programmes, separate budgets are not maintained for printing. Estimates of spend to date or outturn for 1992-93 could not be produced except at disproportionate cost.

Compulsory Competitive Tendering

Mr. Dafis: To ask the Secretary of State for Wales what research has been undertaken by his Department on the impact of the introduction of compulsory competitive tendering in housing management upon joint community care plans drawn up by local authority housing and social services departments.

Mr. Gwilym Jones: None.

Welsh Development Agency

Mr. Rowlands: To ask the Secretary of State for Wales what estimate his Department has of the total expenditure of the Welsh Development Agency which is put out to contract; and what proportion of those contracts is with companies based in Wales.

Mr. David Hunt: This is an operational matter for the Welsh Development Agency. I have therefore asked the chief executive of the agency to write to the hon. Gentleman and for a copy of his response to be placed in the Library of the House.

Mr. Ron Davies: To ask the Secretary of State for Wales if he will list for each of the last three years those planning applications submitted by the Welsh Development Agency which have been opposed because of damage to wildlife interests.

Mr. David Hunt: This information is not held centrally.

Immunisation

Mr. Morgan: To ask the Secretary of State for Wales what is the number and percentage of general practices in each family health service authority area in Wales that have reached the immunisation target; and if he will make a statement.

Mr. Gwilym Jones: Information on partnerships and single-handed practitioners receiving payments for the higher and lower targets for vaccination and immunisation and for vaccination and immunisation boosters is shown in the following tables:

Vaccination and immunisation main target quarter starting 1 April 1992

FHSA	Higher		Lower		Both	
	Number	Per cent.	Number	Per cent.	Number	Per cent.
Clwyd	55	74	12	16	67	90
Dyfed	52	74	9	13	61	87
Gwent	49	53	28	30	77	84
Gwynedd	50	94	3	6	53	100
Mid Glamorgan	39	37	18	17	57	54
Powys	16	89	2	11	18	100
South Glamorgan	59	81	14	19	73	100
West Glamorgan	41	63	12	18	53	81

Vaccination and immunisation booster quarter starting 1 April 1992

FHSA	Higher		Lower		Both	
	Number	Per cent.	Number	Per cent.	Number	Per cent.
Clwyd	35	47	25	34	60	81
Dyfed	40	57	20	29	60	86
Gwent	50	54	22	24	72	78
Gwynedd	37	70	12	23	49	92
Mid Glamorgan	27	26	20	19	47	45
Powys	13	72	5	28	18	100
South Glamorgan	48	66	16	22	64	88
West Glamorgan	16	25	29	45	45	69

Child Protection Registers

Mr. Ieuan Wyn Jones: To ask the Secretary of State for Wales how many children have been placed on protection registers in each local authority area in Wales during each of the last five years.

Mr. Gwilym Jones: Child protection registers provide the only centrally available source of information in this area.

Children placed on the registers are classified by categories of abuse—for example, neglect, physical abuse and sexual abuse.

Each addition to the register may be either an entirely new case or a reclassification of an existing registration. In particular in 1992, following implementation of the Children Act 1989, the category of grave concern was abolished and it is known that 86 of those added to the register were reclassifications from grave concern to other categories. Numbers of additions to the register are shown in the table.

Numbers of additions to the register during the 12 months to 31 March

	1988	1989	1990	1991	1992
Clwyd	255	351	222	254	255
Dyfed	134	130	160	126	273
Gwent	137	150	198	286	200
Gwynedd	81	64	77	83	65
Mid Glamorgan	147	133	142	236	266

	1988	1989	1990	1991	1992
Powys	42	48	73	48	78
South Glamorgan	[1]—	226	276	224	231
West Glamorgan	82	50	101	135	60
Wales	[1]—	1,152	1,249	1,392	1,428

[1] Not available.

Information on the registers is used by loal authority social services departments to manage their child protection work. It is not intended specifically to establish the extent of child abuse and comparisons between years may be affected by changes in the administrative arrangements of local authorities.

Labour Statistics

Mr. Ieuan Wyn Jones: To ask the Secretary of State for Wales how many unemployed people have been unemployed for one year or longer in Wales in each year from 1979 onwards by *(a)* local authority area and *(b)* travel to work area.

Mr. David Hunt: The earliest month for which data comparable with present coverage are available for local areas is June 1983.

All available unemployment figures can be assessed from the NOMIS database by House of Commons Library staff.

Strikes

Mr. Ieuan Wyn Jones: To ask the Secretary of State for Wales how many *(a)* strikes took place and *(b)* working days were lost through strikes in Wales in each year since 1980.

Mr. David Hunt: The information requested is given in the following table:

Stoppages of work due to industrial disputes

Year	Number of stoppages	Days lost (thousands)
1980	115	2,918
1981	126	292
1982	106	283
1983	106	353
1984	88	3,527
1985	86	940
1986	93	78
1987	75	203
1988	48	116
1989	51	307
1990	33	84
1991	21	20

Source: Employment Department.

Anti-poverty Network

Mr. Ieuan Wyn Jones: To ask the Secretary of State for Wales by whom his Department will be represented at the launch of the Welsh anti-poverty network in Llandrindod Wells on 21 April.

Mr. David Hunt: The Department will not be represented at the launch of the Welsh anti-poverty network on 21 April. My officials however, will continue to maintain a regular dialogue with the network about its activities in Wales.

Wales European Centre

Mr. Ieuan Wyn Jones: To ask the Secretary of State for Wales how much is currently contributed by each local authority in Wales to the maintenance of the Welsh Development Agency office in Brussels; and what assessment he has made of the effect of the proposed local government reform in Wales upon future funding for the maintenance of the office.

Mr. David Hunt: The Wales European centre in Brussels was established by the WDA and has a range of sponsors. The local authorities in Wales, through their respective associations, contributed £154,000 in 1992-93 towards the total budget of around £400,000.

Following the reform of local government, the question of support for the Wales European centre will be a matter for the new unitary authorities.

GP Fund Holders

Mr. Barry Jones: To ask the Secretary of State for Wales how many general practitioner fund holders will begin in April; and if he will make a statement.

Mr. Gwilym Jones: Offers of recognition have been made to 45 applicants, including three groups of two practices, who are preparing to become fund holders from 1 April. This will make a total of 71 general practitioner fund holders in Wales covering some 25 per cent. of the population.

Amenity Beds

Mr. Barry Jones: To ask the Secretary of State for Wales how many amenity beds there are in Wales; and if he will make a statement.

Mr. Gwilym Jones: As at 30 March 1992 there were 72 amenity beds in Wales.

Prescriptions

Mr. Barry Jones: To ask the Secretary of State for Wales how many NHS prescriptions were issued in each year since 1987; and if he will make a statement.

Mr. Gwilym Jones: The information, which relates to the number of prescriptions dispensed, is given in the following table:

	Number
1987	27,550,542
1988	28,626,125
1989	29,383,257
1990-91	30,032,752
1991-92	31,633,972

Health Service (Complaints)

Mr. Barry Jones: To ask the Secretary of State for Wales how many complaints were made by patients to health authorities during the last available year.

Mr. Gwilym Jones: During the financial year 1991-92 there were 2,769 written complaints made by or on behalf of patients to health authorities in Wales.

Speech Therapists

Mr. Barry Jones: To ask the Secretary of State for Wales how many speech therapists there are in each health authority who practise among stroke victims; and if he will make a statement.

Mr. Gwilym Jones: The information requested is not available centrally.

Mr. Barry Jones: To ask the Secretary of State for Wales how many speech therapists there were in Clwyd in 1983 and in the latest available year.

Mr. Gwilym Jones: At 30 September 1983 there were 12·7 whole-time equivalent speech therapists in post in Clwyd health authority. The corresponding figure for September 1992 was 33·9.

Dental Care (Children)

Mr. Barry Jones: To ask the Secretary of State for Wales how many times a year the teeth of school pupils are examined in each of the counties in Wales; and if he will make a statement.

Mr. Gwilym Jones: The requested information is not available centrally.

Relate

Mr. Barry Jones: To ask the Secretary of State for Wales what is his policy concerning Relate in Wales; and if he will make a statement.

Mr. Gwilym Jones: Since 1 September 1991 the Welsh Office has awarded grant of £50,308 to Relate to support its activities in Wales. I expect to announce a decision shortly about Relate's grant application for 1993-94.

Kidney Patients

Mr. Barry Jones: To ask the Secretary of State for Wales where in Wales lithotriptic treatment for kidney patients is available; and if he will make a statement.

Mr. Gwilym Jones: Each Welsh health authority with the exception of Powys has contractual arrangements for the use of mobile lithotriptors. This is in accordance with the final report of the project group on lithotripsy.

Powys health authority has arrangements for its patients to be treated in hospitals outside Powys.

Clwydian Health Trust

Mr. Barry Jones: To ask the Secretary of State for Wales (1) what percentage of staff in the Clwydian Health Trust, Clwyd are assigned to administrative duties;

(2) what percentage of staff are *(a)* nurses, *(b)* doctors and *(c)* paramedics in the Clwydian Health Trust, Clwyd.

Mr. Gwilym Jones: The trust will become operational on 1 April on which date staff employed solely at or for the purposes of the existing community and mental health unit will transfer to the trust. The latest available information on staff groups employed by Clwyd health authority within the unit is as follows:

Staff groups	*Percentage of total (at 30 September 1992)*
Managerial	1·7
Administrative and clerical	10·5
Nursing and midwifery	59·2
Medical and dental	2·6
Professions allied to medicine[1]	5·6

[1] Numbers for paramedics not separately available.

Mr. Barry Jones: To ask the Secretary of State for Wales what was the amount of cash spent on refurbishing the headquarters of the Clwydian Health Trust.

Mr. Gwilym Jones: I understand that some £200,000 was spent in converting the structure of the former hospital building Mancot for use as the headquarters of the Clwydian Community Care NHS Trust. This has enabled the NHS trust to bring together all its headquarters staff with consequential improvements to efficiency.

Bovine Spongiform Encephalopathy

Mr. Ron Davies: To ask the Secretary of State for Wales if he will list the number of confirmed cases of BSE, by county for each month since December 1992.

Mr. David Hunt: The information requested is available in the Library of the House.

Opencast Coal Mining

Mr. Dover: To ask the Secretary of State for Wales what effect opencast coal mining has had on restoration of derelict land, extension of wildlife areas, extension of woodlands and hedgerows and development of recreation facilities over the past *(a)* five and *(b)* 10 years.

Mr. David Hunt: This information is not held centrally. However, according to statistics compiled by the County Planning Officers Society's committee No. 3, during the last four years 635 hectares of land received planning permission for opencasting in Wales, of which 364 hectares were derelict. All permissions for opencasting carry a requirement to restore fully the land involved.

Exports

Mr. Richards: To ask the Secretary of State for Wales what he is doing to promote exports from Wales; what role the export development adviser for Wales has in these plans; and if he will make a statement.

Mr. David Hunt: I am introducing an exports initiative to improve further the exports performance of Welsh industry. Under the initiative, 30 Welsh companies will be represented by the Department at the premier United Kingdom trade fair for the Arabian Gulf which is to be held in Dubai next month. I have doubled the number of Welsh Office-led trade missions to overseas markets and have arranged for small and medium-sized Wales-based companies to join them at subsidised rates for the first time ever.

During the coming financial year our programme of missions will be:

June 6-11—Germany (Stuttgart) and Switzerland (Zurich)
August 14-26—Singapore and Malaysia (Kuala Lumpur)
September 12-24—USA (Seattle) and Canada (Vancouver and Toronto)

October 1-14—The Arabian Gulf (Dubai, Abu Dhabi, Bahrain, Saudi Arabia and Kuwait)

February 14-18—Belgium (Brussels)

March 13-18—France (Marseilles) and Spain (Barcelona)

A further eight missions will be arranged during 1994-95 and 10 during 1995-96.

In support of these trade missions and to provide specialist market information for new and existing exporters, my Department will mount at least one promotional seminar a month during the next 12 months. One of these missions will also be a training mission for those business people who have not yet been on an export mission. Seminars in hand include "Exporting for the Invisibles sector", "Approaching the French market", "Indo British Partnerships", and "Taiwan".

My Department already provides in Wales the full range of the Government's overseas trade services. The new Wales chamber of commerce and industry plays an important and complementary role in export promotion and, under joint finance arrangements with my Department, has made an export development adviser available to industry and commerce throughout Wales.

Written Answers to Questions

Thursday 25 March 1993

HOME DEPARTMENT

Prison Education

Mrs. Wise: To ask the Secretary of State for the Home Department what measures and criteria of quality he uses when balancing quality and price in deciding to whom to award contracts for prison education.

Mr. Peter Lloyd: In deciding the providers to whom contracts should be offered, the prison service has taken into account price; relevant experience and financial status of the tenderer; and the management and staffing arrangements for delivering the range of services specified in the contract and ensuring that the quality of those services meets the required standards.

Hong Kong Entrants

Mr. David Marshall: To ask the Secretary of State for the Home Department how many citizens of Hong Kong have applied for entry to the United Kingdom in each of the last three years; what information he has on the numbers in each case seeking to reside in Scotland; and if he will make a statement.

Mr. Charles Wardle: The available information relating to Hong Kong British dependent territories citizens and British Nationals (Overseas) is given in the table. Information on the person's intended destination within the United Kingdom is not available.

Hong Kong British dependent territories citizens and British nationals (overseas)

	Arrivals at United Kingdom ports[1]	*Persons initially refused entry clearance in Hong Kong*[2]
1990	82,100	60
1991	80,200	60
1992	[3]91,100	60

[1] Data cover admissions plus persons refused leave to enter and removed. The data may include some stateless persons from Hong Kong.
[2] Some may have been granted entry clearance subsequently on appeal.
[3] Provisional figure.

Legislation (Consultation)

Mr. Dowd: To ask the Secretary of State for the Home Department what plans he has to review his Department's consultation procedures with local authorities and other public bodies with regard to the implications for them of any legislative changes, prior to their presentation to the House or implementation.

Mr.Kenneth Clarke: I have no such plans.

Farms (Thefts)

Mr. Ieuan Wyn Jones: To ask the Secretary of State for the Home Department how many thefts from farms have been recorded in each police authority area within Wales during each of the last five years.

Mr. Charles Wardle: The information requested is not collected centrally.

Prison Service

Ms Ruddock: To ask the Secretary of State for the Home Department if he will indicate the extent to which parliamentary questions relating to the prison service after 1 April will be answered *(a)* directed by Ministers and *(b)* by the director of the Prison Service Agency in so far as they relate to (i) costs and average costs, (ii) staffing matters, (iii) events relating to discipline and (iv) contracting out.

Mr. Kenneth Clarke: From 1 April 1993, when the prison service becomes an executive agency, the director general will have delegated responsibility for its day-to-day management. When a Member of Parliament asks a parliamentary question on a delegated matter, I will normally ask the director general to write to the Member. The question and the director general's reply will be published in *Hansard*. Questions relating to costs and average costs, staffing, disciplinary matters and operating aspects of contracting out will normally fall within the director general's delegated responsibilities. Questions relating to policy on contracting out the management of prison establishments will normally be answered by Ministers.

DEFENCE

Redundancies

Dr. Goodson-Wickes: To ask the Secretary of State for Defence what will be the reduction in civilian manpower in his Department in relation to the implementation of "Options for Change", expressed both in total numbers and as a percentage of its original targets.

Mr. Aitken: We propose to make a reduction of some 35,000 civilian posts by 1996-97 from the 1 April 1990 baseline of approximately 172,000—a 20 per cent. reduction.

Polaris

Mr. Flynn: To ask the Secretary of State for Defence how many Polaris missiles have been purchased from the United States.

Mr. Aitken: In the late 1960s, the United Kingdom purchased 99 Polaris missiles, comprising rocket motors and ancillary equipment, from the United States. A further 70 rocket motor sets were subsequently purchased for spares and as part of the Chevaline development programme. In the early 1980s, the United Kingdom replaced existing stocks with 82 new rocket motor sets as part of the Polaris remotoring programme.

HMS Gloucester

Mr. Jamieson: To ask the Secretary of State for Defence what price has been agreed with Babcock Thorn for the refit of HMS Gloucester; and what was the price submitted by Devonport Management Ltd.

Mr. Aitken: It is not our practice to disclose bid or contract prices. I can confirm that best value for money will be obtained by allocating the refit to Babcock Thorn.

Trident

Mr. Flynn: To ask the Secretary of State for Defence if any decision has yet been taken on the number of missiles that will be deployed on each Trident submarine.

Mr. Archie Hamilton: The deterrent capability to be deployed when Trident is in service from the mid-1990s onwards will be decided in the light of circumstances at the time.

Mr. Flynn: To ask the Secretary of State for Defence if there is a requirement to test fire United Kingdom Trident missiles.

Mr. Aitken: There is a requirement to test fire United Kingdom Trident missiles in order to demonstrate the effectiveness of the United Kingdom strategic nuclear deterrent.

Submarines (Missiles and Warheads)

Mr. Flynn: To ask the Secretary of State for Defence, pursuant to his answers of 18 March, *Official Report*, column *322*, and to the hon. Member for Western Isles (Mr. Macdonald) of 26 January, *Official Report*, column *645*, when it became his policy not to reveal the numbers of missiles and warheads carried on the United Kingdom ballistic submarines.

Mr. Archie Hamilton: It has been the policy of successive Governments not to reveal the current or planned numbers of missiles and warheads carried on the United Kingdom's ballistic missile submarines.

FOREIGN AND COMMONWEALTH AFFAIRS

Nuclear and Chemical Weapons

Mr. Cummings: To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment his Department has made of the possession of nuclear or chemical weapons by republics of the former Soviet Union; and if he will make a statement.

Mr. Garel-Jones: We understand that all tactical nuclear weapons of the former Soviet Union have now been withdrawn to Russia. A number of strategic nuclear weapons remain on the territory of Ukraine, Belarus and Kazakhstan. All are due for elimination under the terms of the START I treaty and its associated instruments. Completion of this process—which remains subject to Ukraine ratifying START I—would leave Russia as the only possessor of nuclear weapons amongst the republics of the former Soviet Union.

We were reassured that Russia, with the world's largest chemical weapons stockpile, was amongst the first to sign the convention on the prohibition of the development, production stockpiling and use of chemical weapons and of their destruction. Azerbaijan, Belarus, Estonia, Georgia, Kazakhstan, Lithuania, Moldova, Kyrgyzstan, Tajikistan and the Ukraine have also signed the convention.

Mr. Cummings: To ask the Secretary of State for Foreign and Commonwealth Affairs what steps are being taken by Her Majesty's Government to prevent the proliferation of nuclear and chemical weapons in the middle east, Africa and Asia.

Mr. Douglas Hogg: The most important instrument of the non-proliferation regime is the nuclear non-proliferation treaty—NPT. As a co-depositary of the treaty, the United Kingdom is actively working to ensure that the 1995 NPT extension conference will endorse the indefinite extension of the treaty. The United Kingdom works with like-minded countries to ensure that International Atomic Energy Agency safeguards and nuclear export controls are implemented as effectively as possible.

The United Kingdom plays a leading role in the 24 member Australia group which seeks to harmonise international controls on chemical weapons precursors, dual-use chemical and biological equipment and technology, biological agents and toxins. These controls are reviewed and updated as required at the biannual meetings of the group. The early entry into force of the chemical weapons convention, which can be no earlier than January 1995, will provide the most effective mechanism for preventing the proliferation of chemical weapons. Some 140 states are already signatories of the convention. The United Kingdom will play an active part in the establishment of the Organisation for the Prohibition of Chemical Weapons which will oversee the implementation of the convention.

Mr. Cummings: To ask the Secretary of State for Foreign and Commonwealth Affairs what is his Department's assessment of which middle eastern, African and Asian countries currently possess, or are near to obtaining, nuclear or chemical weapons; and if he will make a statement.

Mr. Douglas Hogg: There are three states in these regions—Israel, Pakistan and India—not party to the non-proliferation treaty—NPT—which have significant unsafeguarded nuclear activities, though none has declared itself to have or to be seeking nuclear weapons. North Korea, which is not recognised by Her Majesty' Government, has recently announced its intention to withdraw from the NPT. It has significant nuclear facilities and has failed to co-operate fully with the International Atomic Energy Agency implementing its safeguards agreement. There are also a number of countries in these regions which have, or are believed to be seeking to acquire, an offensive chemical weapons capability.

North Korea

Mr. Parry: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the decision of the Democratic Republic of Korea's decision to withdraw from the non-proliferation treaty.

Mr. Douglas Hogg: I refer the hon. Gentleman to the reply given to the hon. Member for Newport, West (Mr. Flynn) on 18 March, *Official Report*, column *318*.

Bosnia

Mr. Menzies Campbell: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a further statement about Her Majesty's Government's policy towards enforcement of a no-fly zone over Bosnia.

Mr. Douglas Hogg: We condemn the bombing of the village of Gladovici in eastern Bosnia, which was the first confirmed combat-related violation of the no-fly zone set up in United Nations Security Council resolutions 761 and 776 since 13 October 1992. We fully support the moves in the United Nations towards enforcement of the no-fly zone.

We shall also continue to assess the possible repercussions of enforcement on our ability to protect the humanitarian aid effort. The safety of British troops remains our paramount concern.

Yugoslavia

Mr. Hutton: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will place in the Library a copy of Her Majesty's Government's response to the proposal to establish a war crimes tribunal in the former Yugoslavia, under Security Council resolution 808.

Mr. Douglas Hogg: Yes. Under United Nations Security Council resolution 808 the United Nations Secretary-General should report by 22 April on the most effective and expeditious way to establish the tribunal. The United Nations secretariat has asked for informal contributions from member states to assist it in that work. We have provided comments in the form of a non-paper. I have arranged for a copy to be placed in the Library of the House.

OVERSEAS DEVELOPMENT

Commonwealth Development Corporation

Mr. Hague: To ask the Secretary of State for Foreign and Commonwealth Affairs what response has been made to the Monopolies and Mergers Commission report on the efficiency and costs of and the service provided by the Commonwealth Development Corporation.

Mr. Lennox-Boyd: I have today placed in the Library of the House responses by the Commonwealth Development Corporation and the Government to the recommendations made in the Monopolies and Mergers Commission's report. The Government welcome the MMC's conclusion that

"CDC provides a particularly valuable form of assistance to the economies of developing countries".

The MMC was impressed

"by CDC's competence and by the dedication with which its staff work, often in difficult circumstances, towards the Corporation's objectives".

The Government regard the CDC as an important part of Britain's overall aid effort and it is the principal vehicle under the aid programme for directly assisting the private sector.

The commission made a number of recommendations to improve the efficiency and procedures of the corporation. The CDC has accepted 25 of 28 of these for implementation in whole or in part.

The MMC also recommended that some important issues, relating particularly to the corporation's capital structure and funding, should be considered in the context of the current quinquennial review of the CDC. A further statement on these issues will be made to the House once this review has been completed.

Eastern Europe (Tobacco)

Mr. Flynn: To ask the Secretary of State for Foreign and Commonwealth Affairs how much financial or technical assistance given by his Department to eastern European countries has gone to aid the production or marketing of tobacco products.

Mr. Lennox-Boyd: It is Government policy not to support the tobacco industry under the aid programme. However, inadvertently, one manager from a Polish cigarette company's factory was attached to a United Kingdom company last year under a Foreign and Commonwealth Office—Overseas Development Administration know-how fund programme designed to increase management experience in Britain's market economy. This programme has brought more than 350 managers to the United Kingdom since 1990.

Eastern Europe

Mr. Flynn: To ask the Secretary of State for Foreign and Commonwealth Affairs how much of the financial and technical assistance provided to east European states includes contributions to new nuclear power installations.

Mr. Lennox-Boyd: The financial and technical assistance provided by the United Kingdom to eastern European countries does not include contributions to new nuclear power installations.

EDUCATION

Discretionary Awards

Mr. Don Foster: To ask the Secretary of State for Education how many discretionary awards were given by each local education authority in each year since 1985.

Mr. Boswell: The number of discretionary awards reported by each LEA for the academic years 1989-90 and 1990-91—latest available—are set out in the table. Some historical information on discretionary awards made by individual LEAs is published in past volumes of "Statistics of Education: Finance and Awards" and "Statistical Bulletins: Student Awards in England and Wales" copies of which are in the Library.

Total discretionary awards

LEA	*1989-90*	*1990-91*
City of London	—	7
Camden[1]	—	n/a
Greenwich	—	91
Hackney	—	1,191
Hammersmith	—	372
Islington	—	198
Kensington	—	279
Lambeth	—	275

LEA	1989-90	1990-91
Lewisham	—	533
Southwark	—	157
Tower Hamlets	—	98
Wandsworth	—	1,106
Westminster	—	250
ILEA/LRB[2]	8,391	1,673
Barking	415	139
Barnet	75	41
Bexley	260	286
Brent	187	197
Bromley	351	268
Croydon	893	914
Ealing	711	942
Enfield	132	363
Haringey	492	29
Harrow	71	142
Havering	714	716
Hillingdon	635	157
Hounslow	668	472
Kingston	282	210
Merton	490	555
Newham	802	834
Redbridge	145	290
Richmond	314	223
Sutton	350	393
Waltham Forest	794	779
Birmingham	2,357	537
Coventry	804	785
Dudley	1,282	1,431
Sandwell	1,512	1,628
Solihul	199	254
Walsall	1,579	1,606
Wolverhampton	181	246
Knowsley	1,125	1,347
Liverpool	1,978	1,957
St. Helens	1,066	1,070
Sefton	557	750
Wirral	1,045	649
Bolton	1,780	2,364
Bury	1,657	1,754
Manchester	2,491	2,503
Oldham	940	814
Rochdale	974	1,650
Salford	877	888
Stockport	1,589	1,525
Tameside	764	720
Trafford	885	0
Wigan	2,590	2,604
Barnsley	1,297	2,299
Doncaster	1,568	1,324
Rotherham	1,521	1,471
Sheffield	2,090	120
Bradford	902	973
Calderdale	374	301
Kirklees	2,888	3,215
Leeds	1,574	1,580
Wakefield	2,207	2,191
Gateshead	227	287
Newcastle	956	1,173
North Tyneside	1,253	1,198
South Tyneside	239	236
Sunderland[1]	0	n/a
Isles of Scilly	19	0
Clwyd	1,114	1,172
Dyfed	2,029	2,077
Gwent	309	260
Gwnedd	2,242	2,351
Mid Glamorgan	3,450	3,370
Powys	665	702
South Glamorgan	602	771
West Glamorgan	312	396
Avon[1]	994	n/a
Bedfordshire	1,406	907
Berkshire[1]	424	n/a
Buckinghamshire	490	497
Cambridgeshire	474	457
Cheshire	1,753	2,186
Cleveland	1,073	1,227
Cornwall	1,838	2,091
Cumbria	1,293	2,413
Derbyshire	7,774	9,911
Devon	2,925	3,132
Dorset	1,763	2,003
Durham	597	795
East Sussex	735	1,506
Essex	6,721	6,868
Gloucestershire	1,704	1,710
Hampshire	2,070	410
Hereford and Worcester	530	585
Hertfordshire	1,113	959
Humberside	4,233	5,653
Isle of Wight	374	146
Kent	7,097	7,932
Lancashire	6,349	9,729
Leicestershire	3,522	3,957
Lincolnshire	978	1,057
Norfolk	2,309	2,622
North Yorkshire	3,415	3,290
Northamptonshire	378	800
Northumberland	1,604	1,516
Nottinghamshire	3,774	1,848
Oxfordshire	475	498
Shropshire	916	985
Somerset	1,593	1,319
Staffordshire	3,256	671
Suffolk	1,404	1,601
Surrey	1,239	1,283
Warwickshire	2,204	2,100
West Sussex	673	766
Wiltshire	1,048	1,096

[1] LEAs unable to provide appropriate information.
[2] ILBs took over responsibility from ILEA for most awards in 1990-91; some awards were made by the London Residual Body.

Mr. Don Foster: To ask the Secretary of State for Education what was the amount of total resources allocated to and by each local education authority for discretionary awards in each year since 1985.

Mr. Boswell: It is for each LEA to set out its own budget for discretionary awards in the light of local needs and priorities. The Department does not collect information on any such planned allocations. The available information on expenditure for the years 1985-86 to 1987-88 and 1989-90 to 1990-91 made by LEAs is included in the table. Data for the academic year 1988-89 are not readily available and cannot be provided without incurring disproportionate costs.

Expenditure on discretionary awards

(£000)

	1985-86	1986-87	1987-88	1989-90	1990-91
City of London	—	—	—	—	205·9
Camden[1]	—	—	—	—	n/a
Greenwich	—	—	—	—	353·7
Hackney	—	—	—	—	1,166·3
Hammersmith and Fulham	—	—	—	—	3,043·2
Islington	—	—	—	—	57·0
Kensington and Chelsea	—	—	—	—	452·9

	1985-86	1986-87	1987-88	1989-90	1990-91
Lambeth	—	—	—	—	984·7
Lewisham	—	—	—	—	808·2
Southwark	—	—	—	—	709·1
Tower Hamlets	—	—	—	—	860·9
Wandsworth	—	—	—	—	3,676·5
City of Westminster	—	—	—	—	244·0
ILEA/LRB[2]	18,470·5	19,569·3	22,010·4	17,472·6	6,254·8
Barking	323·5	412·3	400·6	725·4	248·5
Barnet	708·3	732·2	585·7	124·8	137·9
Bexley	401·0	405·4	329·3	305·7	397·6
Brent	2,825·3	3,702·8	3,376·6	798·4	831·0
Bromley	532·3	657·8	689·9	775·8	771·4
Croydon	508·4	517·4	587·5	636·1	698·7
Ealing	663·1	910·0	1,102·1	1,630·5	1,248·4
Enfield	261·4	367·3	431·8	253·7	531·4
Haringey	694·5	780·3	711·8	609·4	105·8
Harrow	336·9	308·7	258·3	341·9	371·7
Havering	447·3	315·7	458·9	428·9	626·7
Hillingdon	294·6	562·0	465·7	582·8	327·8
Hounslow	254·5	334·3	347·3	425·4	349·8
Kingston-upon-Thames	174·5	239·0	204·1	239·1	435·9
Merton	187·7	283·2	234·2	393·3	487·2
Newham	486·2	638·8	676·9	975·2	886·3
Redbridge	348·2	337·5	341·3	422·5	907·7
Richmond-upon-Thames	413·9	364·2	391·5	492·6	617·4
Sutton	158·8	222·0	259·4	296·6	348·4
Waltham Forest	609·8	629·9	855·0	1,046·1	909·7
Birmingham	1,280·3	1,262·6	1,296·3	1,655·8	1,786·3
Coventry	526·5	575·5	680·6	689·2	731·3
Dudley	340·3	340·6	488·3	645·9	673·0
Sandwell	515·2	748·2	774·2	934·7	897·8
Solihull	198·0	222·5	215·5	265·5	356·1
Walsall	695·0	844·5	949·9	1,015·5	1,608·5
Wolverhampton	196·3	178·4	210·7	237·4	279·2
Knowsley	1,136·2	1,192·8	1,313·2	958·0	1,179·2
Liverpool	2,021·9	2,158·4	2,475·8	5,891·3	6,025·8
St. Helens	546·6	618·1	604·1	707·0	710·1
Sefton	328·8	477·0	455·4	687·1	1,209·8
Wirral	1,240·1	1,111·8	1,277·3	1,656·3	1,709·1
Bolton	961·3	999·9	1,030·0	1,036·1	1,381·8
Bury	660·6	796·2	941·1	909·7	982·4
Manchester	1,701·5	2,116·8	2,271·4	1,938·8	2,020·5
Oldham	605·9	480·9	522·7	1,154·0	808·2
Rochdale	449·7	474·6	430·2	457·4	821·5
Salford	629·4	644·2	630·7	688·9	577·1
Stockport	722·8	703·4	748·2	896·3	856·7
Tameside	353·4	399·1	388·3	352·7	465·0
Trafford	491·2	491·1	591·7	705·7	0·0
Wigan	1,002·4	1,093·2	980·8	836·9	680·5
Barnsley	492·7	634·9	835·8	1,166·1	1,387·1
Doncaster	522·2	562·2	596·5	664·9	869·6
Rotherham	512·2	600·4	739·6	742·6	861·2
Sheffield	2,346·4	2,281·8	2,309·2	2,500·2	429·7
Bradford	1,740·6	1,752·8	2,284·7	1,619·4	1,942·0
Calderdale	373·4	320·1	465·2	579·5	547·7
Kirklees	1,663·6	1,733·6	1,967·9	2,535·0	2,953·0
Leeds	994·4	1,520·8	2,067·9	2,223·7	2,501·4
Wakefield	785·6	818·0	1,023·4	1,132·7	1,236·5
Gateshead	345·6	281·6	309·3	527·7	710·6
Newcastle upon Tyne	692·0	681·4	720·9	795·0	1,011·0
North Tyneside	623·3	848·3	1,002·2	1,077·2	932·0
South Tyneside	285·7	260·6	340·9	469·4	471·7
Sunderland[1]	1,242·2	1,328·8	1,202·9	0·0	n/a
Isles of Scilly	79·3	75·7	85·3	79·3	0·0
Avon[1]	2,335·1	3,179·5	3,280·8	2,681·8	n/a
Bedfordshire	1,670·8	1,286·3	1,917·6	1,323·8	1,214·6
Berkshire[1]	1,293·3	1,061·3	1,330·4	1,251·0	n/a
Buckinghamshire	964·4	862·9	979·5	1,118·8	1,257·0
Cambridgeshire	891·8	1,020·0	1,169·5	1,574·3	1,774·0
Cheshire	3,408·2	3,763·0	3,955·6	4,724·1	5,730·2
Cleveland	1,538·0	1,477·5	1,527·9	1,754·5	2,141·9
Cornwall	1,309·1	1,377·2	1,308·5	2,121·5	2,474·9
Cumbria	1,821·6	2,219·1	2,306·8	2,382·1	3,882·2
Derbyshire	2,559·6	2,732·1	2,586·7	3,373·8	4,789·9
Devon	3,365·2	3,870·6	4,282·0	4,742·2	5,148·4
Dorset	1,559·4	1,733·9	1,898·6	2,471·3	3,332·9
Durham	896·3	881·3	788·5	1,295·6	1,879·7
East Sussex	1430·1	1303·7	1353·9	892·0	1282·2

	1985-86	1986-87	1987-88	1989-90	1990-91
Essex	4,558·0	5113·9	4902·7	5809·4	6364·8
Gloucestershire	2,354·1	2,436·4	2,226·7	2,654·8	2,828·5
Hampshire	7,269·1	8,383·3	8,503·9	4,712·4	6,468·5
Hereford and Worcester	1,016·5	1,061·1	1,007·0	1,256·0	1,456·5
Hertfordshire	1,612·4	1,789·7	2,111·0	3,913·6	3,412·3
Humberside	3,226·2	3,234·6	3,481·4	4,524·1	5,336·0
Isle of Wight	356·8	396·6	411·2	488·3	367·0
Kent	3,990·2	5,193·9	5,221·5	4,985·4	5,799·1
Lancashire	4,887·7	5,284·8	5,323·5	8,593·2	9,764·9
Leicestershire	3,289·2	3,581·1	4,086·2	4,760·5	5,791·1
Lincolnshire	1504·9	1567·7	1,496·6	1,389·4	1,776·4
Norfolk	1,672·0	1,746·3	1,854·9	2,267·3	2,881·4
North Yorkshire	4,070·4	4,448·9	4,910·8	5,057·1	8,114·4
Northamptonshire	875·7	1,231·1	960·3	984·2	1,605·0
Northumberland	956·6	1,332·1	1,370·3	1,938·3	2,256·8
Nottinghamshire	2,624·3	2,890·3	3,054·4	3,914·2	3,012·7
Oxfordshire	908·3	1,093·5	956·7	1,077·6	1,255·4
Shropshire	1,125·1	1,260·7	1,362·9	1,466·1	1,721·1
Somerset	469·6	955·9	1,180·9	1,655·5	1,705·8
Staffordshire	1,423·8	1,597·6	2,094·2	1,611·4	1,532·0
Suffolk	1,879·6	1,923·7	1,918·9	2,247·1	3,059·8
Surrey	1,569·6	1,622·4	1,685·5	1,802·2	1,963·6
Warwickshire	1,228·2	857·8	1,410·8	911·1	1,136·9
West Sussex	812·6	836·1	801·6	1,090·8	1,419·6
Wiltshire	1,344·6	1,532·2	1,478·3	1,647·6	1,764·9
Clwyd	1,515·9	1,218·5	1,268·9	1,771·7	1,948·7
Dyfed	1,230·8	1,388·4	1,324·4	1,915·4	2,445·1
Gwent	2,012·4	2000·6	2258·6	853·2	827·1
Gwynedd	818·5	926·1	855·7	798·3	1,059·8
Mid-Glamorgan	331·6	420·9	363·9	1,591·4	1,480·0
Powys	575·2	566·1	575·3	785·1	947·3
South Glamorgan	1,038·3	1,108·7	1140·3	1,214·3	1508·0
West Glamorgan	804·6	761·7	767·0	849·7	1,039·1

[1]LEAs unable to provide appropriate information
[2]ILBs took over responsibility from ILEA for most awards in 1990-91 some awards were made by the London Residual Body.

Mr. Don Foster: To ask the Secretary of State for Education how many students applying for discretionary awards, in each local education authority, were refused such awards for each year since 1985.

Mr. Boswell: It is for each local education authority to decide on the allocation of discretionary awards in the light of local needs and priorities. The number of students refused discretionary awards is not held centrally.

National Curriculum

Mr. Win Griffiths: To ask the Secretary of State for Education (1) if he will make a statement about the level of support being provided to teachers of children with special educational needs to develop appropriate systems of assessment leading to level 1 of key stage 1 of the national curriculum;

(2) if he will take steps to develop a system of assessment within the national curriculum to take proper account of those children who are currently assessed as working towards level 1 of key stage 1;

(3) if he will make a statement about work being undertaken by local education authorities and schools to develop systems of assessment appropriate for children who are currently assessed as working towards level 1 of key stage 1 of the national curriculum.

Mr. Forth: The statutory assessment arrangements for key stage 1 already provide for teachers to assess those pupils who are working towards level 1, including those with special educational needs. Teachers are able to use the framework provided by the national curriculum, and extend it in the light of individual needs and circumstances, to identify suitable targets for those working towards level 1. These arrangements are kept under review by the School Examinations and Assessment Council—SEAC.

All local education authorities receive specific grant for education support and training to meet their in-service training requirements for assessment. This includes arrangements for teachers of children with special educational needs.

Arrangements to disseminate good practice between schools and LEAs' specialist advisers are encouraged.

SEAC has also given extensive guidance to LEAs and teachers on appropriate assessment arrangements for pupils with special educational needs. Additionally some LEAs, in conjunction with their schools, are developing further guidance for teachers of pupils working towards level 1.

SEAC's guidance, which is kept under review, provides for a considerable degree of flexibility which teachers are able to use in making adaptations to both testing procedures and the tests themselves. The effectiveness of these general assessment arrangements are also reviewed, as appropriate, during the periodic school survey programme conducted by the Office for Standards in Education.

Mr. Win Griffiths: To ask the Secretary of State for Education if he will undertake a survey of the effects of the introduction of the national curriculum and its associated assessment and testing on the work load of teachers and its impact on their health.

Mr. Forth: My right hon. Friend has no plans to do so.

Teacher Absence

Mr. Win Griffiths: To ask the Secretary of State for Education if he will publish information on the level of teacher absence from school because of ill health in each of the last five years and in 1979.

Mr. Boswell: Information on teacher absences was collected as part of the secondary school staffing survey of maintained secondary schools in England. However, it is available only for the years 1988 and 1992, when the percentage of tuition time affected by short-term absences of teachers for reasons other than in-service training or other professional duties was recorded as 4 and 3 per cent. respectively.

Teachers (Early Retirement)

Mr. Win Griffiths: To ask the Secretary of State for Education how many *(a)* head teachers and *(b)* teachers have been given early retirement in each of the last five years and in 1979.

Mr. Boswell: The number of *(a)* head teachers and *(b)* teachers in schools who have been given early retirement under the premature retirement arrangements in the financial years 1978-79 and 1988-89 to 1992-93 is shown in the table. The numbers relate to those teachers who retired before the normal retirement age of 60. They do not include teachers retiring for reasons of ill health.

Financial year	England		Wales		Total	
	(a)	*(b)*	*(a)*	*(b)*	*(a)*	*(b)*
1978-79	91	473	10	58	101	531
1988-89	811	6,289	77	424	888	6,713
1989-90	861	6,724	73	457	934	7,181
1990-91	840	6,603	87	445	927	7,048
1991-92	673	5,535	55	379	728	5,914
1992-93[1]	742	6,244	67	371	809	6,615

[1] Provisional.

Child Carers

Mr. Win Griffiths: To ask the Secretary of State for Education what measures he intends to take to help children who care for disabled or terminally ill relatives to attend school regularly.

Mr. Forth: Regular school attendance is important for all pupils. Where special circumstances exist at home, we look to schools to liaise closely with education welfare officers and local authority social services departments to ensure that children are not thereby prevented from attending school.

Truancy and Expulsions

Mr. Win Griffiths: To ask the Secretary of State for Education what is the latest information he has on the levels of *(a)* truancy and *(b)* expulsions in primary and secondary schools.

Mr. Forth: Truancy data will be published in local school performance tables for the first time this autumn. We will then have a clearer understanding of the levels of truancy nationally. Information on permanent exclusions from maintained schools was collected by the Department over a two-year period beginning with the summer term 1990. Returns from the second year are currently being analysed but preliminary results from an analysis of the first-year data show that there were some 3,000 permanent exclusions over that period. Exclusions in the primary phase accounted for 13 per cent. of the total.

Selection

Mr. Win Griffiths: To ask the Secretary of State for Education if he will publish a list of those schools which have expressed an interest in introducing selective admission procedures based on ability for secondary education.

Mr. Forth: The following self-governing state schools —grant-maintained schools—have published proposals under section 89 of the Education Reform Act 1988 to make a significant change of character by introducing arrangements for some or all pupils to be admitted by reference to ability: Castle Hall School, Kirklees, rejected on 21 May 1992; Avon Valley School, Warwickshire, withdrawn 24 March 1992; Southlands School, Berkshire, approved 16 February 1993; Queen Elizabeth Grammar School, Cumbria, minded to approve 5 March 1993. No other such proposals are currently before my right hon. Friend.

Nursery Education

Mr. Win Griffiths: To ask the Secretary of State for Education if he will make a statement about the value of nursery education in enhancing the performance of pupils at key stage 1 of the national curriculum; and what action he intends to take in the light of the evidence which is available to his Department on this subject.

Mr. Forth: Various research findings have indicated that nursery education has benefits in preparing many children for their primary schooling. There is no conclusive evidence of its benefits over the longer term or of its cost effectiveness relative to that of other forms of under-five provision. The Government believe that the patterns of provision for the under-fives are best left for local determination in the light of the available resources.

Teachers' Health

Mr. Win Griffiths: To ask the Secretary of State for Education if he will undertake a national survey of the effects of the introduction of the local management of schools and the national curriculum on the health of headteachers.

Mr. Forth: My right hon. Friend has no plans to do so.

Student Loans

Mr. Steinberg: To ask the Secretary of State for Education what are the latest figures for the number of students who have taken out loans from the students access funds; and if he will estimate the total amount of the loans.

Mr. Boswell: This information is not collected centrally.

Grant-maintained Schools

Mrs. Gorman: To ask the Secretary of State for Education how many applications for grant-maintained status have been approved *(a)* without modification, *(b)* with modification in respect of the admission number, *(c)* with modification in respect of the date of incorporation and *(d)* with modification in respect of the admissions policy; and how many of such applications were published (i) before 1 December 1992, and (ii) after 1 December 1992.

Mr. Forth: This information could be provided only at a disproportionate cost.

Market Testing

Mr. Batiste: To ask the Secretary of State for Education which professional services within his Department have been subjected to market testing within the last 12 months and with what result; and which will be subjected to market testing within the next 12 months.

Mr. Boswell: A limited market test of the Department for Education library in 1992 led to the service being retained in-house. The Department's market-testing programme for the period after 30 September 1993 has not yet been finalised.

HOUSE OF COMMONS

Church Business

Mr. Mackinlay: To ask the Lord President of the Council if he will introduce legislation to provide for the levying of charges on the Church of England for the passage of Church of England Measures along the lines of those levied on promoters of private Bills.

Mr. Newton: I have no plans to do so.

Mr. Mackinlay: To ask the right hon. Member for Berwick-upon-Tweed, as representing the House of Commons Commission if he will list the numbers and grades of staff whose work involves a significant amount of time spent on matters relating to Church of England or Church Commissioners' business in the House.

Mr. Beith: One assistant clerk—HEO/D—is made available as Commons secretary of the Ecclesiastical Committee and spends not more than 10 per cent. of his time on work associated with that committee. No other member of staff spends a significant amount of time on Church of England or Church Commissioners' business.

Mr. Mackinlay: To ask the Lord President of the Council how much time has been devoted to *(a)* oral questions to the right hon. Member answering on behalf of the Church Commissioners and *(b)* to the passage of Church of England measures, in Sessions 1990-91, 1991-92 and 1992-93 to date.

Mr. Newton: The information requested is as follows:

	(a) Oral Questions (Church Commissioners)	*(b) Church of England measures*
1990-91	35 minutes	1 hour 17 minutes
1991-92	15 minutes	1 hour 1 minute
1992-93 (up to 25 March 1993)	25 minutes	nil

Mr. Mackinlay: To ask the Lord President of the Council how many questions tabled to the right hon. Member answering on behalf of the Church Commissioners have been printed in the Order Paper; and how many received *(a)* oral and *(b)* written answers, for Sessions 1990-91, 1991-92 and 1992-93 to date.

Mr. Newton: The information requested is as follows:

	Total	*(a) oral answer*	*(b) written answer*[1]	*(c) withdrawn*
1990-91	44	18	26	—
1991-92	12	7	5	—
1992-93 (up to 25 March 1993)	48	16	30	2

[1] Includes questions tabled for oral answer which were not reached, and therefore received a written reply.

WALES

Ministerial Visits

Mr. Llew Smith: To ask the Secretary of State for Wales if he will list the names of the *(a)* schools, *(b)* colleges and *(c)* universities which he and his ministerial colleagues have visited since April 1992; and if he will make a statement on the purpose and benefits of the visits.

Sir Wyn Roberts: The information is as follows:

Schools

Clwyd
- Ysgol Uwchradd Glan Clwyd
- Brynhyfryd Comprehensive

Dyfed
- Llandovery College (Independent)

Gwent
- Garnfach Infants
- Lliswerry Comprehensive
- Pentrepoeth Primary
- Brynmawr Comprehensive (Grant Maintained)

Mid Glamorgan
- Ysgol Gyfun Rhydfelin
- Aberdare Girls High
- Llwyn Crwn Primary

Powys
- Crickhowell High
- John Beddoes Secondary

West Glamorgan
- Bishop Vaughan Comprehensive (Grant Maintained)

South Glamorgan
- Englwys Wen Primary
- Ysgol Melin Gruffydd

Colleges

Atlantic College
Carmarthenshire College of Technology and Art
Gwynedd Technical College
Rhondda College
Barry College

Gwent College of Higher Education
Llandrillo College

Universities
University of Glamorgan
University of Wales College of Cardiff

Such visits provide opportunities to see institutions in operation and to discuss education matters with staff, students and pupils.

University Hospital

Mr. Morgan: To ask the Secretary of State for Wales if he will make a statement rescinding his instruction to South Glamorgan health authority to award the catering contract at the University hospital of Wales to Gardner Merchant.

Mr. Gwilym Jones: The awarding of catering contracts is a health authority responsibility and South Glamorgan health authority advises us that it intends to take no further steps to implement the tendering exercise concerned with the provision of catering services at the University hospital of Wales.

Welsh Language

Mr. Dafydd Wigley (Caernarfon): To ask the Secretary of State for Wales, how many children in each local education authority speak Welsh as their mother tongue in Wales in absolute and percentage terms.

Sir Wyn Roberts: Information on the number of children who speak more Welsh than English at home will be available from the results of the 1992 Welsh social survey. The 1991 census collected data on whether children spoke Welsh but not on whether it was their first language. The numbers and percentage of children aged three to 16 speaking Welsh is published for Wales and counties—local education authorities—by the Office of Population Censuses and Surveys in the 1991 census national monitor for Wales—Cen 91 CM 55.

Midwives

Mr. Morgan: To ask the Secretary of State for Wales what consultations he has had with the south Glamorgan health authority regarding the offer of employment to its salaried diploma students graduating at the south East Wales School of Midwifery within the University of Wales College of Cardiff.

Mr. Gwilym Jones: My right hon. Friend has had no consultations with the South Glamorgan health authority on this subject. This is a matter for the authority as employer.

National Curriculum

Mr. Win Griffiths: To ask the Secretary of State for Wales if he will undertake a survey of the effects of the introduction of the national curriculum and its associated assessment and testing on the work load of teachers and its impact on their health.

Sir Wyn Roberts: Implementation of the national curriculum and its associated assessment arrangements are being phased in over a number of years. The teaching and assessment requirements are already subject to periodic review, respectively by the Curriculum Council for Wales, National Curriculum Council and School Examinations and Assessment Council. In addition, the office of Her Majesty's chief inspectorate for Wales monitors and reports on the implementation of the national curriculum as part of its yearly inspection programme.

Mr. Win Griffiths: To ask the Secretary of State for Wales if he will make a statement about the value of nursery education in enhancing the performance of pupils at key stage 1 of the national curriculum; and what action he intends to take in the light of the evidence which is available to his office on this subject.

Sir Wyn Roberts: The provision of nursery education in Wales for pupils under five is at the discretion of local authorities. A detailed analysis of the end of key stage 1 pupil performance and its relationship to the value of nursery education has not been undertaken by the Department.

Mr. Win Griffiths: To ask the Secretary of State for Wales (1) if he will take steps to develop a system of assessment within the national curriculum to take proper account of those children who are currently assessed as working towards level 1 of key stage 1;

(2) if he will make a statement about work being undertaken by local education authorities and schools to develop systems of assessment appropriate for children who are currently assessed as working towards level 1 of key stage 1 of the national curriculum;

(3) if he will make a statement about the level of support being provided to teachers of children with special educational needs to develop appropriate systems of assessment leading to level 1 of key stage 1 of the national curriculum.

Sir Wyn Roberts: The statutory arrangements for key stage 1 already provide for teachers to assess pupils who are working towards level 1, including those with special educational needs. These arrangements are kept under review by the School Examinations and Assessment Council—SEAC.

All LEAs in Wales benefit from support funding under the grants for education, support and training programme to meet their in-service teacher training requirements for assessment and aspects of special educational needs, and networking arrangements to disseminate good practice between schools and LEA specialist advisers are encouraged.

General and specific teacher guidance material to support teachers' professional judgments in the assessment of pupils with special educational needs has been produced and distributed to all schools by SEAC. Additionally some LEAs in Wales in conjunction with their schools are developing further guidance to that provided by SEAC in support of pupils working towards level 1.

SEAC's guidance, which is kept under review, provides for a considerable degree of flexibility which teachers are able to use in making adaptations to both procedures and materials during the course of their professional assessments. The effectiveness of these general assessment arrangements is also reviewed, as appropriate, by the office of Her Majesty's chief inspector in Wales.

Mr. Win Griffiths: To ask the Secretary of State for Wales if he will undertake a survey of the effects of the introduction of the local management of schools and the national curriculum on the health of head teachers.

Sir Wyn Roberts: I have no plans at present to undertake a survey on the effects of our local management of schools arrangements on the health of teachers. As regards the national curriculum, I refer the hon. Gentleman to my reply today on the work load of teachers.

Truancy and Expulsions

Mr. Win Griffiths: To ask the Secretary of State for Wales what is the latest information he has on the levels of *(a)* truancy and *(b)* expulsions in primary and secondary schools.

Sir Wyn Roberts: I refer the hon. Gentleman to the answer I gave him on 24 February, at column *634*, when I informed him that information on absence rates is not collected centrally although it is our intention for these details to be published on an individual school basis.

The Welsh Office has been monitoring permanent exclusions at maintained schools over a two-year period starting with the summer term 1990 under the national exclusions reporting system. Around 190 were permanently excluded in the period covered. Information on temporary exclusions is not collected by the Department.

Teachers (Ill Health)

Mr. Win Griffiths: To ask the Secretary of State for Wales if he will publish information on the level of teacher absence from school because of ill health in each of the last five years and in 1979.

Sir Wyn Roberts: Data on the absence of teachers in maintained secondary schools in Wales were collected as part of the 1989 secondary school staffing survey. The percentage of tuition time affected by short term absences of teachers for reasons other than in-service training or other professional duties was recorded as four per cent. No data on teacher absence are available from the 1986 survey. No data are available for primary schools.

Mr. Win Griffiths: To ask the Secretary of State for Wales how many *(a)* head teachers and *(b)* teachers have been given early retirement on the ground of ill health in each of the last five years and in 1979.

Sir Wyn Roberts: The information requested can be provided only at disproportionate cost.

School Age Carers

Mr. Win Griffiths: To ask the Secretary of State for Wales what measures he intends to take to help children who care for disabled or terminally ill relatives to attend school regularly.

Sir Wyn Roberts: It is for local education authorities to ensure that parents are fulfilling their statutory obligations as to their children's education. However, where special circumstances apply as when a child is involved in caring for infirm relatives, we would expect a local authority to consult as appropriate with any other agencies that are involved.

Schools (Selection)

Mr. Win Griffiths: To ask the Secretary of State for Wales how many secondary schools have approached him about introducing selective admissions procedures based on ability.

Sir Wyn Roberts: None.

Higher Education (Drop-out Rates)

Mr. Dafis: To ask the Secretary of State for Wales if he will publish figures showing the numbers of students that have dropped out of courses within *(a)* each university college and *(b)* each higher education institution in Wales within each of the last five years; and if he will express the figure also as a percentage of the total number of students in each institution in each year.

Sir Wyn Roberts *[holding answer 23 February 1993]:* The information requested is as follows:

Data for the individual colleges of the University of Wales are not available centrally. The figures for the university of Wales as a whole, shown in table 1, exclude students who were seconded, took a year out or transferred between colleges or to other universities.

Information on students who withdraw from courses in the former LEA maintained higher education sector was recorded for the first time in the continuous student record survey in 1990. As a result only one year's data are currently available. Table 2 gives counts of those students enrolled on full-time and sandwich first degree courses in 1989-90 who had withdrawn by the following academic year—1990-91. Students who transferred to other courses, either internally or externally, or whose course was interrupted for medical reasons have been excluded.

Table 1
Students withdrawing from courses

Calendar year	*Number*	*Percentage*
1987	767	13
1988	944	15
1989	789	13
1990	738	12
1991	702	11

Source: Universities' Statistical Record.

Table 2
Students withdrawing from courses

	Number[1]	*Percentage*[2]
North East Wales Institute	26	11
Welsh Agricultural College	0	0
Trinity College	14	10
Gwent College	41	13
Normal College Bangor	9	7
University of Glamorgan	150	12
Welsh College of Music and Drama	2	7
Cardiff Institute	44	9
Swansea Institute	40	13

[1] November 1989 to November 1990.
[2] Percentage calculated on the total number of students enrolled on full-time and sandwich first degree courses during the 1989-90 academic year.

AGRICULTURE, FISHERIES AND FOOD

Regulations

12. **Mr. Ieuan Wyn Jones:** To ask the Minister of Agriculture, Fisheries and Food what representations he has received from the farming unions in England and Wales on the number of regulations introduced by his Department which require individual farmers to complete records or forms.

Mr. Gummer: The Government and the farming unions have a common interest in reducing the burden of administration to a minimum and I have kept in close touch with the unions on this subject.

Patulin

13. **Mr. Nigel Griffiths:** To ask the Minister of Agriculture, Fisheries and Food what representations he has received from organisations representing consumers about the level of patulin in fruit juices.

Mr. Soames: I have received no representations from consumer organisations about the level of patulin.

The National Consumer Council had a useful meeting with my right hon. Friend the Minister at which there was a discussion of publication of food surveillance data so as to give helpful information to consumers and avoid the possibility of the public being misled by unwarranted scare stories.

Bio-energy

14. **Mr. Flynn:** To ask the Minister of Agriculture, Fisheries and Food what new plans he has to increase the acreage of set aside land that is used for experimental bio-energy projects.

Mr. Curry: Crops for use as biofuels can already be grown on any land set-aside under the arable area payments scheme.

Environmentally Sensitive Areas

15. **Mr. Barnes:** To ask the Minister of Agriculture, Fisheries and Food how many farmers have applied to join the six new ESA schemes launched in January 1993.

Mr. Gummer: By Monday 22 March about 500 farmers had applied and we expect more by the application deadline of 31 March.

French Fishermen (Attacks)

17. **Mr. Nigel Evans:** To ask the Minister of Agriculture, Fisheries and Food what representations he has received concerning compensation for United Kingdom citizens who have lost stock due to attacks by French fishermen in French ports.

Mr. Curry: We are assisting those who have suffered to claim for compensation against the French authorities.

Common Agricultural Policy

16. **Lady Olga Maitland:** To ask the Minister of Agriculture, Fisheries and Food what steps he is taking to minimise the administrative burden on farmers within the reformed CAP.

Mr. Gummer: At my request, the Commission is examining ways of simplifying for the future the rules for the CAP reform schemes.

18. **Mr. Hunter:** To ask the Minister of Agriculture, Fisheries and Food what recent representations he has made to the European Commission and to Governments of other member states to ensure that the requirements of the common agricultural policy are practised and enforced in all member states.

Mr. Gummer: I take every opportunity to insist that the rules of the CAP are enforced throughout the Community.

At last week's meeting of the Agriculture Council, I pressed the Commission to ensure that the integrated administration and control regulation is properly implemented in all member states.

19. **Mr. Peter Ainsworth:** To ask the Minister of Agriculture, Fisheries and Food when he expects to publish guidance and application forms for aid under the reformed CAP.

Mr. Gummer: Guidance on the individual schemes introduced as the result of CAP reform has been sent to producers. Application forms for aid are being distributed in line with the timing of the introduction of each scheme.

20. **Mr. Oppenheim:** To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on the recent level of CAP frauds and measures taken to reduce the incidence of such frauds.

Mr. Curry: Fraud, by definition, cannot be quantified. Nevertheless, it is a serious matter and it remains a Government priority to continue to build on the recent progress made in the campaign against fraud. During the United Kingdom presidency, the rules for the integrated administration and control system were agreed by the Council. This system is designed to clamp down on fraud under the reformed CAP schemes and is to be applied equally in all member states. Additionally, following CAP reform, expenditure on export refunds, which has always provided scope for fraud, will be reduced. The Government will continue to take every opportunity to ensure action is taken by the Commission and our Community partners to improve fraud prevention and awareness.

Dairy Farming

21. **Mr. Knox:** To ask the Minister of Agriculture, Fisheries and Food when he will next meet the chairman of the milk marketing boards to discuss the dairy sector.

Mr. Gummer: I met the chairman of the milk marketing board on 18 March.

Fishing

22. **Mr. Foulkes:** To ask the Minister of Agriculture, Fisheries and Food what recent representations he has received from national and local associations representing the fishing industry about the state of the fishing industry.

Mr. Curry: I and my right hon. and hon. Friends at the Scottish Office have had numerous meetings and other discussions with associations representing fishermen throughout the country.

General Agreement on Tariffs and Trade

23. **Mr. Simon Coombs:** To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on the effect on United Kingdom agriculture policy of progress of the GATT negotiations.

Mr. Gummer: The agreement reached between the EC and the United States on agriculture last November provides the basis for a balanced, multilateral agreement which is consistent with the reforms of the CAP agreed in May 1992.

Bovine Spongiform Encephalopathy

24. **Mr. Gordon Prentice:** To ask the Minister of Agriculture, Fisheries and Food what recent estimate he has made as to when BSE will be eradicated.

Mr. Soames: There is growing evidence to support the view that measures taken by the Government should be sufficient to bring about the disappearance of BSE, but it is impossible to predict how long this process will take.

Food (Cost)

25. **Mr. Pawsey:** To ask the Minister of Agriculture, Fisheries and Food what assessment he has made of the relative cost to the consumer of food in Britain and France.

Mr. Soames: None.

Milk Marketing Boards

26. **Mr. Burden:** To ask the Minister of Agriculture, Fisheries and Food what discussions he has had with milk producers on the question of the milk marketing boards' future.

Mr. Gummer: Discussions with representatives of all sectors of the industry have been held frequently since the milk marketing board began to consider the options for future marketing arrangements open to it.

Animal Welfare

28. **Mr. Burns:** To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on changes in animal welfare since 1987.

Mr. Soames: Since 1987, regulations have come into force which ban the veal crate, phase out close confinement systems for pigs, set standards for battery hens and general welfare standards for all farm livestock.

Two new welfare codes for goats and farmed deer have been made.

Orders have been made to give further protection to all animals during transport and to farm animals and horses at markets.

Regulations have been made to give further protection to the welfare of livestock and poultry at slaughter and on the licensing of poultry slaughtermen. The Welfare of Animals at Slaughter Act 1991 provides powers to implement further welfare measures recommended by the Farm Animal Welfare Council, and statutory codes of practice have been introduced on the welfare of poultry and red meat animals at slaughter.

We are pressing for the high standards of animal welfare in this country to be extended throughout the European Community.

Potatoes

27. **Mr. Madden:** To ask the Minister of Agriculture, Fisheries and Food what discussions he has had with the Potato Marketing Board about the ending of the potato marketing scheme.

Mr. Curry: My right hon. Friend the Minister and I have met both the past and present chairmen of the Potato Marketing Board to discuss the EC proposals for a regime in potatoes which, as drafted, would mean the end of the potato marketing scheme.

29. **Mr. Kynoch:** To ask the Minister of Agriculture, Fisheries and Food what representations he has received from potato producers about the proposed EC potato regime.

Mr. Curry: I refer my hon. Friend to the reply given on 22 March 1993 to my hon. Friend the Member for Thanet, North (Mr. Gale), at column *503*.

Herbicides

Mr. Clifton-Brown: To ask the Minister of Agriculture, Fisheries and Food whether he will review the guidelines on the use of herbicides in particular Glyphosate on cover crops for set-aside purposes.

Mr. Curry: I refer my hon. Friend to the reply given on 17 March to my hon. Friend the Member for New Forest (Sir P. McNair-Wilson), at column *284*.

Meat Inspectors

Mr. Gill: To ask the Minister of Agriculture, Fisheries and Food how many meat inspectors are employed in the United Kingdom.

Mr. Soames: There are about 1,200 full-time equivalent meat inspectors employed in the United Kingdom.

Horses

Mr. Harry Greenway: To ask the Minister of Agriculture, Fisheries and Food what representations he has received about the welfare of horses on farms and elsewhere; and if he will make a statement.

Mr. Soames: The Department receives a small number of letters on the welfare of horses on farms and elsewhere. The welfare of horses used for agriculture is protected by the Agriculture (Miscellaneous Provisions) Act 1968, compliance with which is monitored by the state veterinary service. Further safeguards are laid down in orders under the Animal Health Act 1981 on the welfare of horses during transport and at markets. Controls on the export of horses, on which many representations are received, remain in place as provided for in directive 91/628/EEC.

Other aspects of the welfare of horses are the responsibility of my right hon. and learned Friend the Home Secretary.

Badgers

Mr. Milburn: To ask the Minister of Agriculture, Fisheries and Food how many applications have been received under the Protection of Badgers Act 1992 to enter dogs into badger setts; and how many have been granted, by region.

Mr. Soames: The Ministry has received 13 applications to permit the entry of dogs into badger setts. No licences have been issued.

Mr. Milburn: To ask the Minister of Agriculture, Fisheries and Food what conditions are applied to licences granted for the purpose of entering dogs into badger setts.

Mr. Soames: No such licences have been issued.

Fisheries Protection

Mr. Patrick Thompson: To ask the Minister of Agriculture, Fisheries and Food if he intends to use the Royal Navy to undertake fisheries protection duties in 1993-94; and if he will make a statement.

Mr. Curry: The provision of surface surveillance is one of a number of services being market tested by my Department as part of its contribution to the "Competing for Quality" White Paper published in November 1991, Cm 1730.

Following detailed negotiations, I can confirm that my Department will continue to use the Royal Navy for fisheries protection duties in 1993-94. The operating arrangements for the Royal Naval vessels are being improved so as to increase their effectiveness.

Genetic Diversity

Mr. Gapes: To ask the Minister of Agriculture, Fisheries and Food, pursuant to his answer of 5 March, *Official Report*, column *313*, on genetic diversity in plants, if he will make it his policy to reduce the initial registration fee for a plant variety from £800 to £100, and the annual fee from £400 to £25.

Mr. Curry: National Listing fees vary depending on the species and function concerned, and the cost of the work involved. Fees are reviewed annually in consultation with the industry and every effort is made to keep fees as low as possible.

NORTHERN IRELAND

Religious Affiliations

Mr. William Ross: To ask the Secretary of State for Northern Ireland (1) what is the annual cost of monitoring the religious affiliation of the employees of the Northern Ireland Curriculum Council;

(2) what is the annual cost of monitoring the religious affiliation of the employees of the university of Ulster;

(3) what is the annual cost of monitoring the religious affiliation of the employees of the Sports Council for Northern Ireland;

(4) what is the annual cost of monitoring the religious affiliation of the employees of each education and library board;

(5) what is the annual cost of monitoring the religious affiliation of the employees of the Arts Council for Northern Ireland;

(6) what is the annual cost of monitoring the religious affiliation of the employees of *(a)* the Ulster folk and transport museum and *(b)* the Ulster museum.

Mr. Hanley: The costs, which are approximate, are as follows:

	£
Northern Ireland Curriculum Council	[2]780
University of Ulster	[2]20,000
Sports Council for Northern Ireland	[1]1,100
Belfast Education and Library Board	[1]53,219
North-East Education Library Board	[1]43,216
South-Eastern Education and Library Board	[1]52,053
Southern Education and Library Board	[1]55,216
Western Education and Library Board	[1]49,736
Arts Council for Northern Ireland	[2]1,770
Ulster Folk and Transport Museum	[2]1,300
Ulster Museum	[2]1,100

[1] Based on figures for 1991-92.
[2] Based on figures for 1992-93.

Mr. William Ross: To ask the Secretary of State for Northern Ireland (1) what is the annual cost of monitoring the religious affiliation of the employees of the Fair Employment Commission;

(2) what is the annual cost of monitoring the religious affiliation of the employees of the Northern Ireland tourist board;

(3) what is the annual cost of monitoring the religious affiliation of the employees of the Equal Opportunities Commission.

Mr. Atkins: The annual cost is negligible.

Mr. William Ross: To ask the Secretary of State for Northern Ireland what is the annual cost of monitoring the religious affiliation of the employees of Northern Ireland Electricity.

Mr. Atkins: The estimated annual cost is £5,550.

Pupil Costs

Mr. Peter Robinson: To ask the Secretary of State for Northern Ireland (1) what is the average cost per pupil in each of the maintained secondary schools in each education and library board area in Northern Ireland for the last five years;

(2) what is the average cost per pupil in each of the primary schools in the maintained sector in each education and library board area in Northern Ireland for the last five years;

(3) what is the average cost per pupil in each of the primary schools in the controlled sector in each education and library board area in Northern Ireland for the last five years.

Mr Hanley: Information in the form requested is not readily available and could be compiled only at disproportionate cost. I will, however, arrange to have placed in the Library copies of each education and library board's budget statements for 1991-92 and 1992-93 which contain detailed information on individual schools' delegated budget allocations.

Mr. Peter Robinson: To ask the Secretary of State for Northern Ireland what is the average cost per pupil in each of the voluntary grammar schools in each education and library board area in Northern Ireland for the last five years.

Mr. Hanley: The information is as follows:

Education and library board area	School year 1987-88	School year 1988-89	Financial year 1989-90	Financial year 1990-91	Financial year 1991-92
Belfast					
Belfast Royal Academy	1,534	1,593	1,767	—	2,061
Belfast Collegiate	1,392	1,398	1,541	—	1,849
Campbell College	2,102	2,077	1,962	—	2,437
Dominican College	1,473	1,509	1,594	—	1,908
Hunterhouse College	1,492	1,585	1,894	—	2,206
Methodist College	1,481	1,659	1,718	—	2,083
Rathmore Grammar	1,354	1,398	1,529	—	1,895
Royal Belfast Academical Institution	1,568	1,674	1,858	—	2,164
St. Dominic's High	1,526	1,628	1,794	—	2,028
St. Malachy's College	1,510	1,626	1,803	—	2,084
St. Mary's Christian Brothers	1,416	1,527	1,696	—	2,016
Strathearn	1,359	1,445	1,546	—	1,874
Victoria College	1,706	1,736	1,968	—	2,332
North-Eastern					
Ballymena Academy	1,359	1,450	1,624	—	1,996
Ballymena, St. Louis	1,333	1,388	1,448	—	1,871
Ballymoney, Dalriada	1,415	1,528	1,692	—	2,089
Belfast High School	1,4[illegible]	1,586	1,822	—	2,095
Coleraine Academical Institution	1,501	1,606	1,885	—	2,279
Coleraine, Loreto Convent	1,406	1,533	1,632	—	2,031
Garron Tower, St. Macnissi's	1,325	1,456	1,640	—	2,016
Larne Grammar	1,503	1,628	1,835	—	2,153
Magherafelt, Rainey Endowed	1,587	1,653	1,744	—	2,038
Magherafelt, St. Mary's	1,266	1,449	1,513	—	1,880
Portstewart, Dominican	1,639	1,791	1,805	—	2,213
South-Eastern					
Ballynahinch, Assumption	1,397	1,486	1,583	—	1,946
Bangor Grammar	1,344	1,418	1,620	—	1,954
Belfast, Our Lady and St. Patrick's	1,417	1,553	1,613	—	1,956
Downpatrick, St. Patrick's	1,259	1,359	1,440	—	1,797
Hollywood, Sullivan Upper	1,291	1,395	1,534	—	1,888
Lisburn, Friends	1,396	1,511	1,643	—	1,983
Lisburn, Wallace	1,301	1,455	1,522	—	1,863
Southern					
Armagh, Christian Brothers	1,591	—	—	—	—
Armagh, St. Patrick's College	1,653	—	—	—	—
Armagh, St. Patrick's Grammar	—	1,540	1,797	—	2,115
Armagh Royal	1,712	1,889	1,973	—	2,258
Donaghmore, St. Joseph's	1,450	1,693	1,819	—	2,206
Dungannon Royal	1,809	1,849	1,905	—	2,268
Dungannon, St. Patrick's Boys'	1,170	1,296	1,533	—	1,937
Dungannon, St. Patrick's Girls'	1,186	1,275	1,345	—	1,715
Kilkeel, St. Louis High	1,713	2,017	2,287	—	2,597
Lurgan, St. Michael's Senior High	1,701	1,965	2,118	—	2,452
Newry, Christian Brothers	1,281	1,386	1,581	—	1,923
Newry, Our Lady's	1,146	1,254	1,390	—	1,756
Newry, Sacred Heart	1,304	1,307	1,446	—	1,834
Newry, St. Colman's	1,212	1,353	1,455	—	1,827
Western					
Enniskillen, Convent	1,256	1,347	1,455	—	1,841
Enniskillen, Portora	1,876	2,048	2,287	—	2,514
Enniskillen, St. Michael's	1,310	1,440	1,556	—	1,888
Londonderry, Foyle and Londonderry College	1,421	1,514	1,656	—	2,033
Londonderry, St. Columb's	1,270	1,423	1,552	—	1,874
Londonderry, Thornhill	1,343	1,395	1,588	—	1,945
Omagh, Christian Brothers	1,267	1,380	1,525	—	1,932
Western					
Omagh, Loreto Convent	1,324	1,321	1,437	—	1,825
Strabane Convent	1,336	1,463	1,595	—	1,942

Notes:

1. The figures exclude preparatory departments.
2. Armagh Christian Brothers and St. Patrick's College, Armagh amalgamated to become St. Patrick's Grammar with effect from the 1988-89 school year.
3. Prior to 1 April 1991 voluntary grammar schools were funded on an academic year basis (from 1 August to 31 July). With the introduction of Local Management of Schools at 1 April 1991, funding was based on the Financial year (1 April to 31 March). In order to effect the transition, funding in 1990-91 was restricted to an 8 month period (1 August to 31 March). The information relating to this 8 month period has been omitted due to its distorting effect.

Electricity Supply

Mr. Beggs: To ask the Secretary of State for Northern Ireland if he will make a statement about tariffs for industrial users of electricity in Northern Ireland in the light of the coal review White Paper.

Sir Patrick Mayhew: I welcome the fact that the coal review White Paper deals fully with Northern Ireland energy matters. Following consultation with the Director General of Electricity Supply for Northern Ireland, I have agreed to extend existing transitional support for large users of electricity in Northern Ireland to cover all monthly billed industrial consumers and to lengthen the period during which this support is available to four years.

SOCIAL SECURITY

Insolvency

Mr. Don Foster: To ask the Secretary of State for Social Security if he will detail measures taken by the Government to comply with European Council directive —EEC 80/987; and if he will make a statement.

Miss Widdecombe: Most of the provisions of this directive concern employment protection measures on employer insolvency which is a matter for my right hon. Friend the Secretary of State for Employment.

In so far as social security contributions to the state scheme are concerned, the national insurance system guarantees benefits from the national insurance fund according to the type and level of contributions paid into it. If, for any reason, including the insolvency of the employer, an employer fails to make a class 1 contribution, or pays it late, that contribution will be deemed paid under the Social Security (Contributions) Regulations 1979 unless the employee has been negligent or in some way connived with the employer in the failure to pay.

In so far as occupational pensions are concerned, United Kingdom law satifies the requirements of the directive by a range of measures.

The Employment Protection (Consolidation) Act 1978 makes the Secretary of State liable to pay contributions due from an insolvent employer to an occupational pension scheme. The relevant contributions include, subject to certain limits, both employees' contributions deducted by the employer from the employees' pay and arrears of contributions due from the employer.

In addition, funds are protected from the creditors of the employer in the events of his insolvency by virtue of being set up as irrevocable trusts independent of the employer. The funds set aside for paying pensions are transferred out of the ownership of the employer and into the ownership of the trustees of the pension scheme. The law places the trustees under a strict obligation to act prudently and in the interest of the beneficiaries.

Pensioners (Fuel Prices)

Mr. Flynn: To ask the Secretary of State for Social Security when pensioners will receive the benefit uprating reflecting the April 1994 rise in fuel prices.

Mr. Burt: Pensions and other benefits will increase automatically to reflect the impact of any increase in fuel bills on the indices used to uprate benefits. Moreover, extra help will be given from April 1994 to poorer pensioners and other people on low incomes to assist with higher fuel bills as soon as they arise.

Means-tested Benefits

Mr. Dewar: To ask the Secretary of State for Social Security if he will update the answer of 3 March, *Official Report*, column *203*, on the number of taxpaying households in receipt of means-tested benefits, giving estimates for 1993-94

Mr. Burt: My reply to the hon. Member on 3 March 1993 shows the position at May 1990 which is the latest date for which the information requested is available.

Forecasting methods currently used by the Department for housing benefit and council tax benefit do not produce forecasts for specific types of taxpaying household. Forecasting methods are being developed which will enable forecasts of some broad grouping of households. It is anticipated that these developments will be available later this year.

National Insurance

Mrs. Dunwoody: To ask the Secretary of State for Social Security how much extra an employee on £13,000 per annum will pay in national insurance contributions according to his Budget proposals.

Miss Widdecombe: An employee earning £13,000 per annum would pay an extra £1·94 per week in national insurance contributions in 1994-95 compared with 1993-94.

Note: The calculation assumes that the Lower Earnings Limit of £56 per week for 1993-94 applies in 1994-95. However, if the Lower Earnings Limit for 1994-95 is raised as usual in line with an increase in the rate of the basic Retirement Pension, the additional contributions payable will be slightly less.

Mr. Dewar: To ask the Secretary of State for Social Security if he will estimate the number of people in 1993-94 who pay national insurance contributions but are not liable to income tax.

Miss Widdecombe *[pursuant to her reply, 25 February 1993, columns 681-82]:* It is estimated that in 1993-94 there will continue to be in the region of 0·5 million contributors whose earnings fall below the PAYE threshold.

Self-employment

Mr. Sproat: To ask the Secretary of State for Social Security if he will list *(a)* the number of occasions, in each of the last 10 years, when an inquiry has been set up under section 17 of the Social Security Administration Act 1992 and its predecessor section and Act to consider cases where persons claiming to be self-employed were considered by his Department to be employed and *(b)* the number of occasions when, on receipt of the inquirer's report, the original decision of his Department that the person was not self-employed but employed was overturned.

Miss Widdecombe: Information is not held in the precise form requested. Such information as is available is in the table.

(1) Financial year	(2) Number of Decisions on Employment Status	(3) Number of Inquiries on Employment Status	(4) Number of Decisions where Department's "Employed" View Overturned after Inquiry
1982-83	40	40	1
1983-84	42	40	2
1984-85	65	64	3
1985-86	43	40	5
1986-87	45	39	3
1987-88	67	36	8
1988-89	61	50	8
1989-90	54	36	6
1990-91	67	45	15
1991-92	58	34	11
TOTAL	542	424	62 (14·6 per cent.)

Note: Column (3)—it is not possible to indentify separately those inquiries set up to consider cases where persons claiming to be self-employed were considered by the Department to be employed.

Pensioners

Mr. Burns: To ask the Secretary of State for Social Security how many pensioners *(a)* in the United Kingdom and *(b)* in the Chelmsford consituency have a private pension or state earnings-related pension (i) in total, (ii) of up to £5 per week, (iii) of £6 to £10 per week, (iv) of £11 to £15 per week, (v) of £16 to £20 per week and (vi) in excess of £21 per week.

Miss Widdecombe: The information is not available in the form requested. Information relating to the numbers in receipt of private pensions in the Chelmsford constituency is not available. Information relating to the numbers in receipt of SERPS in the Chelmsford contsituency could be obtained only at disproportionate cost. Information regarding those in receipt of SERPS in Great Britain is given in the tables (a) and (b).

Table (a) by net amount of SERPS (after contracted out deduction) at 31 March 1992

Weekly amount (£)	Number
0·01 to 4·99	1,932,990
5·00 to 9·99	819,460
10·00 to 14·99	307,360
15·00 to 19·99	153,680
20·00+	214,830
All	3,428,320

Table (b) by notional gross amount of SERPS (before contracted out deduction) at 31 March 1992

Weekly amount (£)	Number
0·01 to 4·99	1,199,540
5·00 to 9·99	695,530
10·00 to 14·99	494,260
15·00 to 19·99	351,140
20·00+	703,420
All	3,443,890

It is not possible to give estimates regarding receipt of "private pension". Table (c) gives estimates for receipt of occupational pension based on the 1989 family expenditure survey.

Table (c) receipt of occupational pension by individuals in pensioner units

Weekly amount (£)	Number (000's)
0·01 to 4·99	400
5·00 to 9·99	600
10·00 to 14·99	500
15·00 to 19·99	400
20·00+	2,400
All	4,300

Notes:
1. "Contracted-out deduction" is the amount by which additional pension is reduced where a person has been a member of pension scheme which is contracted-out of SERPS or a personal pension scheme used in place of additional pension.
2. A pensioner unit is a single person aged over state pensionable age (SPA) or a couple where the husband is aged over SPA.
3. It is not possible to draw a correlation between the information regarding SERPS at Tables (a) and (b) and the estimates on receipt of occupational pensions at Table (c).

Mr. Burns: To ask the Secretary of State for Social Security (1) for how many pensioners in *(a)* the Chelmsford constituency and *(b)* the United Kingdom their only source of income is the state retirement pensions;

(2) how many pensioners there are living in *(a)* the Chelmsford parliamentary constituency and *(b)* the United Kingdom.

Miss Widdecombe: The information is not available in the form requested. Information relating to the Chelmsford constituency is not available.

It is estimated that, in 1989, there were 7 million pensioner units in the UK of which 1 million had no income other than from state benefits. Income support is available to pensioners whose only source of income is basic state retirement pension at either the single or married couple rate and who do not have savings or capital in excess of £3,000.

Notes:
1. A pensioner unit is a single person aged over state pensionable age (SPA) or a couple where the husband is aged over SPA.
2. State benefit is any social security benefit or pension (including housing benefit) payable by the State.
3. Estimates are based on the 1989 Family Expenditure Survey.

Unemployment Benefit

Mr. Spearing: To ask the Secretary of State for Social Security what estimate he has made of the approximate proportion of those previously on unemployment benefit who after one year are still available for work, but who nevertheless make no subsequent claim to which they are entitled, and who do not form a component of the published statistics; and if he will state the approximate numbers of persons in this category who first became eligible for unemployment benefit in January, February and March 1992, respectively.

Mr. Burt: The information requested is not available. At November 1992, 368,000 people were registered unemployed for the purpose of claiming national

insurance credits only and were included in the published statistics. Of these, 86,000 had exhausted their entitlement to unemployment benefit.

Source: Half yearly Analysis of Unemployed Claimants November 1992.

Executive Operations

Mr. Lidington: To ask the Secretary of State for Social Security what performance targets he is setting for his Department's executive operations for 1993-94; and if he will make a statement.

Mr. Lilley: The targets for 1993-94 which I have set for DSS executive operations are set out in the table. The targets support the continued success of the Government's next steps agencies and the citizens charter initiative.

A number of changes have been made to the format and range of the targets to improve the measures of performance. The targets I have set represent a challenging level of performance, and an improvement in the service the customers receive.

As well as the following performance targets, agencies have been set resource management targets requiring them to deliver their plans within their agreed financial allocation and, where appropriate, to make efficiency savings. They also have a number of milestone targets to achieve. These and the resource management targets are set out in 1993-94 business plans, which also contain further information on performance targets.

The business plan of the Benefits Agency will be published today; those of the Information Technology Services Agency, the Child Support Agency and the Resettlement Agency on 31 March; and that of the Contributions Agency on 2 April. I will arrange for copies of the plans to be placed in the Library.

The targets are as follows:

Benefits Agency

1. *Benefit Clearance Times*[1]

Social Fund Crisis loans—the day the need arises.

Social Fund Community Care Grants—65 per cent. of claims cleard in 7 days and 95 per cent. in 20 days.

Income Support new claims—71 per cent. of claims cleared in 5 days and 90 per cent. in 13 days.

Sickness and Invalidity Benefit claims—65 per cent. of claims cleared in 10 days and 95 per cent. in 30 days.

Child Benefit—67 per cent. of claims cleared in 10 days and 95 per cent. in 30 days.

Family Credit—60 per cent. of claims cleared in 13 days and 95 per cent. in 42 days.

Disability Living Allowance—65 per cent. of claims cleared in 30 days and 85 per cent. in 55 days.

Disability Working Allowance (claims from people starting work)—65 per cent. of claims cleared in 5 days.

2. *Benefit Accuracy*

Income Support—to pay the correct amount in 92 per cent. of cases.

Incapacity benefits[2]—to pay the correct amount in 96·5 per cent. of cases.

Family Credit—to pay the correct amount in 92 per cent. of cases.

Disability Living Allowance—to pay the correct amount in 96 per cent. of cases.

Disability Working Allowance—to pay the correct amount in 95 per cent. of cases.

3. *Customer Satisfaction*

85 per cent. of customers to regard the Agency's service as satisfactory or better.

4. *Resource management*

To keep to the net cash limited provision for the discretionary Social Fund budget approved by Parliament.

5. *Financial recovery*

Recovery of Social Fund loans—£219 million.

Benefit savings from detection and prevention of fraud—£557 million.

Recovery of benefit overpayments—£54 million.

War Pensions Unit

War Pensions (new disablement cases)—60 per cent. of claims cleared in 160 days.

War Pensions (widows' cases)—80 per cent. of claims cleared in 75 days.

Contributions Agency

1. *Performance—Compliance*

Increase aggregate yield by:

(a) Increasing collection of contribution arrears (excluding Central Payments Section) by £10 million over the 1992-93 outturn.

(b) Increasing Class 1 identified from survey (arrears and in-year savings) by £15 million over the 1992-93 outturn.

Increase the number of surveys to 121,000, including 24,000 employer educational visits. Actively identify 100,000 persons with Class 2 liability.

2. *Performance—Records Maintenance*

Process 98 per cent. of available Employers' End of Year Returns by 31 December 1993.

Correct 87 per cent. of rejects from Employers' End of Year Returns by 31 March 1994.

3. *Performance—Customer Service/Information Provision*

Clear 99 per cent. of Benefit Inquiries handled clerically in two working days to 98 per cent. accuracy.

Despatch either a full reply, or an informative response, to 95 per cent. of all customer inquiries within 10 working days of receipt.

Complete action to register acceptable Personal Pension cases and process straightforward Temination Notices for 93 per cent. of all cases within 28 working days of receipt.

Provide a level of public service considered to be satisfactory by at least 80 per cent. of customers surveyed.

Information Technology Services Agency

1. *General*

To achieve running cost business efficiency savings of 3·8 per cent.

To produce monthly profiles and actual monitoring data for all general and financial targets.

2. *Quality of Service*

Service availability—93 per cent. of district offices will receive at least the weekly service availability level agreed in the relevant customer service level agreement each month; and

On-line response time—the average response time for on-line services is set at 7 seconds or less across 95 per cent. of all responses.

3. *Financial*

Unit cost and financial ratio targets are set but are not published for reasons of commercial confidentiality.

Resettlement Agency

1. *Customer Care*

Not less than 95 per cent. of published facilities to be provided.

Survey of residents of confirm that not less than 85 per cent. express satisfaction with standards.

2. *Disengagement Strategy*

Cease direct operation of at least four resettlement units by granting funds to suitable organisations who will provide similar resettlement services in the same premises by 31 March 1994.

By 31 March 1994 begin the formal tender process for a further four resettlement units where provision of resettlement services by the Resettlement Agency will cease in 1994-95.

Complete visits to 80 per cent. of all grant-aided organisations by 31 March 1994 to ensure that the care standards are adequate, that the conditions of grant award are met and that the facilities are managed in a way which ensures value for money.

3. *Resettlement*

By 31 March 1994 place 1,300 resettlement unit residents into suitable alternative accommodation in the community.

Child Support Agency

The Child Support Agency is a new business which has no historical data on which to base a full set of performance targets. I have therefore set a limited range of targets for 1993-94 which will be expanded in 1994-95. The targets for 1993-94 are:

60 per cent. of people with the care of children making eligible applications to the Agency to have maintenance arranged[3].

Annual Benefit Savings—£530 million.

65 per cent. of clients to regard the service as satisfactory.

Notes:

[1] Clearance times normally cover the period from date of receipt of

a written claim in the Agency to the date of decision/payment. All days refer to working days. All targets, apart from that for Social fund Crisis Loans are expressed in the formula X per cent. of claims cleared in Y days. The calculated average clearance time equivalent of the X in Y targets is:
Income Support 4·0 days; Social Fund Community Care Grants 6·7 days;
Sickness/Invalidity Benefit 7·5 days; Family Credit 13 days.

[2] Incapacity benefits is an overall term used to cover Sickness Benefit, Invalidity Benefit, Severe Disablement Allowance and Maternity Allowance.

[3] Eligible applications are those where there is a liability to pay maintenance—excluding, for example, applications from those with over age children or absent parents living abroad.

Social Fund

Mr. Fabricant: To ask the Secretary of State for Social Security, what the 1993-94 gross budget for the discretionary part of the social fund will be.

Mr. Scott *[pursuant to his reply, 18 March 1993, column 380]:* I am pleased to confirm that details of budget allocations for individual districts have been placed in the Library.

NATIONAL FINANCE

Value Added Tax

Mr. Alan W. Williams: To ask the Chancellor of the Exchequer what are the current rates of value added tax imposed *(a)* on industry's fuel costs and *(b)* on domestic fuel bills in each member country of the European Community.

Sir John Cope: The information available for each EC member state is set out in the table. This does not reflect recent changes in Belgium, Greece and Italy, details of which are awaited:

VAT rates on industrial and domestic fuel cost in the EC

Country	*Rate per cent*
Belgium	19·5
Denmark	25
France	5·5, 18·6[1]
Germany	15
Greece	8, 18[2]
Ireland	12, 21[3]
Italy	9
Luxembourg	6, 12[4]
Netherlands	17·5
Portugal	5, 16[5]
Spain	15
United Kingdom	0, 17·5[6]

[1] The standing charge is subject to 5·5 per cent. and the actual supply of heating is subject to 18·6 per cent.

[2] The 8 per cent. rate applies to oil and coal. Gas and electricity are subject to 18 per cent.

[3] 12 per cent. applies to gas, electricity and oil. The standard rate of 21 per cent. applies to coal.

[4] Gas and electricity are subject to 6 per cent. VAT; the 12 per cent. rate applies to oil and coal.

[5] The 5 per cent. rate applies to electricity and oil; coal and gas are subject to the standard rate of 16 per cent.

[6] Fuel for industrial use is subject to the standard rate of 17·5 per cent. Domestic fuel is currently zero-rated. It will be subject to a temporary 8 per cent. rate from 1 April 1994 and to the standard rate from 1 April 1995.

Council Tax

Mr. Straw: To ask the Chancellor of the Exchequer what advice has been circulated by the Valuation Agency to regional and local offices regarding procedures to check the accuracy of council tax bandings.

Mr. Nelson *[holding answer 23 March 1993]:* The Valuation Office agency instructed all its local offices in England and Wales to conduct a rigid system of quality control on completed bandings. The system has been applied to both bandings completed by Valuation Office staff and private sector contractors who were themselves obliged under the terms of their contracts to conduct a quality assurance exercise.

NATIONAL HERITAGE

Items in Lieu of Tax

Mr. Faulds: To ask the Secretary of State for National Heritage how many of the offers of works of art and museum objects in lieu of inheritance tax which have been submitted to his Department or its predecessor with the favourable recommendation of the Museums and Galleries Commission remain unaccepted after a period exceeding one year after receipt of that recommendation; and if he will make a statement.

Mr. Key: One. Discussions are continuing.

Channel 3 Licence Holders

Mr. Jim Marshall: To ask the Secretary of State for National Heritage whether he will call for a report from the Independent Television Commission into the performance of C3 licence holders against their contractual programme undertakings.

Mr. Brooke *[holding answer 22 March 1993]:* No. The monitoring of Channel 3 licence conditions is the responsibility of the Independent Television Commission.

SCOTLAND

Jet Skis, Loch Lomond

Mr. Galbraith: To ask the Secretary of State for Scotland if the Loch Lomond and Trossachs working party has considered the control of jet skis on Loch Lomond.

Sir Hector Monro: The Loch Lomond and the Trossachs working party has been asked to consider the management issues connected with the conservation of the natural heritage and visitor trends in the area and to make recommendations on how improvements in management practices might be achieved. These will include water borne recreation on Loch Lomond. I look forward to receiving the working party's report in due course.

Cairngorms Working Party

Mr. Galbraith: To ask the Secretary of State for Scotland when he expects to publish the report of the Cairngorms working party.

Sir Hector Monro: The report of the Cairngorms working party will be published on 26 March 1993.

Mr. Galbraith: To ask the Secretary of State for Scotland if, when he publishes the report of the Cairngorms working party, he will publish the total cost including all consultancy fees.

Sir Hector Monro: Spending on the Cairngorms working party since it was set up in March 1991 has totalled £127,650. This figure includes the cost of working party meetings, publication of a consultation paper by the working party in May 1992, all consultancy fees and the costs of producing the working party's final report and the associated documents.

Inland Bathing Waters

Dr. Godman: To ask the Secretary of State for Scotland how many inland bathing waters as required by water quality directive 76/160 article 1 of the European Community he has designated in each of the past four years.

Sir Hector Monro *[holding answer 15 March 1993]:* No inland bathing waters in Scotland have been identified for the purposes of this directive, because it is targeted on waters where bathing is traditionally practised by large numbers of people.

Scottish Development Agency

Dr. Godman: To ask the Secretary of State for Scotland how much of the finance for the work of the Scottish Development Agency came from European Community sources in each year since 1985-86; and how much is expected to come to Scottish Enterprise in each year until 1995-96.

Mr. Stewart *[holding answer 15 March 1993]:* Receipts from the European Community in respect of projects and programmes delivered by the Scottish Development Agency, until 1990-91, and by Scottish Enterprise, from 1991-92, are as follows:

£ million

Year	*Receipts from European Regional Development Fund*	*Receipts from European Social Fund*
1985-86	2·942	—
1986-87	4·510	—
1987-88	1·911	—
1988-89	2·321	—
1989-90	1·141	—
1990-91	1·196	—
1991-92	1·110	18·092
1992-93	1·000	24·432
1993-94	1·000	22·000

The figures for the European regional development fund for the years 1985-86 to 1990-91 include receipts from the European social fund, as these were not separately attributed for these years.

The figures for 1992-93 are estimated outturns; those for 1993-94 relate to forecast receipts. Receipts in future years will depend upon the success of Scottish Enterprise in securing European funding. The sums exclude direct receipts to the local enterprise companies, which have since 1992 been eligible to apply for financial assistance from the European regional development fund and the European social fund.

Research Expenditure

Mr. Dafis: To ask the Secretary of State for Scotland what are the annual figures for spending by the Scottish Office on commissioning research from the higher education sector for each year from 1989-90 to 1993-94.

Lord James Douglas-Hamilton *[holding answer 24 March 1993]:* The expenditure on research commissioned under Scottish Office research programmes from the higher education sector was:

	£ million
1989-90	7·6
1990-91	7·8
1991-92	9·6

This information is published in the "Annual Review of Government-Funded Research and Development", which is available in the House of Commons Library. Figures for 1992-93 and 1993-94 are not yet available.

Schools (Capital Spending)

Mr. Malcolm Bruce: To ask the Secretary of State for Scotland if he will publish figures for capital spending on schools for each local education authority for each of the last five years for which figures are available.

Lord James Douglas-Hamilton *[holding answer 22 March 1993]:* The information is given in the table and has been compiled from local authority financial returns.

Capital expenditure by local authorities on schools (£000 at outturn prices)

	1987-88	*1988-89*	*1989-90*	*1990-91*	*[1]1991-92*
Borders	951	1,060	1,591	3,162	3,478
Central	2,798	4,372	4,992	4,687	3,837
Dumfries and Galloway	656	1,661	1,809	1,383	3,131
Fife	2,077	4,753	5,815	8,639	4,268
Grampian	2,262	3,409	3,914	5,808	7,342
Highland	2,521	3,655	3,902	3,113	3,677
Lothian	8,108	7,828	11,568	9,442	8,387
Strathclyde	19,714	24,897	26,476	23,533	29,890
Tayside	3,267	3,605	3,520	3,140	3,833
Orkney	979	1,027	990	1,288	415
Shetland	537	929	723	835	1,435
Western Isles	3,872	2,196	1,584	2,275	2,879

The figures include expenditure on nursery, primary, secondary and special schools.
[1] Provisional.

Urban Programme

Mr. Ron Davies: To ask the Secretary of State for Scotland what has been the outturn public expenditure on the urban programme in Scotland in *(a)* cash prices and *(b)* 1992-93 prices in each year since the programme was initiated.

Lord James Douglas-Hamilton *[holding answer 23 March 1993]:* The information is as follows:

Expenditure by The Scottish Office

Year	*Outturn at Cash Prices* £ million	*Outturn at 1992-93 Prices* £ million
1992-93	[1]59·936	59·936
1991-92	52·443	54·540
1990-91	42·662	46·928
1989-90	32·049	38·138
1988-89	26·046	33·078
1987-88	23·850	32·436
1986-87	21·022	30·271
1985-86	20·022	29·632
1984-85	17·203	27·008
1983-84	10·902	17·879
1982-83	15·377	26·448
1981-82	10·001	18·401
1980-81	8·918	18·014
1979-80	6·318	15·100
1978-79	6·309	17·602
1977-78	2·208	6·844
1976-77	2·002	7·047
1975-76	1·065	4·249
1974-75	1·158	5·801
1973-74	0·628	3·768
1972-73	0·310	1·990
1971-72	0·123	0·853
1970-71	0·063	0·478

[1] Anticipated.

The outturn figures represent grants paid by the Scottish Office at the rate of 75 per cent. of approved costs incurred by local authorities on urban programme projects. Grants are paid on the basis of claims submitted by local authorities in respect of expenditure incurred in the previous financial year.

The urban programme in Scotland was introduced in 1969.

Water and Sewerage

Mr. Welsh: To ask the Secretary of State for Scotland, pursuant to his answer of 18 March, *Official Report*, column *390*, about a meeting between a water and sewerage company and officials of the Scottish Office, what was the company; when and where the meeting was held; who were the participants; and what was discussed.

Sir Hector Monro *[holding answer 23 March 1993]:* The meeting was held in February this year in the offices of the Scottish Office in Edinburgh. Senior officials from both sides attended and discussed matters arising out of the company's response to the consultation paper "Investing For Our Future". The company requested that their response to the consultation paper should be treated as confidential. Discussions have been held, and continue to be held, with a wide range of bodies who wish to offer views on the future structure of Scottish water services or to amplify their responses to the consultation paper.

Mr. Welsh: To ask the Secretary of State for Scotland, pursuant to his answer of 18 March, *Official Report*, column *390*, which three water and sewerage companies submitted formal responses to the consultation paper; and when each submission was received.

Sir Hector Monro *[holding answer 23 March 1993]:* North West Water's response was dated 28 January 1993. Responses from two other companies were dated 28 January and 26 January. These companies asked that their responses should be treated as confidential.

Mr. Welsh: To ask the Secretary of State for Scotland, pursuant to his answer of 18 March, *Official Report*, column *390*, if he will publish in full or in summary the formal responses received to the consultation paper from the three water and sewerage companies, together with ancillary correspondence.

Sir Hector Monro *[holding answer 23 March 1993]:* Responses to the consultation paper "Investing For Our Future", apart from those from respondents who requested confidentiality, are available in the Scottish Office library in Edinburgh. Copies of particular responses can be obtained through the Library of the House. Other correspondence received by the Scottish Office is treated in confidence in the normal way.

European Community

Mr. Morgan: To ask the Secretary of State for Scotland how many persons, and of what grade or level, have been seconded to *(a)* the European Commission and *(b)* UKREP.

Mr. Stewart *[holding answer 23 March 1993]:* Six Scottish Office officials are currently seconded to the European Commission. Five are at unified grade 7 level; one is a senior agricultural officer. One Scottish Office official at unified grade 5 level has been seconded to the Foreign and Commonwealth Office and is posted to the office of the United Kingdom Permanent Representative to the European Communities.

Concessionary Rail Fares

Mr. Wilson: To ask the Secretary of State for Scotland if he will list the local authorities in Scotland which operate concessionary fare schemes for travel on the railways, indicating which of them operate schemes for *(a)* the elderly, *(b)* the disabled, *(c)* the blind and *(d)* young people.

Lord James Douglas-Hamilton *[holding answer 24 March 1993]:* The following Scottish local authorities operate concessionary fare schemes for travel on the railways for the following categories of person:

Region	*Category of person*
Central	elderly, disabled and blind people
Fife	elderly, disabled, blind and students[1]
Grampian	elderly, disabled and blind people
Highland	elderly, disabled and blind people
Lothian	elderly, disabled and blind people
Strathclyde	elderly, disabled and blind people
Tayside	elderly, disabled and blind people

[1] Students aged 16-18.

British Rail operates a commercial concessionary fares scheme for juveniles.

Red Deer Commission

Mr. Norman Hogg: To ask the Secretary of State for Scotland what key points he has asked the Red Deer Commission to consider following the consultation exercise on deer legislation 1991-92.

Sir Hector Monro *[holding answer 24 March 1993]:* The consultation exercise on deer legislation produced differing views on such matters as how best to respond to damage by deer to the natural habitat, control schemes to reduce deer stocks and the status and powers of deer management groups. I have asked the Red Deer Commission to examine these questions as well as other points of detail which require further consideration.

Road Bridges

Mr. Norman Hogg: To ask the Secretary of State for Scotland what progress has been made on road bridge strengthening by his Department and local authorities; and if he will make a statement.

Lord James Douglas-Hamilton *[holding answer 24 March 1993]:* The current year is the fourth year of a bridge assessment and strengthening programme to upgrade by 1999 when the UK's derogation on the 40 tonne lorry ends. The assessment of 420 trunk road bridges in stage 1 is already complete and assessment of the final 38 is well under way. Of these trunk road bridges, some 50 have been identified as needing some remedial treatment. Of these 50, 10 have already been treated and all will be capable of handling the required loads by 1999. Similarly, the early objective of the local authority programmes is to assess and upgrade bridges on Scotland's other major arteries and other routes of local importance.

Energy Study

Mr. Darling: To ask the Secretary of State for Scotland if he will publish the Scottish energy study which was submitted to the European Commission in 1992; and if he will make a statement.

Mr. Stewart: *[holding answer 24 March 1993]:* The Scottish energy study is funded primarily by the European Commission and Scottish Enterprise. It is for those bodies to decide about publication of the study report.

Crafts

Dr. Godman: To ask the Secretary of State for Scotland what consideraton was given to the funding of craft in Scotland by way of the Scottish Arts Council.

Sir Hector Monro: *[holding answer 24 March 1993]:* My right hon. Friend announced in answer to a question from the right hon. Member for Tweeddale, Ettrick and Lauderdale (Sir D. Steel) on 1 February 1993 *Official Report*, col. *37*, his intention to provide financial support to Scottish craftmakers. My right hon. Friend concluded that both the Scottish Arts Council and the Crafts Council should participate in the provision of support for craftmakers and he is currently considering the role each organisation will play in the new arrangements. He will announce his decisions in due course.

Opencast Mining

Mr. Dover: To ask the Secretary of State for Scotland what effect opencast coal mining has had on restoration of derelict land, extension of wildlife areas, extension of woodlands and hedgerows and development of recreation facilities over the past *(a)* five and *(b)* 10 years.

Mr. Stewart *[holding answer 24 March 1993]:* We do not hold any such statistics centrally. However, Scottish Development Department circular 4/1984 on opencast coal mining requires development plans to include policies and proposals on the restoration and aftercare of such sites, in order to facilitate their beneficial reuse. It also requires planning authorities to consider the extent to which development proposals can contribute to longer term environmental improvements through such site restoration.

According to national statistics compiled by the County Planning Officers Society, including returns from Scottish local authorities, 2,525 hectares of land in Scotland received planning permission for opencast mining between 1988 and 1992; of this, 563 hectares was derelict land. In addition, some 1,708 hectares have already been restored and are now in aftercare.

Crime Statistics

Mr. Darling: To ask the Secretary of State for Scotland what proportion of convicted individuals who *(a)* are sent to prison and *(b)* have a fine imposed upon them, reoffend within (i) 12 months, (ii) two years or (iii) five years.

Lord James Douglas-Hamilton *[holding answer 15 March 1993]:* The information requested is not available centrally.

Social Workers

Dr. Godman: To ask the Secretary of State for Scotland how many *(a)* men and *(b)* women have undertaken approved social work training courses in each of the past 10 years; and how many are currently taking such courses.

Mr. Stewart *[holding answer 15 March 1993]:* The number of individuals entering approved qualifying courses in social work in Scotland is detailed in the table. No breakdown is available by gender.

Year	*Intake*
1982	533
1983	444
1984	487
1985	489
1986	513
1987	540
1988	510
1989	419
1990	500
1991	434
1992	[1]397

[1] This figure does not include spring intakes for the 1992-93 academic year.

There are currently 831 individuals taking qualifying courses in social work over two and in some cases three, years.

Information of the numbers completing approved social work training in Scotland over the last 10 years is not available separately from United Kingdom figures until 1991 when 417 persons completed such training.

Dental Services

Dr. Godman: To ask the Secretary of State for Scotland how many dentists and dental surgeons are in practice in *(a)* Inverclyde, *(b)* Strathclyde and *(c)* Scotland as a whole who (i) treat NHS patients, (ii) treat private patients only and (iii) until 1991 treated NHS patients but have ceased to do so.

Mr. Stewart [*holding answer 15 March 1993*]: In order to be accepted onto a health board dental list dentists must undertake to provide general dental services under national health service arrangements. No information is available about dentists who treat private patients only. The number of dentists registered at 31 December 1992 in each of the health board areas within Strathclyde region and the total number of dentists registered in Scotland is contained in the table. Information for individual local government district and regional areas is not available. According to information held by health boards—February 1993—since 1991 one general dental practitioner in Fife health board area and one in Tayside health board area have left their dental lists because they no longer wish to provide national health service dental services.

Number of Dentists on Health Board Dental Lists in Scotland at 31 December 1992

Health Board	Number of Dentists
Argyll and Clyde	160
Ayrshire and Arran	120
Greater Glasgow	348
Lanarkshire	141
Scotland (Total)	1,680

HEALTH

West Midlands RHA

Mr. Gill: To ask the Secretary of State for Health what is the annual cost of wages and salaries paid to the employees of West Midlands regional health authority.

Mr. Sackville: In 1991-92 the West Midlands regional health authority incurred gross expenditure on salaries and wages, including national insurance and superannuation contributions, of £29·88 million. This figure covers staff of many disciplines employed by the authority both at headquarters level and on the provision of certain operational services within the region. In addition the authority met the gross salaries and wages costs of medical staff—mainly senior registrars, £15·22 million—and ambulance staff—£12·78 million.

For more detailed information, I refer my hon. Friend to the chairman of the West Midlands regional health authority.

Life Expectancy

Mr. Spellar: To ask the Secretary of State for Health what were the estimates of life expectancy in each of the last 10 years.

Mr. Sackville: This information is shown in the table.

Life expectancy at birth United Kingdom (1979 to 1991, Male and Female)

Year	Life expectancy at birth Male	Female
1979	70·2	76·2
1980	70·6	76·6
1981	71·0	76·9
1982	71·1	77·0
1983	71·4	77·2
1984	71·8	77·6
1985	71·7	77·4
1986	71·9	77·7
1987	72·3	78·0
1988	72·5	78·1
1989	72·7	78·2
1990	73·0	78·5
1991	73·2	78·7

Source: Government Actuary's Department.

Abortions

Mrs. Bridget Prentice: To ask the Secretary of State for Health how many fee-paying, private wing abortions were performed in NHS hospitals, in each regional health authority in England and Wales in the latest available year.

Mr. Sackville: Information relating to private abortions carried out in national health service hospitals are derived from the hospital episodes statistics—HES—system. There are problems with the data derived from this system which are being investigated by the Department. It is not possible to provide figures for each regional health authority, but analyses suggest about 1,700 private abortions were recorded on HES as being carried out in NHS hospitals in England in 1990-91.

Oral Contraceptives

Mrs. Bridget Prentice: To ask the Secretary of State for Health in what way the formulae of the more expensive brands of oral contraceptive differ from the formulae of the cheaper brands; what is the difference in the degree of health risk between more expensive brands and cheaper brands; and what are the relative clinical benefits of the more expensive brands.

Dr. Mawhinney: I refer the hon. Member to the reply I gave the hon. Member for Glasgow, Maryhill (Mrs. Fyfe) on 11 February at columns *757-59* which details hormonal composition and cost of each brand of oral contraceptive currently marketed. Before any medicinal product may be marketed in the United Kingdom the licensing authority must be satisfied as to its safety, quality and efficacy. Neither the licensing authority nor its advisory committee, the Committee on Safety of Medicines, has the remit to take into consideration the cost of a medicine.

Oral contraceptives containing high doses of hormones are more likely than low dose preparations to cause side effects. Doctors should use their training, knowledge and experience to weigh carefully the likely benefits against the anticipated risk before choosing the most appropriate treatment for the individual patient.

Mrs. Bridget Prentice: To ask the Secretary of State for Health what the British Medical Association's response has been to the Government's proposals to restrict oral contraceptive prescriptions.

Dr. Mawhinney: We have received no such response from the British Medical Association.

Cancer

Ms Primarolo: To ask the Secretary of State for Health what are the five most common cancers among NHS patients.

Mr. Sackville: In 1987, the latest year for which information is available, cancer registration statistics for England and Wales show that the most common malignant neoplasms registered were:

	Total number of registrations	*Percentages*
Male		
Lung	25,440	23
Skin	14,796	14
Large intestine and rectum	12,268	11
Prostrate	10,837	10
Bladder	7,153	7
Female		
Breast	23,742	22
Skin	14,593	14
Large intestine and rectum	12,779	12
Lung	10,838	10
Leukaemias and lymphomas	6,223	6

Ms Primarolo: To ask the Secretary of State for Health what is her estimate of the annual number of preventable cases of primary liver cancer; and what are the chief causes of those cases.

Mr. Sackville: This information is not available centrally. In 1991, 510 men and 242 women died from primary liver cancer. Excessive consumption of alcohol and the hepatitis B virus are among the main contributing factors.

Child Minders

Miss Lestor: To ask the Secretary of State for Health (1) what action she is taking to ensure that registered child minders are properly recompensed and given appropriate training and support to ensure that the service they provide is of the highest possible standard;

(2) what action she is taking to encourage the local authority registration of child minders and to ensure that registration leads to a good quality child care service; and if she will make a statement.

Mr. Yeo: Parents and child minders should be free to negotiate charges and other aspects of child care arrangements.

The registration system introduced in the Children Act, 1989, which came into force in October 1991, provides a framework for regulating childminding and other forms of day care used by children under eight. The system includes a mandatory inspection at least once a year to ensure acceptable and consistent standards of care, and this can be used to encourage improvements if necessary. Further guidance was issued in January to ensure that local authorities apply the system sensibly and flexibly. The Act also empowers local authorities to provide training, advice, guidance and counselling for those providing day care for young children.

In addition the Department has grant aided the National Childminding Association since it was set up in 1977 to support its work of encouraging child minders to raise their standards.

London Initiative Zone

Ms Jowell: To ask the Secretary of State for Health how much of the £170 million to be spent on capital improvement in the London initiative zone is new money, financed directly from the Department of Health; and how much is money already put aside by the regional health authorities for this purpose.

Dr. Mawhinney: The Department is committed to the investment of £170 million additional expenditure on primary care capital development in the London initiative zone over the next six years. This will include a shift in the balance of investment in London towards primary care, in line with the proposals for change set out in "Making London Better". We will be looking at the pattern of funding required year by year in consultation with the four Thames regional health authorities.

NHS Services (Purchasing)

Ms Ruddock: To ask the Secretary of State for Health what are the guidelines covering the buying in of services from private hospitals and clinics by the NHS; which NHS hospitals in London currently make use of such arrangements; and if she will list those services.

Mr. Sackville: The Department encourages the cost-effective co-operation and contracting between the national health service and independent sector. This increases the range of options available to patients, their general practitioners and health service managers.

Details of such arrangements are not held centrally; the extent to which NHS hospitals contract with private hospitals and clinics is for local decision.

London Ambulance Service

Mr. Thomason: To ask the Secretary of State for Health if she has yet received the report from the South West Thames regional health authority on its proposals to strengthen accountability of the London ambulance service following the publication of the inquiry report on 25 February.

Mrs. Virginia Bottomley: I have today received a report from the South West Thames regional health authority on its proposals to strengthen the accountability of the London ambulance service. The report contains a number of detailed proposals. I will be considering these proposals and will inform the House of the new arrangements as soon as possible.

Medicines Evaluation Agency

Mr. Thomason: To ask the Secretary of State for Health if she will make a statement on the proposed siting of the European Medicines Evaluation Agency in the United Kingdom.

Mrs. Virginia Bottomley: Discussions have been held with the pharmaceutical industry which has made it clear that it believes the London area offers the most promising site for the European Medicines Evaluation Agency, if the

agency is sited in the United Kingdom. The Government support this preference on the part of an industry which does 8 per cent. of the world's pharmaceutical research and development in the United Kingdom, provides us with an export surplus of £1.2 billion, and offers high quality jobs for 89,000 people.

Ambulance Service

Mr. Redmond: To ask the Secretary of State for Health if she will list for each ambulance service and ambulance trust in England and Wales, the charges that are levied on national health service patients.

Mr. Sackville: There is no charge for the emergency ambulance service. Non-emergency patient transport is provided free of charge to all national health service patients considered by their doctor to be medically unfit to travel by other means.

Breast Cancer

Ms Lynne: To ask the Secretary of State for Health, pursuant to her answer of 15 March, *Official Report*, column *11*, what was the number of *(a)* NHS consultant oncologist posts in England and Wales and *(b)* women diagnosed to be suffering from breast cancer in 1981; what is the current oncologist ratio for women suffering from breast cancer in England and Wales; and what is the current five-year survival rate for women treated for breast cancer.

Mr. Sackville: At 30 September 1981 there were 18 whole-time equivalent—wte—posts in England and Wales in medical oncology. In 1986 the ratio of wte consultants to patients treated for breast cancer was 1:869.

The number of cancer registrations for female breast cancer in 1981 for England and Wales was 21,164. Survival rates relating to 1981 registrations of breast cancer are shown in the table:

Age group	*5-year percentage survival rates*
25-34	60·98
35-44	69·09
45-54	64·68
55-64	57·13
65-74	52·74
75-84	37·48
85 and over	15·06

Royal Marsden Hospital

Mr. Blunkett: To ask the Secretary of State for Health if she will investigate the refurbishment of the office of the chief executive of the Royal Marsden hospital; and if she will make a statement.

Mr. Sackville: No.

Dentists

Mr. Blunkett: To ask the Secretary of State for Health by how much payments to dentists have exceeded Government estimates for each year since 1987; how much was paid by Government; and how much by patients.

Dr. Mawhinney: The detailed information is given in the table. On average over these years, for every £100 of gross expenditure on the general dental services about £67 is net Government expenditure and about £33 is charge income collected from patients.

Year	*1987-88*	*1988-89*	*1989-90*	*1990-91*	*1991-92*
Target Average Gross Income[1]	56,340	61,165	65,038	67,235	72,369
Actual Average Gross Income[1]	56,006	64,389	64,154	70,771	84,828
Difference[1]	−334	3,224	−884	3,536	12,459
Gross Expenditure £ million[2]	819·640	949·715	947·690	1,039·996	1,246·094
Charges Income £ million[2]	240·386	290·639	366·198	379·729	404·094
Charges Income as percentage of Gross GDS Expenditure[2]	29·3	30·6	38·6	36·5	32·4
Net Expenditure as percentage of Gross GDS Expenditure[2]	70·7	69·4	61·4	63·5	67·6

[1] Figures refer to DRSG principals in Great Britain.
[2] Figures refer to GDS Expenditure for England.

High Security Care

Mr. Blunkett: To ask the Secretary of State for Health (1) if she will make a statement on the future of Rampton hospital;

(2) when she expects to publish the Reed committee's report on the future of high security care;

(3) what plans she has to place services for mentally disordered offenders into the internal market; and if she will make a statement.

Mr. Yeo: The working group on high security psychiatric services chaired by Dr. John Reed expects to submit its report next month. We shall be taking decisions on the future provision of these services in the light of the working group's recommendations. There are no current plans to close Rampton hospital or the other special hospitals.

Prescription Charges

Mr. Ainger: To ask the Secretary of State for Health (1) whether she will consider including chronic asthma sufferers in the list of those exempt from prescription charges;

(2) which chronic illnesses exempt sufferers from prescription charges.

Dr. Mawhinney: This information is listed in regulation 6.(1)(e) of the National Health Service (Charges for Drugs and Appliances) Regulations 1989—SI 1989 No. 419—a copy of which is available in the Library. We have no plans to extend the list.

NHS Trusts

Mr. Milburn: To ask the Secretary of State for Health what is the turnover of each first wave NHS trust unit.

Dr. Mawhinney: Information on the total income derived from the 1991-92 annual accounts of the 57 first wave NHS trusts in England are shown in the table.

First wave NHS Trust	*Total Income (£000)*
Newcastle Mental Health Services NHS Trust	24,921
The Freeman Group of Hospitals NHS Trust	68,504
Leeds General Infirmary and Associated Hospitals Trust	128,266
St James' University Hospital Trust	93,761
The Bradford Hospitals	78,169
Northern General Hospital, Sheffield NHS Trust	86,186
Doncaster Royal Infirmary and Montagu Hospital Mexborough Trust	58,673
Anglian Harbours NHS Trust	26,851
Southend Health Care Services Trust	54,514
London Hospital and Associated Community Services Trust	137,885
Royal Free Hampstead NHS Trust	100,387
Royal National Throat Nose and Ear Hospital NHS Trust	11,712
Royal National Orthopaedic Hospital NHS Trust	23,109
North Middlesex Hospital NHS Trust	46,506
North Hertfordshire NHS Trust	52,960
Mount Vernon Hospital NHS Trust	32,755
Hillingdon Hospital NHS Trust	46,539
Central Middlesex Hospital	48,223
Guy's and Lewisham Hospitals and Associated Mental Illness Services Trust	179,789
Lifecare Trust	22,742
Kingston Hospital NHS Trust	41,902
The Homewood NHS trust	23,322
St Helier NHS Trust	71,355
Croydon Community Health Trust	12,530
Epsom Healthcare Trust	43,582
The Royal Surrey County and St Luke's NHS Trust	47,872
Weston Area Health Trust	23,284
East Somerset Hospital NHS Trust	31,479
East Gloucestershire NHS Trust	68,861
Cornwall Community Healthcare Trust	33,422
United Bristol Healthcare Trust	138,655
Cornwall and Isles of Scilly Mental Handicap Services Trust	10,754
South Devon Healthcare NHS Trust	76,980
Taunton and Somerset NHS Trust	64,598
The Royal National Hospital for Rheumatic Diseases Trust	4,632
West Dorset Mental Health Services Trust	13,473
West Dorset District General Hospital Trust	36,890
West Dorset Community Services Trust	15,955
Nuffield Orthopaedic Centre NHS Trust	20,238
First Community Health Trust	15,372
Mid Staffordshire Mental Health Trust	16,229
The Rugby NHS Trust	22,250
The Walsall Hospitals Trust	52,192
Wirral Hospital NHS Trust	84,598
Royal Liverpool University Hospital Trust	88,665
St Helens and Knowsley Hospital Services Trust	76,498
Cheshire and Halton Community Trust	12,276
The Cardiothoracic Centre Liverpool NHS Trust	19,974
Broadgreen Hospital NHS Trust	38,587
Royal Liverpool Childrens Hospital and Community NHS Trust	44,452
Mid Cheshire Hospitals NHS Trust	44,820
Central Manchester NHS Trust	127,667
Christie Hospital Trust	30,292
Northumbrian Ambulance Services NHS Trust	15,775
Lincolnshire Ambulance Service and Health Transport Service Trust	6,859
Norfolk Ambulance Services Trust	9,824
North Devon Healthcare Trust	42,504

Mental Illness Hospitals

Mr. Blunkett: To ask the Secretary of State for Health, pursuant to her answer of 16 July 1992, *Official Report*, columns *904-5*, if she will provide an updated version of the list of specialist mental illness hospitals planned for closure by 1997.

Mr. Yeo *[holding answer 11 March 1993]:* The information requested is not routinely collected centrally. The information published in my reply to the hon. Member for Nottingham, North (Mr. Allen) on 16 July 1992 at col. *904-05* was collected in the course of a special survey for other purposes. In order to carry forward its work the mental health task force led by Mr. David King will, in future, need to collect information of this type. I will place a copy in the Library as soon as it is available.

Consultants

Mr. Blunkett: To ask the Secretary of State for Health how many finished consultant episodes in acute specialties were undertaken *(a)* within and *(b)* outside the patient's district of residence, in each district health authority and regional health authority for each year since 1989-90.

Mr. Sackville: *[holding answer 11 March 1993]:* Information for the years 1989-90 and 1990-91, the latest available, has now been placed in the Library.

EMPLOYMENT

Electricity at Work Regulations 1989

Mr. Clifton-Brown: To ask the Secretary of State for Employment if she will consider amending the Electricity at Work Regulations 1989, in order to reduce expense caused to the United Kingdom hotel industry.

Mr. McLoughlin: We are always ready to consider amending any regulations for which this Department is responsible if we become convinced that their enforcement is imposing unintended and unreasonable burdens on industry. In this case, however, the evidence which we have does not indicate that these regulations or their enforcers are imposing such burdens, but rather that the regulations are being systematically misrepresented by some parties so as to promote their own business interests at the expense of others. We are having further inquiries made into this. Meanwhile, we are asking the chairman of the Health and Safety Commission to arrange for the Health and Safety Executive to continue clarifying, expanding and publicising its guidance to employers on this subject so that such misrepresentations, even if continued, will become less likely to be effective.

Child Minding

Miss Lestor: To ask the Secretary of State for Employment what action she is taking to ensure that a good quality child minding service is available nationwide for working parents who require it.

Mr. McLoughlin: On 16 December 1992 my right hon. Friend, the Secretary of State, announced an out-of-school child care grant with £45 million of Government funding over the next three years, to help create 50,000 after-school and holiday childcare places for the over-fives. Training

and enterprise councils in England and Wales, and local enterprise companies in Scotland, will develop their own local plans which may include child minding on domestic premises.

"Age Barriers at Work"

Ms Quin: To ask the Secretary of State for Employment what response she has made to the report, "Age Barriers at Work", produced by the Metropolitan Authorities Recruitment Agency, a copy of which has been sent to her Department.

Mr. McLoughlin: The Metropolitan Authorities Recruitment Agency is to be congratulated on this very thorough, well-presented report. I agree with its conclusion that age discrimination is detrimental to the interests of employers as well as employees. I hope that the examples of good practice in the report will be widely adopted.

Training

Mr. Boateng: To ask the Secretary of State for Employment (1) what plans she has to visit the Kilburn skills training centre;

(2) what representations she has received on the allocation of funding for training in the London borough of Brent;

(3) for whether she will review the funding of training in London borough of Brent.

Mr. McLoughlin: My right hon. Friend the Secretary of State has no plans at present to visit the Kilburn skills training centre which is jointly funded by Brent council and North West London training and enterprise council. The planning and provision of Government funded training programmes for the boroughs of Brent and Harrow is the responsibility of North West London training and enterprise council. My right hon. Friend has received no representations on the allocation of funding for training in the London borough of Brent. North West London training and enterprise council is currently negotiating with training providers in its area over the provision of youth and adult training for 1993-94. No review of funding for training in the London borough of Brent is planned by the Department.

Business Start-up Programme

Mrs. Dunwoody: To ask the Secretary of State for Employment how many business start-up places there were in March 1989 and at the most recent available date; what was the level of unemployment at each of those dates; and if she will make a statement.

Mr. McLoughlin: In March 1989, approximately 89,000 people were receiving a business start-up allowance—then known as an enterprise allowance—compared with approximately 39,000 at the end of January 1993, the most recent date available.

The seasonally adjusted level of claimant unemployment in the United Kingdom stood at 1,896,600 in March 1989, and at 2,971,100 in February 1993.

Mrs. Dunwoody: To ask the Secretary of State for Employment how many new jobs will be created following the additional places to be created on the business start-up programme in 1993-94; and if she will make a statement.

Mr. McLoughlin: The objective of the expansion of the business start-up programme is to enable 10,000 more unemployed people to set up their own business. Any further jobs created as those businesses become established and develop are a most welcome additional outcome but they cannot be forecast.

Mrs. Dunwoody To ask the Secretary of State for Employment what percentage of *(a)* the long-term unemployed and *(b)* all unemployed people will be affected by the 10,000 additional places created in the business start-up plan announced in the Budget.

Mr. McLoughlin: The information is not available.

Protection of Employment Regulations

Mr. Alan W. Williams: To ask the Secretary of State for Employment what measures her Department is taking to ensure that the Transfer of Undertakings (Protection of Employment) Regulations 1981 are enforced when businesses or undertakings are transferred to another employer.

Mr. Michael Forsyth: Individuals or recognised trade unions who wish to enforce rights given to them by the regulations are able to do so by complaining to an industrial tribunal.

Offshore Safety

Dr. Godman: To ask the Secretary of State for Employment, pursuant to her answer 15 March, *Official Report*, columns *62-63*, if she will list those recommended prosecution actions for breaches of offshore safety legislation which went to court in *(a)* Scotland and *(b)* England; which were the firms involved; and what convictions and penalties were imposed by the courts where the prosecutions were successful.

Mr. Michael Forsyth: The information requested by the hon. Member is as follows:

Company	*Penalty on Conviction* £
(a) Prosecutions in Scottish Courts	
Allseas Marine	850
Smedvig Ltd.	20,000
Amoco (United Kingdom) Exploration	5,000
Atlantic Drilling	100,000
Atlantic Drilling	1,000
Stena Offshore Ltd.	30,000
Stena Offshore Ltd.—employee	1,000
Sedco Forex Drilling Services Ltd.	1,000
ETPM Serevices (United Kingdom)	5,000
BP Exploration	10,000
(b) Prosecutions in English Courts	

Cases against two companies failed to gain convictions.

Workstart

Mrs. Jane Kennedy: To ask the Secretary of State for Employment what measures and monitoring procedures she intends to introduce to ensure job substitution does not occur under the proposed workstart schemes.

Mrs. Gillian Shephard: Participating organisations will be required to give an undertaking that workstart recruits

will not displace existing employees. I will be receiving proposals on the design of the pilots, including appropriate monitoring procedures, from the training and enterprise councils and employment service area offices concerned.

Benefits (Disallowance)

Mr. Morgan: To ask the Secretary of State for Employment when, and in what ways, the guidelines given to adjudication officers on possible disallowance for benefit cases have been changed since November 1990 in respect of the actively seeking work and availability for work test; what proposals she has for setting performance targets for benefit adjudication officers; and if she will make a statement.

Mr. McLoughlin: Responsibility for the subject of the question has been delegated to the Employment Service Agency under its chief executive. I have asked him to arrange for a reply to be given.

Letter from M E G Fugden to Mr. Rhodri Morgan, dated 25 March 1993:

As the Employment Service is an Executive Agency, the Secretary of State has asked me to write to you direct to repond to your Parliamentary Question about guidelines given to adjudication officers, and what proposals there are for setting performance targets for adjudication officers. This is something which falls within the responsibilities delegated to me as Chief Executive of the Agency.

All decisions on claims for unemployment benefit are made by independent adjudication authorities. Guidance for adjudication officers about deciding unemployment benefit claims is included in the Adjudication Officers Guide (AOG) which is issued by the Central Adjudication Service (CAS).

The AOG brings together statute law and caselaw and provides guidance on how to apply these provisions to determine entitlement to benefit. It is published by Her Majesty's Stationery Office and is available to member of the public through libraries and welfare rights groups such as Citizens Advice Bureaux.

I have contacted CAS who state there have been no changes in the guidance issued to adjudication officers concerning actively seeking work conditions and availability for work since November 1990.

There are currently no plans for setting performance targets for adjudication officers. Targets for the clearance of appeals to Social Security Appeal Tribunals (SSAT) will be introduced however, from 1 April 1993. These targets will relate to the time taken for clearance of appeals either to the SSAT, or in some other way, such as allowed on review or withdrawn.

I hope this is helpful.

As decided by the Administrative Committee of the House of Commons, Chief Executive replies to written parliamentary Questions will now be published in the Official Report. I will also place a copy of this letter in the Library of the House.

Labour Statistics

Mr. Spearing: To ask the Secretary of State for Employment what estimate she has made of the approximate proportion of those previously on unemployment benefit who after one year are still available for work, but who nevertheless make no subsequent claim to which they are entitled, and who do not form a component of the published statistics; and if she will state the approximate numbers of persons in this category who first became eligible for unemployment benefit in January, February and March 1992 respectively.

Mr. McLoughlin: I refer the hon. Member to the answer given to the hon. Member for Lewisham, Deptford (Ms Ruddock) on 23 March, *Official Report*, column *567*.

Health and Safety

Mr. Cryer: To ask the Secretary of State for Employment how many prosecutions have taken place in each year since 1980 in Crown courts for breaches of health and safety legislation; what were the punishements in each case; and what are the figures for 1993 to the most recent practicable date.

Mr. McLoughlin: *[holding answer 24 March 1993]:* The Health and Safety Executive's database did not differentiate between types of court prior to 1 April 1988, when a new computer system was introduced. However, some figures for prosecutions by HSE's factory and agricultural inspectorate in Crown courts for the period 1 April 1986 to 31 March 1988 were collated manually and these are included in the table, although they have not been validated. Data for the period 1 April 1988 to 31 March 1992 are shown in the table. Data for 1992-93 are still being collected and will be provided when available.

Annual prosecution data are subject to validation checks, the last of which takes place about 15 months after the year in question. This enables, for instance, account to be taken of the results of appeals. For that reason, both the 1991-92 figures and the data still to be provided are provisional.

Prosecution action taken in the Crown Court[2] by HSE's Factory and Agricultural inspectorate 1986-1991/92[1]

Date of hearing[3]	*Number of informations laid*	*Convictions*	*Total fines*	*Average fines £ per conviction*
1986-87	—	35	—	[4]2,086
1987-88	—	14	—	[4]2,696
1988-89	69	62	121,850	1,965
1989-90	78	69	367,600	[5]5,328
1990-91	87	60	227,500	[5]3,792
1991-92[1]	100	78	832,600	[5][6]10,674

[1] Provisional.
[2] Excludes action taken under solemn proceedings in Scotland.
[3] Years commencing 1 April.
[4] Unvalidated data.
[5] Includes action taken by HSE's Quarries Inspectorate.
[6] Includes a fine of £100,000 imposed against Shell UK Ltd. The average fine without this conviction would be £9,514.

TRADE AND INDUSTRY

Deregulation

Mr. Fatchett: To ask the President of the Board of Trade, pursuant to his answer to the hon. Member for Harwich (Mr. Sproat) of 16 March, *Official Report*, column *208*, if he will make a statement on the proposed method of operation of each of the deregulation task forces.

Mr. Neil Hamilton: The deregulation task forces will each be looking afresh at the regulations that bear on their sectors. Together, they will cover the whole field of regulation. They will identify priorities for repeal or simplification and develop proposals for reform.

London Exhibition Halls

Mr. Rowe: To ask the President of the Board of Trade what action is to be taken to implement the Monopolies and Mergers Commission's report on electrical contracting services at London exhibition halls.

Mr. Neil Hamilton: The report on electrical contracting services at London exhibition halls was published in April 1990 and found that there was a complex monopoly situation in favour of the following five electrical contractors:

Ecando Systems Ltd.
Business Design Centre Ltd.
Lightpower Exhibitions Ltd.
S. Seymour (Electrics) Ltd.
Johnson Smith & Company Ltd.

The five contractors benefit from preferential arrangements with certain of the large exhibition halls, whereby exhibition organisers are required to use or give preference to an electrical contractor nominated by the hall owner. The Monopolies and Mergers Commission—MMC—concluded that:

"this situation operates against the public interest. In particular such arrangements restrict competitions discourage new entry into the market and inhibit the growth of competition."

Action to implement the report has been delayed while Earls Court and Olympia Ltd., the owner of Ecando Systems Ltd., sought judicial review of the MMC's findings taking their case to appeal. Both judgments upheld the MMC's findings and ECO has indicated that its subsidiary Ecando Systems Ltd. will negotiate with the Director General of Fair Trading with a view to reaching appropriate undertakings.

I have therefore written today to Sir Bryan Carsberg, the Director General of Fair Trading—DGFT—requesting him, under section 88(1) of the Fair Trading Act, to consult with the five contractors with a view to obtaining undertakings in line with the remedies proposed by the MMC:

(i) The "tying arrangements" between exhibition hall owners and electrical contractors will be prohibited; but where an exhibition organiser has a long term exclusive agreement with an independent electrical contractor this may be allowed. In such circumstances the hall owner may require his nominated contractors as well as the organiser's to be allowed to tender for an exhibitors work.

(ii) The payment of commission by electrical contractors to hall owners will be prohibited.

(iii) Price transparency will be increased by requiring that a detailed schedule of prices for electrical contracting services is made available to exhibitors before an exhibition.

In the case of company groups including a hall owner, an exhibition organiser and an electrical contractor, the MMC recommended that the exhibition organiser should be prohibited from using the group electrical contractor at events held in the group halls. After the public consultation, that followed the publication of the report, an alternative remedy was suggested, which would promote fair competition at company group events but would not preclude the group contractor from carrying out electrical work at such events:

(a) the group's exhibition organiser will be permitted to nominate the group's electrical contractor for exhibitions staged at the halls owned by the group only on the condition that the stand holder is given the option of using at least one other alternative contractor;

(b) the hall owner will not be permitted to provide the electrical contracting services himself.

This finally remedy only applies to Earls Court and Olympia Ltd. the group exhibition organiser Philbeach Ltd. and the group electrical contractors Ecando Systems Ltd. I am asking the DGFT to negotiate an undertaking from Ecando Systems Ltd. that will allow fair competition at Philbeach organised events in ECO halls.

In view of the delay in implementing the report, I have asked the DGFT to convene negotiations with Ecando Systems Ltd. with a view to obtaining appropriate undertakings within two months. The DGFT will also commence negotiations with the remaining four electrical contractors named in the report to agree similar undertakings. In the event that undertakings are not secured promptly from the five contractors concerned, I will consider making an order.

The MMC's inquiry was confined to provision of electrical contracting services in London. When the report was published, the DGFT indicated that he would make enquiries to establish if similar tying arrangements existed between hall owners and electrical contractors outside London. I am therefore asking the DGFT to seek assurances from hall owners outside London that such practices are not being conducted in their halls.

Regional Development

Mr. Rowe: To ask the President of the Board of Trade what level of financial support he proposes to offer to the English regional development organisations for 1993-94.

Mr. Sainsbury: I have studied the current performance and future plans of the six English regional development organisations. I am pleased to say that they continue to make a significant contribution to the work of my Department's Invest in Britain Bureau, and to the overall success of the United Kingdom in attracting inward investment. In addition, I am also pleased to announce the setting up of a new regional development organisation for the east midlands, which will begin operation in 1993-94. In recognition of this, I have today offered £5·555 million of grant in aid for their inward investment promotion activities for 1993-94, £555,000 more than in 1992-93, including £250,000 for the new East Midlands regional development organisation. This increase in funding is to enable the United Kingdom to remain competitive in promoting its location advantages in the face of increasing competition from the rest of Europe for mobile inward investment in the single European market. I have allocated the grant aid as follows:

RDO	1993-94 grant £000	Percentage share of total grant
Northern Development Company (NDC)	1,493·5	26·9
INWARD Ltd. (in the North West)	1,199	21·6
Yorkshire and Humberside Development Association (YHDA)	1,112	20·0
West Midlands Development Agency (WMDA)	828·25	14·9
Devon and Cornwall Development Bureau (DCDB)	672·25	12·1
East Midlands	250	4·5

Grant is offered on an annual basis according to past performance, ability to absorb additional funding effectively, and for an agreed programme of future activities, with proper regard to value for money. It is Government policy to encourage direct inward investment to the United Kingdom because it contributes significantly to economic growth. Inward investment brings benefits both to the country as a whole and more specifically to the assisted areas.

Coffee

Mr. Jon Owen Jones: To ask the President of the Board of Trade what level of tariff has been imposed on *(a)* processed coffee and *(b)* coffee beans; and what is the reason for the disparity.

Mr. Curry: I have been asked to reply.

The full rate of duty applying to processed coffee is 18 per cent. For coffee beans, the full rates of duty are 4, 10, 12 and 15 per cent. respectively for green beans, decaffeinated green beans, roasted beans and decaffeinated roasted beans. Preferential rates apply to imports of both processed coffee and coffee beans from certain sources; the African, Caribbean and Pacific—ACP—states and the least developed developing countries—LDDC—enjoy duty-free access. The European Community's common customs tariff in general imposes higher tariffs on processed and semi-processed goods than on raw materials. Preferential arrangements similarly apply to a wide range of ACP and LDDC processed and semi-processed goods.

TRANSPORT

Marine Oil Spills

Mrs. Anne Campbell: To ask the Secretary of State for Transport what plans he has to investigate marine spill contingency and response planning geographic information systems following the MV Braer disaster.

Mr. Norris: My Department's marine pollution control unit commissioned and part-funded preparation and printing of the Nature Conservancy Council's "Atlas of Nature Conservation Sites in Great Britain Sensitive to Coastal Oil Pollution" published in 1991 and is now considering incorporating this data on to a geographic information system.

Mrs. Anne Campbell: To ask the Secretary of State for Transport if he will consider introducing a levy on oil shipped through United Kingdom ports to fund measures to prevent future oil spillages.

Mr. Norris: Ships using United Kingdom ports already pay port charges and light dues. In addition oil carried into United Kingdom ports may face a levy set by the international oil pollution compensation fund to meet the compensation needed following oil pollution incidents such as the Braer. There are no proposals at present to impose a further levy on oil cargoes to finance measures to prevent future oil pollution incidents.

Railways

Mr. Dunn: To ask the Secretary of State for Transport if he will announce the award of a major section 8 grant in the north of England to which he referred during the Standing Committee on the Railways Bill of 11 March, column *749*.

Mr. Freeman: I am pleased to announce today that a £3·1 million freight facilities grant, under section 8 of the Railways Act 1974, has been accepted by the quarrying and construction company, Tilcon Ltd., which is a wholly owned subsidiary for the BTR Group. The grant, which represents 50 per cent. of the cost of rail facilities, including new rail wagons, will enable limestone from Tilcon's Swinden quarry in the Yorkshire Dales national park to be moved to Leeds and Hull by rail rather than by road.

Aircraft Noise

Mr. Deva: To ask the Secretary of State for Transport what conclusions he has reached following consultation on the proposals in the paper issued in August 1991, "Control of Aircraft Noise"; and if he will make a statement.

Mr. Norris: I am publishing today the Government's conclusions following extensive consultation on the proposals contained in the paper issued in August 1991 "Control of Aircraft Noise". Five hundred and seventy-five responses to the consultation paper were received from a variety of individuals and organisations representing aviation and local community and environmental interests.

The responses generally supported the principle that aerodromes should be responsible and locally accountable for taking all reasonable measures to minimise nuisance to local communities from their activities and for bearing the costs of doing so.

I will be taking various steps to reinforce this approach, building on the existing, mainly voluntary, system of control at most airports. However, it is still appropriate for me to retain a reserve power to take responsibility myself for noise control. This power is most likely to apply to major international airports.

I propose to develop national guidance about the sorts of measure that might reasonably be taken by the different types of aerodromes and will consult widely on it when a draft has been prepared. In the meantime, views from interested parties on points that might be included are welcomed. Virtually all the responses to consultation welcomed the proposals for guidance.

In line with the principle of local responsibility and accountability, I will write to BAA to explore the scope for

their taking on more direct responsibility for ensuring that noise mitigation measures at Heathrow, Gatwick and Stanstead are properly observed, for following up breaches and for responding to complaints. I will also invite the consultative committees to give their views on how such a changeover of responsibility can be smoothly and effectively achieved.

I will also be considering with other aerodromes how they might review their existing arrangements to ensure that they are as effective as possible.

When parliamentary time permits, I will introduce primary legislation to amend the existing power for the control of aircraft noise. The changes will reflect the proposals in the consultation paper that aerodromes should have explicit powers to devise and enforce measures to minimise noise including ground noise. I will also introduce a power to require an aerodrome to develop a noise mitigation scheme, to consult locally and to secure agreement to it with a lead local authority, with disputed points to be settled by my Department. Where an aerodrome is required to produce such a scheme, the lead local authority will be responsible for ensuring that the noise control measures are properly enforced. I will reserve the right to approve schemes myself where I judge it appropriate.

These powers will apply to all aerodromes, including sites used temporariliy by light aircraft or helicopters.

I would not expect these powers to be used widely. It is far better for aerodromes to adopt and enforce effective noise measures themselves and to be accountable voluntarily to local people about what they are doing. Generally this approach works well, and I want to build on it.

Bus Deregulation

Mr. Brandreth: To ask the Secretary of State for Transport if he will publish a consultation document on the operation of bus deregulation outside London; and if he will make a statement.

Mr. Freeman: We do not intend to alter the basic deregulatory regime set up by the Transport Act 1985. There may, however, be aspects of its working that could be improved, and we have issued a consultation paper on them. Copies have been placed in the Library.

Thameslink

Ms Ruddock: To ask the Secretary of State for Transport (1) what cost benefit analysis was made in respect of Thameslink 2000; and to what extent the benefit to cost ratio would be changed by a decision not to proceed with a low level station at King's Cross;

(2) when the plans and all planning applications for Thameslink 2000 were finalised; and when an application for a ministerial order under the new Transport and Works Act 1992 procedures was ready to be lodged;

(3) if he will make funds available to allow work on Thameslink 2000 to proceed.

Mr. Freeman: It is for British Rail to appraise the project and to consider the implications of alternative options for a new Thameslink station at King's Cross. The decision that, subject to the results of further work, the channel tunnel rail link should terminate at St. Pancras does not preclude construction of a low-level station at King's Cross.

The preparation and submission of an application under the Transport and Works Act procedures is a matter for BR. No application in respect of any element of Thameslink 2000 has been received.

As announced by my right hon. Friend the Secretary of State on 22 March, British Rail will be undertaking further work, within its existing resources, on options for developing Thameslink services.

Channel Tunnel Rail Link

Ms Ruddock: To ask the Secretary of State for Transport what environmental standards will apply, and what benefits will be available to people living near, to the new sections of the proposed channel tunnel rail link.

Mr. Freeman: The route for the rail link announced for consultation has been designed in accordance with a range of environmental design aims as explained in a departmental paper entitled "Paper for the Channel Tunnel Rail Link High Level Forum: Environmental Appraisal", which is in the Library. Mitigation measures also contribute towards achieving these aims; the measures that might be provided will be discussed over the next few months with those people affected. Any loss of value of homes resulting from any remaining environmental impacts may qualify for statutory compensation once the railway is in operation.

Ms Ruddock: To ask the Secretary of State for Transport what are the latest estimates for channel tunnel-borne rail freight loads expected to be carried on existing south London railway lines; how many train movements are expected; at what times of the day; and when he will announce what new estimates have been made in the light of changed passenger commuter services on those lines, resulting from the building of the channel tunnel passenger rail link.

Mr. Freeman: British Rail expects to run up to 27 international freight trains daily in each direction from the opening of the channel tunnel. Approximately half of the trains are expected to run at night. Some of these trains will access the tunnel via the Tonbridge-Redhill route and others by the Nunhead-Maidstone route. British Rail plans to increase the number of services on existing lines to meet the growth in demand; demand patterns will become clear only following the start of services. The channel tunnel rail link is designed primarily as a passenger line, but with the option of taking some freight being kept open.

Ms Ruddock: To ask the Secretary of State for Transport what environmental standards apply, and what benefits are available to people living near, to existing railway track which will carry additional freight loads as a result of *(a)* the channel tunnel opening and *(b)* the building of the channel tunnel rail link.

Mr. Freeman: There is no statutory requirement for environmental protection measures to be taken where traffic on an existing railway line increases or changes in nature; nor are compensation or sound insulation required to be provided. However, on the existing lines which will carry channel tunnel freight services—both before and after the building of the channel tunnel rail link—British Rail is taking measures to limit the effects of railway noise. Sections of jointed rail on these lines are being replaced by continuously welded rail and the new international rolling

stock has been designed to be quieter than other rolling stock currently in use. In addition, BR has agreed with Kent and Surrey county councils jointly funded schemes for the erection of acoustic barriers at certain locations alongside these railway lines. BR is willing to discuss the possibility of such schemes with any other local authority whose area is likely to be similarly affected.

Bus Drivers

Mr. Peter Bottomley: To ask the Secretary of State for Transport what statutory provisions govern rest periods after continuous hours of work, the availability of rest facilities, refreshment and lavatories for bus drivers in London.

Mr. Norris: Drivers of vehicles used for the carriage of passengers on a regular service of not more than 50 km are subject to the domestic drivers' hours rules contained in the Transport Act 1968.

The Act limits a continuous driving period to five and a half hours, after which a break of at least 30 minutes must be taken. During the break, a driver must be able to obtain rest and refreshment, but there are no statutory provisions governing the availability of rest and other facilities for bus drivers.

Marine Accidents

Mr. Dalyell: To ask the Secretary of State for Transport if he will make a statement on the interim results of the investigation by the marine accident investigation branch into the incident on 23 January, involving the MV Havkong in Braefoot bay.

Mr. Norris: It would be inappropriate to provide results before the investigation has been completed.

PRIME MINISTER

Social Security Offices (London)

Q7. **Mr. Corbyn:** To ask the Prime Minister what plans he has to visit a London DSS office.

The Prime Minister: I have at present no plans to do so.

Hepatitis B

Dr. Marek: To ask the Prime Minister how many patients were recalled for screening for hepatitis B by the Staffordshire, Wrexham, Argyll and Ayr and North Middlesex hospitals following two surgeons having transmitted hepatitis B to one or more of their patients.

The Prime Minister: Approximately 1,780 patients have been contacted for screening by the hospitals concerned. The two hospitals in Scotland are in the Ayrshire and Arran health board's area.

Cabinet Meetings

Mr. Mackinlay: To ask the Prime Minister who presides at meetings of the Cabinet in the event of an incidental absence of the Prime Minister.

The Prime Minister: Cabinet meetings are not normally held in the absence of the Prime Minister. In the event of such a meeting being necessary, I would make arrangements in the light of the circumstances at the time.

Acting Prime Minister

Mr. Mackinlay: To ask the Prime Minister what arrangements are laid down as to who should act as Prime Minister in the period immediately following his being suddenly incapacitated; and if he will make a statement.

The Prime Minister: There are no standing arrangements for this eventuality. The arrangements would depend on the circumstances.

Engagements

Sir Peter Tapsell: To ask the Prime Minister if he will list his official engagements for Thursday 25 March.

Mr. Harry Greenway: To ask the Prime Minister if he will list his official engagements for Thursday 25 March.

The Prime Minister: This morning I presided at a meeting of the Cabinet and had meetings with ministerial colleagues and others. In addition to my duties in the House, I shall be having further meetings later today.

ENVIRONMENT

Toxic Waste

Mr. Chris Smith: To ask the Secretary of State for the Environment what is his policy in relation to the proposed European Community ban on the export of toxic waste to non-OECD countries.

Mr. Maclean: At the Environment Council on 23 March, it was agreed to invite the Commission to examine all the circumstances that have given rise to the call for a ban on exports of hazardous waste to developing countries and to submit appropriate proposals to the Council at the earliest possible date. The Government supported this decision and suggested the examination of the circumstances.

Oil Pollution

Ms Walley: To ask the Secretary of State for the Environment what timetable has been agreed between the United Nations International Maritime Organisation and the EC Council of Ministers to consider the submissions for tanker exclusion zones around areas of ecological interest.

Mr. Maclean: I know of no such agreement between the International Maritime Organisation and the European Community Council of Ministers: nor would I expect to see one. However, the IMO maritime safety committee will be considering various proposals from the United Kingdom and other EC member states at its next meeting in May. The European Commission, as part of the follow-up to the EC joint environment/Transport Council of Ministers is organising a meeting on 21 April to discuss the definition of environmentally sensitive maritime areas.

Emissions

Mr. Llew Smith: To ask the Secretary of State for the Environment what assessment he has made of the reductions in carbon dioxide, sulphur dioxide and nitrogen oxide emissions that are likely to arise in each year to 1996 as a result of new taxation measures announced by the Chancellor in the Budget statement.

Mr. Maclean: It will take a number of years for consumers to adjust their consumption patterns fully to any change in energy prices. The imposition of VAT on domestic fuels and power and the increases in road fuel duties announced by my right hon. Friend are expected to reduce carbon dioxide emissions in 2000 by around three million tonnes carbon, emissions of sulphur dioxide by about 32,000 tonnes and emissions of oxides of nitrogen by around 57,000 tonnes.

Council Tax

Mr. Boyes: To ask the Secretary of State for the Environment what arrangements have been made to translate the leaflet on the council tax into British sign language on video for profoundly deaf people.

Mr. Robin Squire: My Department does not have any plans at present to produce a council tax video.

Housing Market Package

Mr. Battle: To ask the Secretary of State for the Environment if he will list the local authority areas within which the 78 purchases and approvals under the housing market package are located.

Sir George Young: Of the 78 purchases and approvals of properties owned by the Ministry of Defence, 66 were in Gillingham, the remaining 12 in Bristol.

Mr. Battle: To ask the Secretry of State for the Environment how many approvals were given under the housing market package in rural areas.

Sir George Young: Precise figures are not yet available. The latest estimate from the Housing Corporation is that some 600 purchases will be made in settlements with populations of 3,000 or fewer under the housing market package.

Cryptosporidiosis

Mr. John Marshall: To ask the Secretary of State for the Environment when he expects the report of the drinking water inspectorate into the outbreak of cryptosporidiosis in north Humberside to be published; and if he will make a statement.

Mr. Maclean: I am pleased to annouce that the report to Mr. R. J. Vincent MSc CChem, FRSC, MIWEM, of the drinking water inspectorate, into the outbreak of cyptosporidiosis in north Humberside in December 1989 to January 1990, has been published today. The report draws conclusions and makes comments about the operation of the Barmby water treatment works, and identifies five main lessons for the water industry in general which will help to protect water supplies in future. Copies of the report have been placed in the Libraries of both Houses.

Conservation Areas

Mr. Ainger: To ask the Secretary of State for the Environment which areas the Government proposes for designation as special areas of conservation under directive 92/43/EEC.

Mr. Maclean: The Government have not yet proposed any sites for designation as special areas of conservation under directive 92/43/EEC. The country nature conservation agencies and the Joint Nature Conservation Committee are at present undertaking the preliminary scientific analysis necessary before the identification of areas for inclusion in the United Kingdom's national list from which areas to be designated as special areas of conservation will be selected.

Mr. Ainger: To ask the Secretary of State for the Environment what progress the Government have made towards putting in place the legal and administrative provisions necessary for implementing directive 92/43/EEC and for safeguarding United Kingdom terrestrial and marine habitats covered by the directive.

Mr. Maclean: The Government's proposals for implementing the directive will be published in due course.

Mr. Ainger: To ask the Secretary of State for the Environment whether any areas in Cardigan bay, the Bristol channel or St. George's channel are being considered for designation as special areas of conservation under directive 92/43/EEC.

Mr. Maclean: No specific areas have so far been identified.

Sites of Community Importance

Mr. Ainger: To ask the Secretary of State for the Environment which United Kingdom sites have been placed on a Community draft list of sites of Community importance under directive 92/43/EEC.

Mr. Maclean: None.

Area Cost Adjustment

Mr. Milburn: To ask the Secretary of State for environment what plans he has to freeze the area cost adjustment factor for future years' local Government funding.

Mr. Robin Squire: We have no such plans. The method of calculating area cost adjustment factors is being reviewed, as part of a general review of standard spending assessments, in consultation with local authority representatives. Proposals for 1994-95 will be announced later in the year.

Air Pollution

Mr. Ian Taylor: To ask the Secretary of State for the Environment if he will make a statement about the 1993-94 charging scheme for local authority air pollution control under part I of the Environmental Protection Act 1990.

Mr. Maclean: Charges to cover the local enforcing authorities costs of regulating processes subject to part I of the Environmental Protection Act 1990 were introduced in April 1991. With the agreement of the Treasury, and the following consultation with local authority associations, industry and other bodies, the Secretary of State for the Environment and the Secretary of State for Wales have been made a revised scheme specifying the scales of fees and charges to take effect from 1 April 1993.

The application fee is increased by £35 to £935, and the annual subsistence charge and the substantial change fee £20 to £570 and £600 respectively. A new, much reduced,

substantial change fee of £100 has been introduced for cases where the substantial change is being made for the purpose of implementing a programme for upgrading of an existing process. The application fee and subsistence fee for small waste oil burners, which reflect a simplified authorisation procedure, remain unchanged at £100. The application fee for processes registered under the Alkali Act also remains at £580. The scheme will be laid before the House and a copy placed in the Library.

Pollution Inspectorate

Mr. Milligan: To ask the Secretary of State for the Environment if he will make a statement about the 1993-94 charging schemes for Her Majesty's inspectorate of pollution.

Mr. Maclean: Charges to cover the costs of regulating processes under integrated pollution control—IPC—and premises subject to Radioactive Substances Act 1960—RSA60—regulation were introduced in 1991 under the Environmental Protection Act 1990. The Act requires Her Majesty's inspectorate of pollution—HMIP—to balance costs and income, taking one financial year with another.

With the agreement of the Treasury, and following consultation with industry and other bodies, my right hon. and learned Friend the Secretary of State for the Environment has now made revised IPC and RSA60 charging schemes, specifying the revised scales of fees and charges which will take effect from 1 April 1993. I have placed copies of the revised schemes in the Library.

In 1991-92, the time and cost involved in the assessment of applications was under-estimated in setting the fees and charges, and costs were substantially under-recovered. For 1992-93, therefore, rates were significantly increased. At the same time, HMIP set itself tough targets for reducing application handling times. These targets are being achieved and there is no need for a real-terms increase in the 1993-94 fees and charges over those set for 1992-93. The increase for 1993-94 in the rate per component for each aspect of HMIP's work averaging 2·5 per cent. allows only for the effect of inflation on HMIP's costs.

The form of the schemes remains the same as in earlier years. For IPC, the scheme comprises an application fee to cover the cost of assessment of the operator's proposals and preparation of the authorisation; an annual subsistence charge for holders of authorisations, to cover the costs of inspection and oversight of the plant; and a variation fee to cover the costs of assessment of any proposals for substantial variation to a process.

The application fee for 1993-94 is £2,500 per component for processes which have previously been subject to air pollution control and £3,750 per component for processes coming under regulation by HMIP for the first time. The variation fee is £1,250 per component, and the annual subsistence charge is £1,540 per component.

Under the RSA60 charging scheme, nuclear licensed premises are billed individually on the basis of regulatory time spent and costs incurred at each site. The charging rate for 1993-94 will be £965 per inspector day.

Non-nuclear premises are charged on the basis of first-rate fees on a similar basis to the IPC scheme, covering applications, substantial variations and subsistence. For premises authorised to accumulate and dispose of radioactive waste—"band 3 premises", for example, research establishments and major universities—the application and variation fee will be £1,385 and the subsistence fee £820. For those premises authorised to accumulate and dispose of small quantities of substances, or substances with a lesser risk, a lower subsistence charge of £80 has been introduced. For premises registered to keep and use radioactive material—"band 4 premises", for example, industrial users of radioactive sources—the application and variation fee will be £500. The subsistence fee for band 4 premises will be £80, but the majority of such premises will be exempt from this payment because they handle small sources and do not require routine inspection.

Because of the under-recovery of costs in 1991-92, the 1992-93 schemes included a supplementary subsistence charge in respect of authorisations and registrations arising from applications made in 1991-92. These supplementary charges will continue in 1993-94 at the same rate as in 1992-93: under IPC, £610 per component for 1991-92 applications charged at the full rate, £410 for those charged at the reduced rate; under RSA60, £210 and £80 for band 3 and band 4 premises respectively. There will be no supplementary charge following from applications made in 1992-93.

Opencast Mining

Mrs. Angela Knight: To ask the Secretary of State for the Environment when he intends to revise the planning guidelines for opencast coal in minerals planning guidance note 3; and if he will make a statement.

Mr. Howard: My hon. Friend, the Parliamentary Under-Secretary of State for the Environment, announced on 15 July 1992 the Government's intention to revise the planning guidelines on opencast coal in MPG3. Revision of the guidelines has had to await the outcome of the Government's coal review. With the publication of today's White Paper, I intend to proceed as quickly as possible to consultation on revised draft planning guidelines. These will deal with both deep mine and opencast coal. The Welsh Office will undertake separate consultation in Wales.

It is clear that the revised guidelines will need to take into account the Government's energy policy and the policies for the coal industry set out in the White Paper. They must also reflect the Government's commitment to the protection of the environment. Within that broad national policy framework, the guidelines must be based on the development plan led approach introduced by the Planning and Compensation Act 1991. This approach will provide more certainty for the industry and for the communities in those areas where coal reserves exist.

Subject to any further considerations arising out of the debate on the White Paper, I intend therefore that the draft guidelines should be based on the following broad principles:

1. It is not the function of the planning system to seek to set national limits on or targets for any particular source or level of energy supply. Nevertheless coal which can be produced economically is an important indigenous energy resource and it would be against the national interest to prevent its extraction where that can be done in an environmentally acceptable way and consistently with wider environmental objectives, including the principles of sustainable development.

2. It is also relevant to consider whether a particular proposal for coal extraction would itself provide national, regional or local benefits to offset the disturbance occasioned during development restoration—e.g., through contributing to UK employment, the clearance of

dereliction or other improvements to the quality of land, the creation of nature reserves or the provision of other benefits.

3. Mineral planning authorities should prepare Mineral Local Plans based on policies which reflect that approach and which indicate in detail those areas where provision is made for coal extraction and the disposal of colliery spoil, as well as those areas where working or disposal is not likely to be acceptable and where coal resources are to be safeguarded for future working. The preparation of these plans is now an urgent requirement.

The national policy guidelines in MPG3 published in 1988 remain relevant to the consideration of individual opencast proposals until full revised guidelines are published. In the light of the coal review White Paper, however, further advice is necessary on the national policy considerations to be taken into account in the handling of planning applications in England and Wales to ensure a consistent approach between the White Paper and the guidelines. These are as follows:

It remains the case that there is no Government target for United Kingdom coal production in general or for opencast coal output in particular. Opencast coal mining can be environmentally intrusive, but can also produce benefits, such as landscape improvements and the provision of job opportunities. The Government are firmly committed to the protection of the environment and wish to ensure that the right balance is struck between development of opencast coal resources and proper protection of the environment and local amenity. There is no cause in land use planning terms for placing more restrictions on economic coal production than are required to secure full and proper protection of the environment; and, in accordance with the longer-term principles set out in this answer, it would be against the national interest to refuse planning permission for the extraction of economic indigenous coal resources where the development can be carried out in an environmentally acceptable way.

Individual proposals for opencast development should therefore be considered against the broad principles set out above and must be determined in accordance with the development plan unless material considerations indicate otherwise, as required by section 54A of the Town and Country Planning Act 1990. The existence of national policy guidance more recent than the development plan, including the advice set out in this answer, would normally constitute one such consideration to be taken into account.

This advice replaces paragraphs 5 and 6 of MPG3 which are hereby withdrawn.

Mr. Dover: To ask the Secretary of State for the Environment what changes he proposes to make in the planning procedures relating to opencast coal mining to improve the rate of approvals.

Mr. Baldry: *[holding answer 24 March 1993]:* None. The Government remain concerned to remove unnecessary delays in the issue of planning decisions generally and to encourage efficiency and effectiveness in development control. We have already taken action in the Planning and Compensation Act 1991 to provide greater certainty for the industry and local communities through the introduction of the new development plan led system, and we have removed one element of delay in the consideration of minerals applications by providing for such applications to be made direct to the mineral planning authority. Nevertheless, local planning authorities should make every effort to enhance their performance and improve on the length of time taken over planning cases.

We are also proposing to make available a standard planning application form for mineral development which will be of benefit to the industry and mineral planning authorities.

Mr. Dover: To ask the Secretary of State for the Environment if he will make a statement on the progress made on restoration of derelict land, extension of wildlife areas, extension of woodlands and hedgerows, and development of recreation facilities due to opencast coal mining over the last *(a)* five and *(b)* 10 years.

Mr. Baldry: *[holding answer 24 March 1993]:* This information is not held centrally. According to statistics compiled by the County Planning Officers Society's committee No. 3, however, during the last four years 6,490 hectares of land received planning permission for opencasting in England, of which 1,309 hectares was derelict. All permissions for opencasting carry a requirement fully to restore the land.

DUCHY OF LANCASTER

Cohort Studies

Mr. Peter Bottomley: To ask the Chancellor of the Duchy of Lancaster which EC countries have long-term birth cohort studies; if a framework for cohort studies will be discussed at the EC research CREST meeting this week; and if he will make a statement on the options for a common EC framework for comparative cohort studies.

Mr. Robert Jackson: I understand that the United Kingdom is the only EC country which has national long-term birth cohort studies. This matter was not discussed at last week's EC research CREST meeting. The European Commission, together with member states, are considering the inclusion of a separate social science programme within the fourth EC R and D framework programme, but it is too early to say how social sciences will be covered. We are not aware of any EC-wide initiatives outside the framework programme.

Freedom of Information

Mr. Fisher: To ask the Chancellor of the Duchy of Lancaster if he will place in the Library a copy of the report into the operation of freedom of information laws in Australia, Canada and New Zealand submitted to the Cabinet Office by Mr Robert Hazell at the conclusion of his civil service Nuffield and Leverhulme travelling fellowship in 1986-87.

Mr. Waldegrave *[pursuant to his reply, Official Report, 17 February, column 218]:* The last of the three Governments concerned have now agreed that the report can be made generally available. I have placed a copy in the Libraries of the House today.

Written Answers to Questions

Friday 26 March 1993

LORD CHANCELLOR'S DEPARTMENT

Legal Aid

Mrs. Bridget Prentice: To ask the Parliamentary Secretary, Lord Chancellor's Department how much was spent on legal aid in net terms in each year since 1988.

Mr. John M. Taylor: Net expenditure on legal aid in each year since 1988 was as follows:

	£ million
1988-89	475
1989-90	564
1990-91	682
1991-92	906

Mrs. Bridget Prentice: To ask the Parliamentary Secretary, Lord Chancellor's Department how much value added tax was collected as a result of charges on the properties of litigants who were legally aided in 1985, 1990, 1991 and 1992.

Mr. John M. Taylor: No additional VAT liability arises from placing a charge on property. The charge will relate to costs incurred which themselves will in the vast majority of cases bear VAT—this will have been reported as part of the total legal aid expenditure.

Mrs. Bridget Prentice: To ask the Parliamentary Secretary, Lord Chancellor's Department how much interest was accrued on charges on the property of litigants receiving legal aid in 1985, 1990, 1991 and 1992.

Mr. John M. Taylor: The scheme for accrual of interest was introduced with effect from 1 December 1988, so no interest accrued on charges on property before that date. A small amount of interest accrued on such charges during 1989-90, but no detailed figures are available. At the end of the financial year 1990-91, interest accrued to date on quantified charges was £824,311 less £26,174 received to date, leaving a balance of £798,137 outstanding. At the end of the financial year 1991-92, interest accrued to date on quantified charges was £4,018,132 less £313,900 received to date, leaving a balance of £3,704,232 outstanding.

OVERSEAS DEVELOPMENT ADMINISTRATION

Uganda

Mr. Redmond: To ask the Secretary of State for Foreign and Commonwealth Affairs what discussions he has had with the Ugandan authorities in respect of the state commission on the activities of Idi Amin when president; and if he will make a statement.

Mr. Lennox-Boyd: We are not aware of a commission specifically to look into the activities of former President Amin. The Ugandan Government have, however, set up a human rights commission to investigate human rights abuses which occurred prior to President Museveni coming to power in 1986. We welcome this in the context of Uganda's commitment to upholding better human rights standards; its record in this respect is recently much improved.

Tanzania

Mr. Redmond: To ask the Secretary of State for Foreign and Commonwealth Affairs what assistance he is currently giving to the Tanzanian authorities to reduce elephant poaching and illegal ivory trading in that country: and if he will make a statement.

Mr. Lennox-Boyd: We are currently supporting the following conservation projects in Tanzania, which contribute directly or indirectly to elephant conservation:

- Elephant conservation in the Rungwa-Kizigo research complex (£80,000).
- Integrated conservation programme for the Lake Manyara catchment basin (£42,000)
- Conservation and management of the Selous game reserve (£100,000)
- Community-based conservation programme in the Serengeti national park (£33,800)
- Ruaha ecosystem wildlife management project (£800,000)

Wages Councils

Mr. Burden: To ask the Secretary of State for Employment how many representations she has received since 5 November 1992 concerning abolition of wages councils; and how many of these *(a)* favoured abolition and *(b)* opposed abolition.

Mr. Michael Forsyth: We have received 1,213 representations concerning abolition of wages councils, of which 144 are in favour of abolition and 1,069 are against, including prepared postcards.

Dock Labour

Ms Walley: To ask the Secretary of State for Employment how many dock workers have been found to have been unfairly dismissed since 1989; how many have been reinstated; how many dock workers are currently claiming unfair dismissal; and in which ports they are employed.

Mr. McLoughlin: I regret that the information is not readily available and could be obtained only at disproportionate cost.

Health and Safety

Mr. Llew Smith: To ask the Secretary of State for Employment what assessment she has made of the implementation of the EC directive on health and safety in the workplace since 1 January.

Mr. McLoughlin: The directive was implemented in Great Britain by the Workplace (Health, Safety and Welfare) Regulations 1992. Although these came into force on 1 January 1993, they do not take effect in existing workplaces, until 1 January 1996 except where any modification is made to the workplace.

In the meantime the Health and Safety Executive will be assessing the implementation of the directive on an informal basis through its day-to-day contacts with industry.

Noise at Work

Mr. Terry Davis: To ask the Secretary of State for Employment how many improvement notices were issued against employers in 1990-91 and 1991-92 relating to the control of noise at work for each of the geographical areas of *(a)* the factory inspectorate, *(b)* the agricultural inspectorate and *(c)* the quarries inspectorate; and what were the penalties in each case.

Mr. McLoughlin: Improvement notices do not impose explicit penalties. They require action to be taken to comply with the relevant statutory provisions within a specified period of time.

The following requirements were made on improvement notices issued during the period 1990-91 and 1991-92.

Requirements made under the Noise at Work Regulations on Improvement Notices issued against employers by the Health and Safety Executive's (HSE) Factory, Agricultural and Quarries Inspectorates during 1990-91 and 1991-92[1]

Health and Safety Executive area	*Factory inspectorate*		*Agricultural inspectorate*		*Quarries inspectorate*	
	1990-91	*1991-92*[2]	*1990-91*	*1991-92*[2]	*1990-91*	*1991-92*[2]
South West	52	17	0	0	2	0
South	8	14	0	1	0	0
South East	14	11	0	3	0	3
Greater London	35	35	0	0	0	0
East Anglia	16	26	0	0	3	0
Northern Home Counties	9	11	0	0	1	1
East Midlands	57	25	2	1	0	0
West Midlands	25	22	0	0	0	0
Wales	5	5	2	10	0	0
Marches	23	26	0	2	0	0
North Midlands	22	20	0	0	0	0
South Yorkshire and Humberside	25	31	0	0	0	0
West and North Yorkshire	39	21	0	0	0	0
Greater Manchester	39	36	0	0	1	0
Merseyside	13	13	0	0	0	0
North West	17	7	0	0	0	0
North East	38	45	0	0	1	1
Scotland East	21	27	0	2	0	9
Scotland West	31	30	0	0	0	6
Total	489	422	4	19	8	20

[1] Years commencing 1 April.
[2] Provisional.

Unemployment Benefit Disqualification

Ms Eagle: To ask the Secretary of State for Employment if she will list for each standard region and for the United Kingdom as a whole, for each month from January 1990, the number of claimants subject to unemployment benefit disqualification broken down on the same basis as in the answer to the hon. Member for Nottingham, North (Mr. Allen) on 28 January, *Official Report*, columns *849-51*.

Mr. McLoughlin: Responsibility for the subject of the question has been delegated to the Employment Service Agency under its chief executive. I have asked him to arrange for a reply to be given.

Letter from M. E. G. Fogden to Ms Angela Eagle, dated March 1993:

As the Employment Service is an Executive Agency, the Secretary of State has asked me to write to you direct to respond to your Parliamentary Question about the number of claimants subject to unemployment benefit disqualifications listed monthly for each standard region and for the United Kingdom as a whole. This is something which falls within the responsibilities delegated to me as Chief Executive of the Agency.

Unfortunately, the information is not available in the form you have requested. Information on disqualifications is compiled on a quarterly and annual basis only. The statistical tables attached give the number of disqualifications imposed quarterly for each region and for Great Britain. Information for Northern Ireland is not collected.

I hope this is helpful.

As decided by the Administration Committee of the House of Commons, Chief Executive replies to written Parliamentary Questions will now be published in the *Official Report*. I will also place a copy of this letter in the Library of the House.

The number of people disqualified in west midlands region each statistical quarter since 1990 is as follows:

Quarter ending	*L V*	*Misc.*	*R E*	*Neg. to Avail*	*Ref W I*	*T D*	*R T*
1990							
March	3,501	1,273	43	42	—	—	15
June	3,167	1,070	46	35	1	37	12
September	3,653	1,142	47	30	—	10	11
December	3,943	1,281	17	27	762	—	3
1991							
March	3,267	1,233	11	29	—	6	—
June	3,082	1,252	9	33	—	12	—
September	2,677	1,007	7	31	—	—	—

Quarter ending	L V	Misc.	R E	Neg. to Avail	Ref W I	T D	R T
December	2,767	1,000	3	27	—	1	—
1992							
March	2,387	1,051	2	34	—	3	—
June	2,014	996	2	20	—	12	—
September	2,160	909	1	48	—	4	—
December	—	—	—	—	—	—	—

Code: L V—Leaving Voluntarily; Misc.—Misconduct; R E—Refusal of Employment; Neg. to Avail—Neglect to Avail oneself of an offer of Employment; Ref W I—Refusal to Comply with Written Instructions; T D—Trade Disputes; R T—Refusal or Premature Termination of Training.

The number of people disqualified in east midlands and eastern region each statistical quarter since 1990 is as follows:

Quarter ending	L V	Misc.	R E	Neg. to Avail	Ref W I	T D	R T
1990							
March	4,498	1,439	68	110	—	—	37
June	4,983	1,691	61	97	—	—	21
September	4,495	1,400	71	119	1	—	10
December	5,049	1,401	44	76	1	—	7
1991							
March	4,007	1,725	24	92	—	—	2
June	3,530	1,570	6	121	—	1	—
September	3,169	1,328	8	88	—	—	—
December	3,609	1,607	30	110	—	—	—
1992							
March	3,084	1,446	8	105	—	—	—
June	2,842	1,413	8	79	—	—	—
September	3,122	1,404	2	121	—	—	—
December	—	—	—	—	—	—	—

Code: L V—Leaving Voluntarily; Misc.—Misconduct; R E—Refusal of Employment; Neg. to Avail—Neglect to Avail oneself of an offer of Employment; Ref W I—Refusal to Comply with Written Instructions; T D—Trade Disputes; R T—Refusal or Premature Termination of Training.

The number of people disqualified in south western region each statistical quarter since 1990 is as follows:

Quarter ending	L V	Misc.	R E	Neg. to Avail	Ref W I	T D	R T
1990							
March	4,513	1,477	27	66	1	34	10
June	3,941	1,156	17	62	1	—	7
September	3,836	1,115	18	44	—	—	5
December	4,841	1,183	16	31	1	—	7
1991							
March	3,442	1,090	5	35	—	—	1
June	3,937	1,151	6	42	—	—	—
September	3,275	1,024	2	40	—	1	—
December	3,462	1,035	5	59	—	—	
1992							
March	2,841	1,008	4	45	—	—	—
June	2,459	893	3	35	—	—	—
September	2,649	960	3	51	—	—	—
December	—	—	—	—	—	—	—

Code: L V—Leaving Voluntarily; Misc.—Misconduct; R E—Refusal of Employment; Neg. to Avail—Neglect to Avail oneself of an offer of Employment; Ref W I—Refusal to Comply with Written Instructions; T D—Trade Disputes; R T—Refusal or Premature Termination of Training.

The number of people disqualified in northern region each statistical quarter since 1990 is as follows:

Quarter ending	L V	Misc.	R E	Neg. to Avail	Ref W I	T D	R T
1990							
March	1,858	560	19	35	—	—	22
June	1,688	498	17	24	—	5	6
September	1,774	463	17	26	2	1	9
December	1,923	520	16	29	—	—	1

Quarter ending	L V	Misc.	R E	Neg. to Avail	Ref W I	T D	R T
1991							
March	1,539	592	9	52	—	—	1
June	1,499	536	—	34	—	25	—
September	1,537	526	6	49	—	11	—
December	1,444	491	4	41	—	—	—
1992							
March	1,219	511	1	32	—	9	—
June	1,227	504	1	23	—	1	—
September	1,287	491	1	44	—	4	—
December	—	—	—	—	—	—	—

Code: L V—Leaving Voluntarily; Misc.—Misconduct; R E—Refusal of Employment; Neg. to Avail—Neglect to Avail oneself of an offer of Employment; Ref W I—Refusal to Comply with Written Instructions; T D—Trade Disputes; R T—Refusal or Premature Termination of Training.

The number of people disqualified in north western region each statistical quarter since 1990 is as follows:

Quarter ending	L V	Misc.	R E	Neg. to Avail	Ref W I	T D	R T
1990							
March	7,074	2,508	33	52	2	22	80
June	6,538	2,247	30	19	1	46	23
September	6,420	2,114	30	32	272	1	159
December	7,378	2,258	24	23	3	25	20
1991							
March	4,852	1,899	14	15	2,064	22	—
June	5,523	2,023	20	23	—	12	—
September	5,188	1,960	17	40	—	36	—
December	5,026	1,936	25	27	1	16	—
1992							
March	3,808	1,930	15	32	—	—	—
June	3,775	1,672	7	23	—	27	—
September	3,938	1,612	16	16	—	31	—
December	—	—	—	—	—	—	—

Code: L V—Leaving Voluntarily; Misc.—Misconduct; R E—Refusal of Employment; Neg. to Avail—Neglect to Avail oneself of an offer of Employment; Ref W I—Refusal to Comply with Written Instructions; T D—Trade Disputes; R T—Refusal or Premature Termination of Training.

The number of people disqualified in Yorkshire and Humberside region each statistical quarter since 1990 is as follows:

Quarter ending	L V	Misc.	R E	Neg. to Avail	Ref W I	T D	R T
1990							
March	4,840	1,549	60	48	4	7	50
June	4,803	1,546	42	35	6	16	43
September	4,594	1,314	40	22	2	—	47
December	4,350	1,142	20	14	17	6	30
1991							
March	3,228	1,163	16	49	5	—	9
June	3,026	1,205	14	22	—	1	—
September	2,900	1,052	10	19	—	—	—
December	3,035	1,145	7	29	—	—	—
1992							
March	2,409	1,254	6	26	—	—	—
June	2,581	1,242	3	24	—	1	—
September	2,651	1,140	9	29	—	—	—
December	—	—	—	—	—	—	—

Code: L V—Leaving Voluntarily; Misc.—Misconduct; R E—Refusal of Employment; Neg. to Avail—Neglect to Avail oneself of an offer of Employment; Ref W I—Refusal to Comply with Written Instructions; T D—Trade Disputes; R T—Refusal or Premature Termination of Training.

The number of people disqualified in Scotland office for each statistical quarter since 1990 is as follows:

Quarter ending	L V	Misc.	R E	Neg. to Avail	Ref W I	T D	R T
1990							
March	4,184	1,128	17	34	1	11	7
June	4,207	1,231	25	27	8	57	25
September	4,110	1,367	25	56	1	4	6
December	4,680	1,409	12	19	9	307	31
1991							
March	3,704	1,158	15	27	110	3	15
June	3,419	1,062	3	16	—	22	—
September	3,231	1,010	11	19	—	32	—
December	3,515	1,032	8	14	—	2	—
1992							
March	2,804	934	1	12	—	17	—
June	2,836	966	4	25	—	15	—
September	2,626	986	4	21	—	—	—
December	—	—	—	—	—	—	—

Code: L V—Leaving Voluntarily; Misc.—Misconduct; R E—Refusal of Employment; Neg. to Avail—Neglect to Avail oneself of an offer of Employment; Ref W I—Refusal to Comply with Written Instructions; T D—Trade Disputes; R T—Refusal or Premature Termination of Training.

The number of people disqualified in office for Wales each statistical quarter since 1990 is as follows:

Quarter ending	L V	Misc.	R E	Neg. to Avail	Ref W I	T D	R T
1990							
March	1,854	589	22	15	2	1	1
June	1,652	549	17	3	1	5	6
September	1,658	539	17	3	—	1	4
December	1,843	562	13	5	1	—	1
1991							
March	1,540	514	3	2	—	1	1
June	1,366	546	9	3	—	—	—
September	1,331	526	5	2	—	1	—
December	1,399	544	2	4	—	—	—
1992							
March	1,207	498	4	7	—	—	—
June	1,135	512	3	4	—	—	—
September	1,180	454	1	8	—	—	—
December	—	—	—	—	—	—	—

Code: L V—Leaving Voluntarily; Misc.—Misconduct; R E—Refusal of Employment; Neg. to Avail—Neglect to Avail oneself of an offer of Employment; Ref W I—Refusal to Comply with Written Instructions; T D—Trade Disputes; R T—Refusal or Premature Termination of Training.

The number of people disqualified in London and south-eastern region each statistical quarter since 1990 is as follows:

Quarter ending	L V	Misc.	R E	Neg. to Avail	Ref W I	T D	R T
1990							
March	8,454	2,726	275	68	6	1	8
June	12,343	3,931	389	54	19	1	8
September	11,596	3,211	272	33	6	—	7
December	11,929	3,452	235	22	7	—	9
1991							
March	11,647	3,563	89	27	175	—	4
June	12,451	4,923	63	27	573	145	—
September	12,866	5,049	74	25	—	6	—
December	11,936	4,326	38	35	—	—	—
1992							
March	10,766	4,507	26	34	1	—	—
June	9,327	4,073	25	54	1	—	—
September	9,406	4,004	27	47	—	—	—
December	—	—	—	—	—	—	—

Code: L V—Leaving Voluntarily; Misc.—Misconduct; R E—Refusal of Employment; Neg. To Avail—Neglect to Avail oneself of an offer of Employment; Ref W I—Refusal to Comply with Written Instructions; T D—Trade Disputes; R T—Refusal or Premature Termination of Training.

The number of people disqualified nationally each statistical quarter since 1990 is as follows:

Quarter ending	L V	Misc.	R E	Neg. to Avail	Ref W I	T D	R T
1990							
March	43,032	13,973	646	476	16	76	230
June	43,322	13,919	644	356	37	167	151
September	42,496	12,665	537	365	284	17	258
December	45,936	13,208	397	246	801	338	109
1991							
March	37,226	12,937	186	328	2,354	32	33
June	37,833	14,268	130	321	573	218	—
September	36,174	13,482	140	313	—	87	—
December	36,193	13,116	121	346	1	19	—
1992							
March	30,525	13,139	67	327	1	29	—
June	28,196	12,271	56	287	1	56	—
September	29,019	11,960	—	385	—	39	—
December	—	—	—	—	—	—	—

Code: L V—Leaving Voluntarily; Misc.—Misconduct; R E—Refusal of Employment; Neg. to Avail—Neglect to Avail oneself of an offer of Employment; Ref W I—Refusal to Comply with Written Instructions; T D—Trade Disputes; R T—Refusal or Premature Termination of Training.

Notes:

1. Decisions on absence from Great Britain; imprisonment or detention on legal custody; and, from April 1991, those relating to training are not separately identified in the statistical summary of decisions made and have not been included above.
2. The figures for December 1992 are not yet published.

PRIME MINISTER

Public Appointments

Mr. Wigley: To ask the Prime Minister what steps he is taking to ensure that more posts on public bodies are advertised; and if he will make it his policy to secure that the post of chairperson of each public body is advertised.

The Prime Minister: Responsibility for deciding how to fill the 40,000 ministerial appointments to public bodies rests with the individual Ministers and Departments concerned. Central guidance encourages the use of advertisement where appropriate, but it would not be cost-effective for all the 3,500 people chairing public bodies.

Security

Mr. Milburn: To ask the Prime Minister when he will reply to the letter of 3 February from the hon. Member for Darlington on security matters.

The Prime Minister: My office can find no trace of any such letter.

Pit Closures

Mr. Rowlands: To ask the Prime Minister whether he will list the membership of the ministerial and Cabinet committees which have considered the future of the coal industry and the pit closures.

The Prime Minister: The terms of reference of all ministerial committees of the Cabinet were given in my reply to my hon. Friend the Member for Harlow (Mr. Hayes) on 19 May 1992 at columns *110-18* and my subsequent reply to my hon. Friend the Member for Windsor and Maidenhead (Mr. Trend) on 1 February 1993 at columns *46-47*. I do not propose to give details of the topics discussed by individual committees or their procedures.

NATIONAL HERITAGE

Hospital Radio

Mr. Hutton: To ask the Secretary of State for National Heritage if he will make a statement on his policy towards assigning an FM frequency for hospital radio broadcasts.

Mr. Brooke: The Radio Authority is responsible for determining its own procedures and priorities for licensing services on the frequencies which have been assigned to it.

National Music Library

Mr. Peter Bottomley: To ask the Secretary of State for National Heritage, pursuant to his oral answer of 22 March, *Official Report*, column 597, if he will consider the creation of a national music library to take on the work and collection of Westminster city council.

Mr. Key: I shall certainly consider how national co-operation to meet users' needs can best be enhanced.

My Department is already jointly funding a study for a library and information plan for music. This study is investigating the provision of music scores and music information across the country and is expected to be completed this June. It will produce an action plan for improvements in services.

One of the current applications for funding from the Department's public library development incentive scheme is for the establishment of a national music lending service, based on the present collections of the Yorkshire Humberside joint library service and the British library. A final decision on this application will be taken in September.

Although Westminster city council plans to reduce the opening hours of the central music library and make commensurate staff savings, its service will remain exceptional. The library will still be open six days of the week, for a total of 37 hours; the new opening hours will be tailored to match user demand and there are no plans to reduce the existing, extremely extensive, stock.

Items in Lieu of Tax

Sir Gerard Vaughan: To ask the Secretary of State for National Heritage if there have been any items accepted in lieu of tax or allocated since his last announcement on 16 February, *Official Report*, column *145*.

Mr. Brooke: Since my last announcement on 16 February, *Official Report*, column *145*, I am pleased to inform the House of the acceptance of two items offered in lieu of taxation. The items consist of the Corbridge Lanx Roman silver dish which will satisfy £1,832,000 tax, and a painting "Joseph and Potiphar's Wife" by Guido Reni which will satisfy £2,492,875 tax. The acceptance of both these items has been made possible by a call on the Reserve. The Corbridge Lanx will be allocated to the British museum in accordance with the condition on which the offer was made. As with previous "hybrid" offers, the recipient institution, in this case the British museum has agreed to pay the estate concerned the difference between the tax liability and the special price. The Reni painting will be allocated to the Fitzwilliam museum and will remain in situ at Holkham hall, in accordance with the condition on which the offer was made.

AGRICULTURE, FISHERIES AND FOOD

EC Agri-environmental Regulation

Mr. Moss: To ask the Minister of Agriculture, Fisheries and Food what are his plans for implementing the EC agri-environment regulation 2078/92; and if he will make a statement.

Mr. Gummer: I am today issuing for public consultation a major package of six new proposals for implementing the agri-environment regulation in England. My right hon. Friends the Secretaries of State for Scotland, Wales and Northern Ireland are carrying out parallel consultations on their proposals.

The agri-environment regulation was agreed as part of last year's reform of the common agricultural policy (CAP) and commits all member states to offering incentives to farmers to farm in environmentally beneficial ways going beyond normal good argicultural practice. This develops and extends the principle of environmentally sensitive areas (ESAs) which we pioneered in the United Kingdom. It is an important step in bringing environmental considerations to the heart of the CAP.

ESAs help farmers to conserve and enhance special habitats, landscapes and features of historic interest. They have been widely acclaimed by both farmers and environmentalists. The package being issued today includes proposals for a new incentive to build on the success of the ESA scheme by opening particularly suitable ESA farmland for new public access to create greater opportunities for public enjoyment of some of our most beautiful countryside.

Secondly, I am now issuing proposals on the boundaries, aims and operation of six new environmentally sensitive areas in the Blackdown hills, the Cotswold hills, Dartmoor, the Essex coast, the Shropshire hills and the upper Thames tributaries. The areas proposed will add some 319,000 hectares to the 832,000 hectares already covered by ESAs in England and annual expenditure on the scheme is now set to rise to £43 million by 1995-96.

Thirdly, I am proposing a new moorland scheme to encourage a targeted reduction in the number of livestock grazing moorland outside ESAs where this can result in improvements in heather, other semi-natural vegetation and associated wildlife habitats of moorland.

Fourthly, I am proposing a new meadowland scheme to encourage the creation of new public access opportunities on particularly suitable set-aside land. At the same time, I am issuing comprehensive proposals for the management of rotational and non-rotational set-aside land from the 1993-94 crop year, in ways which would exploit the considerable potential for environmental gains from set-aside. The options proposed, subject to EC rules, include wildlife corridors along field margins and watersides, woodland planting and wild bird cover, as well as more specialist options aimed at particular species such as migratory geese, otters and rare ground nesting birds.

Fifthly, I am proposing a new habitat improvement scheme to encourage the creation or improvement of a range of valuable wildlife habitats such as coastal saltmarsh and water-fringes along particularly vulnerable watercourses, through the removal of carefully selected areas of land from agricultural production for 20 years.

Sixthly, I am making proposals for a new organic aid scheme to encourage organic farming, both to benefit the environment and to encourage a type of food production for which there is a clear consumer demand.

Proposals for new measures to help protect groundwater catchments affected by high nitrate levels will also be issued for public consultation shortly.

In addition to the increased expenditure on ESAs, a further £19 million per annum will be spent on the other measures by 1995-96. The proposals complement the range of environmental incentives already available to farmers and reflect the Government's continuing commitment to caring for the countryside and to integrating environmental objectives into agricultural policy. I am making copies of the consultation documents available in the Library of the House.

Detailed arrangements for the new schemes will be finalised this summer after the results of the consultation have been analysed, and individual schemes will open for applications towards the end of this year or in 1994.

TRANSPORT

MV Derbyshire

Mr. Burden: To ask the Secretary of State for Transport if he will consider holding a further formal inquiry into the case of the loss at sea of the MV Derbyshire in 1980.

Mr. Norris: I have no plans to order a further formal investigation into the loss of the MV Derbyshire.

Rail Passengers (Electrical Appliances)

Mr. Redmond: To ask the Secretary of State for Transport if he will list the electrical appliances that passengers on British Rail trains are forbidden to use on safety grounds.

Mr. Freeman: Most modern InterCity passenger vehicles are fitted with a 13 amp socket outlet, for the use of cleaning staff only. The sockets are not designed for use while vehicles are in passenger service. Each socket has a sign warning "This plug socket is not for public use".

There are no restrictions, on safety grounds, for portable devices driven by batteries.

Crewe-Holyhead Rail Line

Mr. Richards: To ask the Secretary of State for Transport if he will list the investment made in each of the last 10 years on maintaining and improving passenger services on the Crewe to Holyhead rail line.

Mr. Freeman: My Department does not hold this information. Investment and maintenance programmes for individual stretches of line are a matter for the British Railways Board.

Lyme Bay (Inquiry)

Ms Walley: To ask the Secretary of State for Transport if he will set up a marine accident investigation branch inquiry to determine what lessons can be learnt following the canoeing disaster off Lyme bay on 22 March.

Mr. Norris: In light of the investigation into the whole incident by the police authorities, the marine accident investigation branch will not be starting its own investigation. However, the matter is being kept under review.

Dr. Marek: To ask the Secretary of State for Transport if he will give the shortest times for trains to travel between London and the channel tunnel for the present proposals for a high-speed rail link and for all previous proposals.

Mr. Freeman: The information available is as follows:

March 1989 outline proposals

Southerly approach route terminating at King's Cross —around 40 minutes.

1990-91 comparison of route options

Southerly approach route terminating at King's Cross —35·5 minutes.

Southerly approach route terminating at Stratford—35 minutes.

Ove Arup route to an intermediate stop at Stratford —33 minutes.

Ove Arup route terminating at King's Cross—40.5 minutes, including a stop at Stratford.

Rail Europe route terminating at Stratford—35.5 minutes.

1993 route for consultation

Easterly approach route terminating at St. Pancras or King's Cross—37 minutes.

Handsworth Driving Test Centre

Mr. Betts: To ask the Secretary of State for Transport when he will make a statement about the future of the Handsworth driving test centre in Sheffield.

Mr. Kenneth Carlisle *[holding answer 23 March 1993]:* Following discussions with the relevant landlords, the Driving Standards Agency's preferred option for reducing its capacity in the Sheffield area is to retain the driving test centre at Handsworth and to close the centre at Manor Top. The agency will now consult the Members of Parliament for the constituencies affected and representatives of approved driving instructors.

WALES

Youth Training

Mr. Ron Davies: To ask the Secretary of State for Wales if he will give the key evaluation targets for youth training in Wales for the financial year 1993-94.

Mr. David Hunt: The key evaluation targets are:

The provision of sufficient places to meet the guarantee of a YT place for all 16 and 17-year-olds who are not in employment or full-time education.

That no young person should wait more than eight weeks for an offer of a suitable training place.

That each trainee should have an individual training plan leading to an approved vocational qualification at generally national vocational qualification level II or higher.

GP Fund Holders

Mr. Martyn Jones: To ask the Secretary of State for Wales how much has been paid out of health service funds to general practitioners' fund-holding practices and how much to non-fund-holding practitioners on a per capita basis within Clwyd family health services authority district.

Mr. Gwilym Jones: In 1992-93 allocations to the 10 Clwyd general practice fund holders amount to an average of some £138 per patient.

There are no comparable figures for non-fund-holding practices whose hospital services are purchased by the health authority.

Breast Screening

Mr. Rowlands: To ask the Secretary of State for Wales when he received the bid from the mammography screening service for an additional post for Mid Glamorgan; and when he will decide on the bid.

Mr. Gwilym Jones: A request for a contribution from central funds towards the cost of two consultant posts, in general surgey and radiology, was made in November for the financial year 1993-94. An announcement is due to be made shortly.

European Regional Development Fund

Mr. Ron Davies: To ask the Secretary of State for Wales how many applications were received from local authorities in Wales for European regional development fund funding in the years 1992-93 and 1991-92; what percentage of their applications were successful; and how many of the successful applications reached completion.

Mr. David Hunt: The structural funds programmes in Wales do not operate on a financial year basis. Four programmes are currently in progress in Wales, all of which include expenditure incurred in 1991-92 and 1992-93.

Of the 374 applications submitted by local authorities to date, 88 have been approved. Applications in respect of the remaining eligible projects are expected to be approved by the programme monitoring committees by the end of 1993.

Projects approved under these programmes do not have to be completed until 1995 and it is therefore too early to comment on the successful completion of these applications.

Homelessness

Mr. Hain: To ask the Secretary of State for Wales if he will list figures by district for *(a)* the number of people who presented as homeless and *(b)* the number of people accepted as homeless for 1991 and 1992.

Mr. Gwilym Jones: Information on the number of people who apply as homeless to local authorities is not available centrally. The numbers of persons in households accepted as homeless by local authorities under part III of the Housing Act 1985 are shown in the table:

Persons accepted as homeless

	1991	*1992*
Aberconwy	104	151
Alyn and Deeside	499	633
Arfon	93	103
Blaenau Gwent	761	417
Brecknock	318	318
Cardiff	4,052	4,555
Carmarthen	227	363
Ceredigion	373	340
Colwyn	178	176
Cynon Valley	1,017	543
Delyn	683	503
Dinefwr	410	542
Dwyfor	127	104
Glyndwr	87	70
Islwyn	399	414
Llanelli	383	284
Lliw Valley	284	325
Meirionnydd	257	174
Merthyr Tydfil	365	238
Monmouth	388	286
Montgomeryshire	259	296
Neath	656	757
Newport	2,936	2,283
Ogwr	1,809	2,095
Port Talbot	340	369
Preseli	255	359
Radnorshire	45	82
Rhondda	358	374
Rhuddlan	177	91
Rhymney Valley	395	335
South Pembrokeshire	205	171
Swansea	1,779	1,622
Taff-Ely	743	770
Torfaen	1,038	952
Vale of Glamorgan	1,184	1,139
Wrexham Maelor	730	864
Ynys Môn	111	204

Source: Welsh Office local authority returns.

SCOTLAND

Organ Donor Cards

Mrs. Fyfe: To ask the Secretary of State for Scotland if he will institute a freephone number for callers to request organ donor card registration forms; and if he will make it his policy to run the advertisements on television channels in Scotland for the same number of weeks as in England.

Mr. Stewart *[holding answer 10 March 1993]*: For the first time in Scotland, a television advertisement will shortly be shown to promote organ donation. The advertisement will encourage would-be donors both to carry a card and to discuss their wishes with relatives, since in many cases family objections have prevented the use of suitable organs. A freephone number will be available so that callers can request donor cards.

The advertisement will appear for two consecutive weeks. We shall be assessing its impact to determine whether arrangements should be made for further screenings.

Community Care

Dr. Godman: To ask the Secretary of State for Scotland what proportion of total funding for health and social care during the years 1993-94 and 1994-95 is to be spent on community care; and if he will make a statement.

Mr. Stewart *[holding answer 15 March 1993]*: Information in the form requested is not available. Information on planned expenditure by the NHS is not attributed to particular services but health boards contribute significantly to the provision of community care through their community health services, bridging finance, support finance and other means.

A large part of local authority social work departments' expenditure is devoted to community care. Precise figures are not available: expenditure in the current year is likely to be of the order of £350 million to £400 million. For 1993-94 and 1994-95 we are providing, additionally, £64 million and £113 million respectively under our community care reforms. This is made up of a transfer of funds from the Department of Social Security and additional funds to enable local authorities to develop services.

Secure Units

Mr. Galbraith: To ask the Secretary of State for Scotland what plans he has to place a secure unit at Woodilee hospital; and if he will make a statement.

Mr. Stewart *[holding answer 25 March 1993]*: None. The management of the state hospital, Carstairs has been in touch with health boards, including Greater Glasgow, as part of a feasibility study on the merits or otherwise of establishing local in-patient forensic psychiatry facilities in Scotland. Consideration of that study continues.

Nurses

Mr. Kirkwood: To ask the Secretary of State for Scotland how many nurses are currently employed by each health board in Scotland; and what this number represents as a percentage total of qualified nurses employed in the NHS in each board.

Mr. Stewart *[holding answer 25 March 1993]*: The information requested is set out in the table.

Nursing staff in the NHS in Scotland (excluding Project 2000 nurses in training)
Headcount as at 30 September 1992 (provisional)

	Total	Qualified	Unqualified	In Training	Qualified as percentage of Total
SCOTLAND	73,717	43,173	22,540	8,004	58·6
Argyll and Clyde	5,727	3,220	2,031	476	56·2
Ayrshire and Arran	3,991	2,436	1,186	369	61·0
Borders	1,369	830	385	154	60·6
Dumfries and Galloway	2,342	1,352	735	255	57·7
Fife	3,990	2,517	1,088	385	63·1
Forth Valley	4,443	2,475	1,604	364	55·7
Grampian	7,743	4,709	2,398	636	60·8
Greater Glasgow	16,083	8,649	5,484	1,950	53·8
Highland	2,794	1,843	701	250	66·0
Lanarkshire	6,141	3,810	1,691	640	62·0
Lothian	10,594	6,083	2,819	1,692	57·4
Orkney	272	188	73	11	69·1
Shetland	254	187	56	11	73·6
Tayside	6,888	4,242	1,847	799	61·6
Western Isles	446	300	134	12	67·3
CSA	308	58	250	—	18·8
State hospital	332	274	58	—	82·5

Mr. Kirkwood: To ask the Secretary of State for Scotland how many nurses currently are employed in Scotland on short-term contracts in the NHS by each health board.

Mr. Stewart *[holding answer 25 March 1993]:* The information requested is not available centrally. The table shows the average whole time equivalents for agency nurses, the only non-permanent nursing staff for whom data are available.

Agency nursing staff: average WTE
Six months ending 30 September 1992

Health Board	Average WTE[1]
Scotland[2]	299·4
Argyll and Clyde	0·1
Ayrshire and Arran[3]	0·2
Borders	0·0
Dumfries and Galloway	0·4
Fife	0·6
Forth Valley	0·0
Grampian[4]	35·3
Greater Glasgow	148·7
Highland	—
Lanarkshire	—
Lothian	64·0
Orkney	—
Shetland	—
Tayside	—
Western Isles	—

[1] To calculate the average, 1 WTE is taken as a contribution of 37·5 hours per week × 26 = 975 hours per half year.

[2] Rounding of individual figures may produce slight differences between the sum of constituent items and total.

[3] Ayrshire and Arran health board includes agency hours at the South Ayrshire hospitals NHS trust.

[4] Grampian health board includes agency hours at Aberdeen royal hospitals NHS trust.

NORTHERN IRELAND

Senior Citizens (Free Transport)

Mr. Peter Robinson: To ask the Secretary of State for Northern Ireland what is the estimated cost to his Department of subsidising *(a)* Citybus, *(b)* Ulsterbus and *(c)* Northern Ireland Railways to extend free transport to senior citizens within Northern Ireland.

Mr. Atkins: This information is not available and could be obtained only at disproportionate cost.

ENVIRONMENT

Climate Change Convention

Mr. Chris Smith: To ask the Secretary of State for the Environment if he will make a statement on his policy on the adoption of 30 June as an appropriate deadline for the ratification of the framework convention on climate change by the member states of the European Community.

Mr. Maclean: At this week's Environment Council all member states agreed to take the measures necessary to enable them to ratify the convention not later than the end of 1993. This matches the United Kingdom's earlier commitment, along with our Group of Seven partners, to ratify the convention by the end of 1993.

Education Spending

Mr. Nicholls: To ask the Secretary of State for the Environment which 10 education authorities have the highest standard spending assessment per pupil; and which 10 education authorities have the lowest standard spending assessment per pupil.

Mr. Robin Squire The table shows the education standard spending assessment for primary, secondary and post-16 education expressed in pounds per pupil for primary, secondary and pupils aged over 16. These figures exclude provision for under-fives and the other education element for which there are no pupil numbers.

Local authority	Education SSA, per pupil £
First 10	
Isles of Scilly	3,882
Hackney	3,797
City of London	3,777
Lambeth	3,694
Tower Hamlets	3,662
Hammersmith and Fulham	3,412
Islington	3,411
Westminster	3,369
Kensington and Chelsea	3,350
Camden	3,338
Last 10	
Cheshire	2,159
Wakefield	2,157
Derbyshire	2,146
Staffordshire	2,145
Hereford and Worcester	2,144
Solihull	2,140
Wigan	2,102
Dudley	2,098
Stockport	2,070
Bury	2,049

Equal Opportunities

Mr. Janner: To ask the Secretary of State for the Environment what steps he has taken to recruit women, members of ethnic minorities and disabled people, respectively, in top grades of employment at his Department.

Mr. Howard: Recruitment to my Department at grade 8 and above is always by means of public open competition. Applicants are considered entirely on their suitability for the post in question under the supervision of the Office of the Civil Service Commissioners irrespective of gender, ethnic origin or disablement.

Environment Council

Sir Anthony Durant: To ask the Secretary of State for the Environment if he will make a statement on the outcome of the Environment Council on 22 and 23 March.

Mr. Howard: I and my hon. Friend the Minister for the Environment and Countryside represented the United Kingdom at this Council.

The Council agreed a decision which establishes a monitoring mechanism for emissions of carbon dioxide and other greenhouse gas emissions within the Community as a whole. This will require all member states to prepare and regularly update national programmes to limit these emissions. The programmes are needed to contribute to fulfilment by the Community as a whole of the requirement, in the UN framework convention on climate change, to aim to return emissions of carbon dioxide and other greenhouse gas emissions to their 1990 levels by the year 2000, and of related Community commitments. Secondly, the Council reached political agreement on a measure which will enable the Community to ratify the climate change convention. There was also a general discussion of progress on the Community's strategy during which we described the significant announcements that my right hon. Friend the Chancellor of the Exchequer made in his Budget speech last week.

The Council reached full agreement on the Community eco-management and audit regulation. This proposal was a priority of the United Kingdom's presidency, but a few matters remained to be resolved following the broad political agreement reached last December. The regulation will establish a voluntary scheme to encourage the effective environmental management of industrial operations and public disclosure of information on environmental impacts.

The Council noted the good progress which had been made on the Commission's proposal for a revision of controls on the wildlife trade—the "Convention on International Trade in Endangered Species Regulation"—and invited the Committee of Permanent Representatives (COREPER) to take the discussion forward.

Further to its agreement on the text of the relevant decision last December, the Council agreed that the Community and its member states would ratify no later than 6 February 1994 the United Nations Environment Programme Basel convention on the control of transboundary movements of hazardous wastes and their disposal. The Council also invited the Commission to examine the circumstances that have given rise to a call for a ban on exports of hazardous recoverable waste to developing countries and to submit appropriate proposals to the Council.

The Council noted the Commission's intention of making a proposal by the end of April for further Community measures to implement the updated provisions of the Montreal protocol on ozone-depleting substances, including in particular those which relate to hydrochlorofluorocarbons and methyl bromide.

The Council examined for the first time a proposal from the Commission for a directive on the control of volatile organic compound (VOC) emissions resulting from the storage of petrol and its distribution from terminals to service stations—the so-called "Stage I" directive. This directive will control evaporative emissions of petrol and so help to reduce the formation of ozone at ground level. Due to the large number of remaining technical issues needing resolution, the proposal was remitted to COREPER for further discussion.

The Council held a brief discussion on the state of the Community's follow-up to the United Nations Conference on Environment and Development, and invited COREPER to report to the next Council in June.

The Council also held an exchange of views on the state of preparations for the pan-European ministerial conference on the environment to be held in Lucerne from 28 to 30 April.

The Council welcomed the Commission's communication on "A Common Policy for Safe Seas", on measures to improve maritime safety and guard against marine pollution. It agreed on the need for early decisions after careful study of the Commission's proposals.

The Council took note of a progress report on a proposed directive on the incineration of hazardous waste, designed to prevent or minimise the negative effects of such incineration, and invited COREPER to pursue work on the proposal.

The Commission introduced its proposal for a directive on further measures on air pollution by emissions from motor vehicles, to take account of the best technology

which will be available for relevant vehicles after 1996, and invited the Council to reach a decision on the proposal as soon as possible.

The Council took note of the adoption by the Commission of a Green Paper on civil liability for environmental damage and agreed to discuss it in due course.

The United Kingdom, with support from other delegations, urged the presidency to press ahead with negotiations on the draft directive on packaging and packaging waste.

Private Housing (Renovation Grants)

Mr. Carrington: To ask the Secretary of State for the Environment whether he will make available results from the 1991 English house condition survey to inform the planned consultation paper on the future of the private house renovation grant system.

Sir George Young: We plan to publish a preliminary report on unfit dwellings at the same time as the consultation paper is issued. The main report of the survey will be published in two parts, the first in July and the second before the end of the year.

EC Directives

Mr. Sumberg: To ask the Secretary of State for the Environment when he intends to issue the second consultation paper on the implementation of the urban waste water treatment directive and the nitrates directive.

Mr. Maclean: We have today issued a consultation paper on the methodology for identifying sensitive areas —urban waste water treatment directive—and designating vulnerable zones—nitrates directive. This is the second in a series of such papers, the first of which covered the criteria and procedures for identifying sensitive areas and less sensitive areas—urban waste water treatment directive —and "polluted waters"—nitrates directive. The Government response to comments received on the first consultation paper has been included as an annex to the second.

Council Tax

Mr. Milburn: To ask the Secretary of State for the Environment what is the estimate of the number of disabled people who live in band A homes under the council tax in each region.

Mr. Robin Squire *[holding answer 25 March 1993]:* This information is not available centrally.

Mr. Milburn: To ask the Secretary of State for the Environment what plans he has to introduce a band A-minus under the council tax.

Mr. Robin Squire *[holding answer 25 March 1993]:* We have no such plans. The scheme of council tax reductions for people with disabilities will ensure that no one pays more council tax in respect of additional accommodation which he or she needs because of a disability. If a dwelling is allocated to band A, any additional accommodation cannot have resulted in an increase in council tax liability, and no reduction is therefore appropriate.

Mr. Milburn: To ask the Secretary of State for the Environment (1) what is his estimate for the value of the average disabled person's reduction under the council tax; (2) what is his estimate of the number of people who qualify for the disabled person's reduction under the council tax.

Mr. Robin Squire *[holding answer 25 March 1993]:* We do not know how many dwellings will qualify for disabled persons' reductions, or the council tax bands and local authority areas in which they will fall. It is therefore not possible to make a precise estimate of the average value of such reductions. But on the assumption that such dwellings are distributed among bands and areas in the same way as other dwellings, the average reduction might be about £60, before discounts, transitional reductions and benefits are taken into account.

Mr. Henderson: To ask the Secretary of State for the Environment if he will list the current estimate of each authority's entitlement to transitional reduction grant in 1993-94, showing for each authority the necessary assumptions about numbers of single people in each council tax band and the present entitlements to community charge transitional relief.

Mr. Robin Squire *[holding answer 25 March 1993]:* Authorities have been invited to submit claims for council tax transitional reduction scheme grant for 1993-94. Details of discounts are not required by the Department, but will be examined by auditors when claims are certified. We have no estimates of the amount of each authority's grant entitlement. A list of the amounts of community charge reduction scheme grant for 1992-93 claimed by each authority has been placed in the Library of the House.

Seal Culling

Mr. Dafis: To ask the Secretary of State for the Environment what representations he has made to the Government of Namibia concerning the practice of seal culling.

Mr. Lennox-Boyd: I have been asked to reply.

The British high commission in Windhoek has periodic discussions with the Namibian authorities about seal culling and has passed on the public concern in the United Kingdom about it.

TRADE AND INDUSTRY

Isobutyl Nitrate

Ms Walley: To ask the President of the Board of Trade if he will issue a prohibition order in respect of isobutyl nitrate party poppers.

Mr. Leigh: The Government are keeping this matter under close review, in order to assess whether measures in the future to control isobutyl nitrate party poppers might be appropriate.

Loan Guarantee Scheme

Mr. Madden: To ask the President of the Board of Trade what representations he has received calling for the loan guarantee scheme to be made more attractive to small and medium-sized companies; and if he will make a statement.

Mr. Leigh: The President of the Board of Trade receives many representations on the loan guarantee scheme and

other measures to assist small firms. I refer to the Chancellor of the Exchequer's Budget statement of 16 March in which he announced changes to the loan guarantee scheme which will offer real additional benefits to small firms.

Metrication

Mr. Conway: To ask the President of the Board of Trade what representations he has had on standardising metric measurement in the manufacturing and retail sectors; and if he will make a statement.

Mr. Leigh: Although there have been many representations aobut metrication, only a small number have been about standardising metric measurements. The Government consider that manufacturers and retailers should normally be allowed to choose which metric units to use.

Mr. Foulkes: To ask the President of the Board of Trade what action he intends to take to allow retailers to go metric prior to 1995 and to show prices in metric units without also having to show prices in imperial units; and if he will make a statement.

Mr. Leigh *[holding answer 25 March 1993]:* Retailers are allowed to show prices for all goods and services in metric units. However, if they show food prices in metric units, they are required to show the price in imperial units. Following representations from retail interests, the Government are reassessing the costs and benefits of this requirement.

Eco-labelling

Mr. Dafis: To ask the President of the Board of Trade what steps are being taken to amend section 8 of the Trade Descriptions Act 1968 to take account of the European Community's eco-labelling scheme.

Mr. Leigh: There are no plans to amend this section of the Act.

Carpet Manufacturers

Mr. Butcher: To ask the President of the Board of Trade what assistance he is giving British carpet manufacturers in obtaining evidence of illegal subsidies to the Belgian carpet manufacturing industry; and if he will request the European Commission to institute an official investigation into subsidies applied by national and regional authorities for Belgium.

Mr. Sainsbury: I have received allegations from British carpet and textile organisations of financial assistance to textile companies in Wallonia recently and am seeking to clarify the factual position. If the allegations are verified, I will ask the Commission to take action.

Directors (Disqualification)

Mr. John Marshall: To ask the President of the Board of Trade how many directors have been disqualified in each year since the passing of the Insolvency Act 1986.

Mr. Neil Hamilton: The number of disqualification orders notified to the Secretary of State since 1986, on a financial year basis—April to March—are as follows:

	Number
1986-87	108
1987-88	224
1988-89	408
1989-90	445
1990-91	419
1991-92	459

Maritime Disputes

Mr. Peter Bottomley: To ask the President of the Board of Trade if he will estimate the foreign earnings associated with the use of English courts and arbitrators for international maritime dispute resolution.

Mr. Neil Hamilton: The Central Statistical Office balance of payments year book estimates that total foreign legal earnings for commercial legal advice and advocacy are £425 million per year. There is no detailed breakdown of the different types of commercial matters available. It is not therefore possible to estimate the percentage of this figure which relates to maritime disputes.

Leyland DAF

Mr. Nigel Evans: To ask the President of the Board of Trade what recent contact he and his Department have had with the Dutch Government on Leyland DAF.

Mr. Heseltine: My right hon. Friend the Minister for Industry has had a number of further discussions with Mr. Koos Andriessen, the Dutch Minister for Economic Affairs. There have also been continuing contacts at official level.

Merseyside (EC Funds)

Mrs. Jane Kennedy: To ask the President of the Board of Trade if he will list for each year since 1987 *(a)* total European regional development fund receipts allocated to Merseyside and *(b)* total United Kingdom public expenditure cover for those receipts.

Mr. Sainsbury *[holding answer 25 March 1993]:* European regional development fund receipts allocated to Merseyside for each year since 1987 are shown below. Public expenditure cover has been made available for all these receipts.

Current Prices

£ million

Year	*Allocations*
1987	5·58
1988	1·91
1989	8·70
1990	22·47
1991	21·76
1992	13·12
1993	44·54

One-stop Shops

Mr. Fatchett: To ask the President of the Board of Trade, pursuant to his answer of 16 March to the hon. Member for Southampton, Test (Mr. Hill), *Official Report*, column *203*, if he will list the organisations that have bid to establish one-stop shops; and if he will make a statement.

Mr. Leigh *[holding answer 23 March 1993]:* In the one-stop shop prospectus my right hon. Friend the President of the Board of Trade asked training and enterprise councils to co-ordinate bids on behalf of local partnerships and organisations. These included chambers of commerce, enterprise agencies and local authorities. Fifty-seven training and enterprise councils submitted bids on behalf of local partnerships. A list of those training and enterprise councils is attached:

Bids Received from Training and Enterprise Councils to become a Pilot One Stop Shop

	Enterprise Councils
1.	Avon
2.	AZTEC (Kingston, Merton, Wandsworth)
3.	Birmingham
4.	Calderdale and Kirklees
5.	CAMBSTEC (Cambridge)
6.	CEWTEC (Chester, Ellesmere Port and Wirral)
7.	Cumbria
8.	Devon and Corr.wall
9.	Barnsley and Doncaster (Doncaster)
10.	Dorset
11.	Dudley
12.	East Lancashire
13.	East Suffolk
14.	LETEC (London East)
15.	Essex
16.	Gloucestershire
17.	Greater Nottingham
18.	Hampshire
19.	Hereford and Worcester
20.	Hertfordshire
21.	Kent
22.	LAWTEC—Lancaster and District
23.	LAWTEC—Preston
24.	Leicestershire
25.	Lincolnshire
26.	Manchester
27.	Merseyside
28.	METROTEC (Wigan)
29.	NORMID (Halton)
30.	North Derbyshire
31.	Northamptonshire
32.	North Nottinghamshire
33.	Northumberland
34.	Oldham
35.	QUALITIC (St. Helens)
36.	Rochdale
37.	Rotherham
38.	Sandwell
39.	Sheffield
40.	Shropshire
41.	Somerset
42.	South Thames (Pan-London bid)
43.	South and East Cheshire
44.	(SOLOTEC) South London
45.	Southern Derbyshire
46.	Staffordshire
47.	Surrey
48.	Sussex
49.	Teeside (Cleveland)
50.	Thames Valley Enterprise
51.	Tyneside
52.	Walsall
53.	Wearside
54.	West London
55.	West Suffolk
56.	Wiltshire
57.	Wolverhampton

Cable Television

Mr. Betts: To ask the President of the Board of Trade how many cabling franchises have been awarded to date; how many properties these franchises cover; how many properties have been cabled to date; and how many properties he expects will be cabled in each of the next three years.

Mr. Leigh *[holding answer 23 March 1993]:* The answer is:

(a) 135 cable franchises have been awarded, of which eight have been subsequently handed back of revoked;

(b) The franchises awarded covered around 14·5 million properties; excluding the eight lapsed franchises this figure falls to around 14·2 million;

(c) Approximately 2,213,000 properties have been cabled passed to date and of these, around 454,000 properties have been connected to cable services;

(d) The Department does not itself issue forecasts in this area. Independent forecasts suggest that some 700,000 additional properties will be cabled passed in 1993, 1,200,000 in 1994 and 1,500,000 in 1995. Clearly, only a proportion of these properties will subscribe to cable services.

Mr. Betts: To ask the President of the Board of Trade what action he intends to take against those companies awarded cabling franchises which have made no significant progress in cabling properties to date.

Mr. Leigh *[holding answer 23 March 1993]:* Responsibility for monitoring and, if appropriate, enforcing compliance with build obligations contained in cable operators' licences issued under the Telecommunications Act 1984 is a matter for the Director General of Telecommunications.

999 Calls

Ms Estelle Morris: To ask the President of the Board of Trade if he will require telephone companies to publish the waiting time for 999 calls from the point the telephone call is made until the point where it is answered by an emergency service.

Mr. Leigh *[holding answer 22 March 1993]:* It would fall to the Director General of Telecommunications to require the production by telephone companies of such data and to provide for their publication. He has no plans to do so at present. The provision of 999 call handling services is, however, kept under active review by the relevant parties.

Animal Experimentation

Mr. David Porter: To ask the President of the Board of Trade what recent representations he has had about British and EC regulations to cut the testing of cosmetics on animals; and if he will make a statement.

Mr. Leigh *[holding answer 22 March 1993]:* Since adoption of a common position to ban the testing of ingredients in cosmetics on animals by 1998—subject to a viable alternative—proposed in the sixth Council amendment to directive 76/768/EEC, some 250 letters have been received about ending such testing.

Free Flights Offers

Mr. Nigel Griffiths: To ask the President of the Board of Trade what powers he has to investigate complaints about sales promotions which offer free flights to accompany the sale of goods or services; and what recent complaints he has received.

Mr. Leigh *[holding answer 16 March 1993]:* I have no such powers. I have recently received four complaints.

NATIONAL FINANCE

Tax Relief (Dividends)

Mr. Dewar: To ask the Chancellor of the Exchequer what would be the effect of restricting tax relief on dividends to 25 per cent. in 1993-94, 1994-95 and 1995-96.

Mr. Dorrell: When a United Kingdom resident company pays a dividend to a United Kingdom resident shareholder, the shareholder receives a tax credit from the Exchequer. Under the Chancellor's Budget proposals, the value of the tax credit is being reduced, for dividends paid after 5 April 1993, from 25 per cent. of the value of the dividend and credit to 20 per cent. The effect of this proposal is described in the "Financial Statement and Budget Report" and the Inland Revenue Budget day press release.

Dividends are not deductible in calculating profits liable to corporation tax, but the advance corporation tax a company pays when it pays a dividend can be set off against the corporation tax on its profits. Under the Chancellor's Budget proposals, that set off will be reduced to 22·5 per cent. in 1993-94 of taxable profits, and to 20 per cent. for 1994-95 and subsequent years.

Domestic Fuel

Mr. Dewar: To ask the Chancellor of the Exchequer if he will publish figures showing the revenue yield in *(a)* 1994-95 and *(b)* 1995-96 from value added tax on domestic fuel and power, giving figures separately for value added tax on (i) oil, (ii) piped gas, (iii) cylinder gas, (iv) electricity and (v) coal.

Sir John Cope: Table 4.1 of the 1993-94 FSBR provides an estimate of the total yield in 1994-95 and 1995-96 from introducing VAT on domestic fuel and power. No separate figures are available for the VAT yield from particular types of fuel and power.

Women (Unpaid Work)

Mr. Wigley: To ask the Chancellor of the Exchequer what steps are being taken by his Department to develop means of measuring the economic value of unpaid work undertaken by women.

Mr. Portillo: The Government recognise the contribution of women—and men—who undertake work caring for others in the home. For example, home responsibilities protection (HRP) is designed to protect the state pension position of both women and men who are unable to work regularly because they are required to stay at home to look after a child or sick or disabled person. Home responsibilities protection reduces the number of qualifying years a person needs to qualify for a full basic pension.

Mileage Allowance

Mr. Allen: To ask the Chancellor of the Exchequer what plans he has to review the Inland Revenue guidelines on tax-free mileage rates paid by employers; and what is the formula now used to arrive at those rates.

Mr. Dorrell: The tax-free rates for 1993-94 were announced on 23 March 1993 in an Inland Revenue press release and are set out below, with the 1992-93 rates in brackets. The formula used to arrive at the tax-free mileage rates ensures that, for drivers who do typical private mileages, the rates reflect tax-allowable business costs as closely as possible whatever the level of business mileage.

	Up to 4,000 miles		*Over 4,000 miles*	
Cars up to 1,000 cc	26p	(25p)	15p	(14p)
Cars 1,001 to 1,500 cc	32p	(30p)	18p	(17p)
Cars 1,501 to 2,000 cc	40p	(38p)	22p	(21p)
Cars over 2,000 cc	54p	(51p)	30p	(27p)

Cycle Helmets

Miss Lestor: To ask the Chancellor of the Exchequer what progress has been made in attempts to zero-rate child cycle helmets for value added tax.

Sir John Cope: Customs and Excise have recently completed a review of the zero-rating currently available for children's cycle helmets. A decision on the outcome will be announced shortly.

Miss Lestor: To ask the Chancellor of the Exchequer on what grounds value added tax is applied to cycle helmets and not to motor cycle helmets; and if he will make a statement.

Sir John Cope: Zero rating of cycle helmets is limited to those which qualify under the provisions available for young children's clothing and footwear. Legislation was introduced in 1974 to provide zero rating specifically for protective boots and helmets for industrial use and helmets meeting state safety standards for use by persons driving or riding a motor bicycle. There are no VAT reliefs for safety items generally.

Domestic Fuel

Mr. Flynn: To ask the Chancellor of the Exchequer whether the proposed new VAT charges on domestic fuel will apply to the standing charges.

Sir John Cope: Standing charges are regarded as part of the payment for the supply of fuel and power and will therefore be subject to the VAT changes announced in the Budget statement.

Tax Liability

Mr. Dewar: To ask the Chancellor of the Exchequer if he will estimate *(a)* the average and *(b)* the total tax liability of taxpayers in each region of the United Kingdom in 1993-94 compared with the indexed 1987-88 income tax regime.

Mr. Dorrell: I regret that this information is not available on a regional basis.

Tax Liability

Mrs. Dunwoody: To ask the Chancellor of the Exchequer what estimate he has of the United Kingdom tax burden, in percentage averge terms in *(a)* 1993-94 and *(b)* 1995-96; and if he will make a statement.

Mr. Dorrell: An estimate of the tax burden in 1993-94, and a projection for 1995-96, is provided in table 2B.2 of the 1993-94 "Financial Statement and Budget Report".

Mortgage Interest Tax Relief

Mr. Dewar: To ask the Chancellor of the Exchequer what is his estimate of the cost of mortgage interest tax relief in 1993-94 and the number of borrowers who will benefit from it.

Mr. Dorrell: The cost of mortgage interest tax relief is provisionally estimated to be £4·3 billion in 1993-94 based on the conventional assumption that interest rates remain at their current levels.

The estimated number of single people or married couples benefiting from mortgage interest relief in 1993-94 is 9·9 million.

Pensioners (Income Tax)

Mr. Dewar: To ask the Chancellor of the Exchequer if he will estimate the *(a)* number and *(b)* percentage of people in receipt of the state retirement pension who will be liable to pay income tax in 1993-94.

Mr. Dorrell: The latest estimate is that 3·4 million of those receiving state retirement pension—about one third of the total—will be liable to income tax in 1993-94.

Investment

Mrs. Dunwoody: To ask the Chancellor of the Exchequer by what percentage rate *(a)* investment and *(b)* business investment is expected to grow as a result of the measures in his Budget, and if he will make a statement.

Mr. Portillo: The "Financial Statement and Budget Report" 1993-94, published along with the Budget, set out the forecast for total and business investment.

Petroleum Revenue Tax

Mr. O'Neill: To ask the Chancellor of the Exchequer what assessment his Department has made of the likely effect of Budget changes to petroleum revenue tax on exploration activity in the North sea; and what assessment his Department has made of the likely effect on offshore investment of the changes announced in both petroleum revenue tax and advance corporation tax.

Mr. Dorrell *[holding answer 25 March 1993]:* Doubling the marginal rate of return should encourage investment in, and extend the life of, existing PRT-paying fields. For the future, finding and producing oil will be taken completely out of PRT. As with any tax cut, that will both increase after-tax costs and increase after-tax profits that would have been subject to PRT. Commercially viable exploration should continue unaffected, except by the greater scope for companies to benefit from success.

FOREIGN AND COMMONWEALTH AFFAIRS

Yugoslavia

Mr. Hutton: To ask the Secretary of State for Foreign and Commonwealth Affairs what resources are being made available by Her Majesty's Government to the Commission established by Security Council resolution 780 investigating alleged war crimes in the former Yugoslavia.

Mr. Douglas Hogg: The Commission is currently being funded from the UN regular budget to which we contribute. It has plans to set up a trust fund to provide for its future requirements. We shall be considering how best we might contribute.

Sri Lanka

Mr. Cox: To ask the Secretary of State for Foreign and Commonwealth Affairs when the British high commissioner to Sri Lanka last visited the Jaffna area of Sri Lanka; how long his visit lasted; who accompanied him; what areas of Jaffna he visited; and if he will list the people the high commissioner met on his visit.

Mr. Lennox-Boyd: The British high commissioner visited Jaffna on 18 February for one day. He was accompanied by General Ranatunga, the secretary of the Sri Lankan Ministry of Defence, and the Australian high commissioner. He saw Palali air base and the Navy base at Karainagar. He met General R. de S. Daluwatte and Brigadier Wijendra at Palali and Commodore Sandagri at Karainagar.

Nuclear and Chemical Weapons

Mr. Cummings: To ask the Secretary of State for Foreign and Commonwealth Affairs if Her Majesty's Government will make it their policy to deny places on science graduate and postgraduate courses to students from countries which fail to sign or ratify international protocols relating to nuclear or chemical weapons.

Mr. Boswell: I have been asked to reply.

The Government are determined to block potential avenues for the poliferation of nuclear, chemical or biological weapons. We are discussing with representatives of the universities and colleges, which are responsible for the admission of students to courses, the most effective means of ensuring that postgraduate students and researchers from countries where there is a proliferation concern cannot gain access to relevant technologies through study or research in United Kingdom higher education.

HEALTH

Health Authorities

Ms Primarolo: To ask the Secretary of State for Health what was the cost of running, and the number of staff employed by each regional health authority and management executive outpost in each of the last five years.

Dr. Mawhinney: The cost of running regional health authorities is shown in table 1.

Information on the numbers of staff employed by regional health authorities given in table 2 are not directly comparable as they include centrally managed functions —see note 4 to table. Figures for 1991 are not available centrally. For information for 1992 I refer the hon. Member to the reply I gave to my hon. Friend the Member for Ludlow (Mr. Gill) on 4 March at column *221* which gives figures for staff employed on core regional services produced by a special exercise conducted in mid 1992. Similar figures are not available for earlier years.

The management executive outposts have been operational only since April 1992. Their running cost budget for 1992-93 is £3 million and they currently have 56 staff in post as shown in table 3.

Table 1. Total Revenue Expenditure of Regional Health Authorities (RHAs) — *£000 (cash)*

RHA	*1987-88*	*1988-89*	*1989-90*	*1990-91*	*1991-92*
Northern	20,978	22,455	25,813	27,479	63,474
Yorkshire	30,709	31,733	34,349	42,094	65,093
Trent	26,612	28,158	29,354	21,982	174,283
East Anglian	10,898	12,664	14,103	19,694	45,648
North-West Thames	8,672	12,454	14,529	18,672	57,619
North-East Thames	17,678	20,723	22,791	26,710	189,715
South-East Thames	17,374	20,816	25,964	32,250	250,032
South-West Thames	59,311	63,240	72,403	70,499	149,077
Wessex	9,468	10,019	11,992	14,665	25,017
Oxford	9,897	10,871	13,189	15,816	49,363
South Western	12,114	13,229	15,612	13,756	86,185
West Midlands	37,060	38,811	47,626	53,917	111,013
Mersey	19,023	10,660	12,773	14,706	23,961
North Western	41,133	40,314	42,576	26,804	65,151

Source: Annual accounts of regional health authorities (RHAs) 1987-88 to 1991-92.

Notes:

1. The figures cover the total revenue expenditure of the authorities including that incurred on headquarters administration and on the management and provision of services in the years concerned.
2. The extent to which RHAs are involved in directly managing and accounting for ambulance and other services varies from region to region. The expenditure of individual RHAs is also influenced by other factors including variations in the size of the total populations served and the number of district health authorities comprising each region.
3. The figures for 1991-92 are not comparable to those for the earlier years, which predate the NHS reforms. In particular, many RHAs are directly involved in the purchase of healthcare and related services for their region and their 1991-92 expenditure includes substantial costs for patient treatment incurred under contracts with health care providers.

Table 2
Staff employed by regional health authority headquarters and headquarter units as at 30 September

Whole-time equivalents

	1986	*1987*	*1988*	*1989*	*1990*
Northern	2,630	2,670	2,710	2,710	2,740
Yorkshire	3,090	3,160	3,130	3,190	3,050
Trent	3,340	3,070	3,440	3,380	3,340
East Anglian	1,180	1,290	1,320	1,320	1,330
North West Thames	1,540	2,300	1,530	1,560	1,750
North East Thames	2,370	2,450	2,600	2,650	2,710
South East Thames	2,070	2,120	2,140	2,130	2,210
South West Thames	1,790	1,790	1,830	1,900	2,080
Wessex	1,310	1,350	1,360	1,300	1,430
Oxford	2,630	1,650	1,630	1,600	1,670
South Western	1,710	1,680	1,710	1,680	1,800
West Midlands	4,430	4,920	4,850	4,860	4,640
Mersey	2,260	2,300	1,690	1,730	1,740
North Western	3,870	4,140	4,250	4,210	3,130
TOTAL	34,210	34,890	34,190	34,230	33,650

Notes:

1. Figures are rounded to the nearest 10.
2. Figures are expressed as whole-time equivalents.
3. Consultants and senior registrars, whose contracts are held by the regional health authority, are also included in the figures.
4. The services provided by each regional health authority headquarters can be different. Some have the blood transfusion service, ambulance services etc. centralised, whereas in other regions these services are devolved to district health authorities. In some cases, these services may be centralised in some years and devolved in others.

Table 3

Outpost	*Number of staff*
North West	8
North East	8
East	11
South	10
South West	10
Midlands	9
TOTAL	56

Parliamentary Questions

Ms Primarolo: To ask the Secretary of State for Health if she treats information held by the NHS management executive as being information held centrally when answering parliamentary questions.

Dr. Mawhinney: All validated information held by the national health service management executive is regarded as information held centrally.

GP Fund Holding

Ms Primarolo: To ask the Secretary of State for Health what was the cost of first and second wave general practitioner fund-holding in 1991-92, broken down into *(a)* general practitioner fund-holding management fee, *(b)* general practitioner fund-holding underspend, *(c)* general practitioner fund-holding computer costs, *(d)* administrative costs to the (i) family health services authority, (ii) district health authority, (iii) regional health authority and (iv) her Department and the management executive *(e)* administrative costs to trusts, *(f)* Audit Commission costs and *(g)* the cost of primary care team time.

Dr. Mawhinney: The information available centrally is as follows:

(a) £14 million in fund holders' management allowance costs was reimbursed in 1991-92.
(b) Fund holder underspends are not a cost but a saving from the fund-holding budget. These savings will be spent for the benefit of patients. They amounted to some £17 million in 1991-92, of which £3·5 million has been channelled into extra funds for district health authorities to spend on all patients.
(c) £11·6 million in computer costs was reimbursed to fund holders in 1991-92.
(d) (e) and (f) These costs are not separately available for fund holding.
(g) The cost of primary care team time is already allowed for in the management allowance.

Health Forums

Ms Jowell: To ask the Secretary of State for Health what consideration she has given to including a patients' representative on the London health service development forum, the Lodon implementation group executive or the primary health care forum.

Dr. Mawhinney: The London health service development forum, the London implementation group executive and the primary health care forum are small executive or advisory bodies charged with implementing our policy document "Making London Better". Patients' organisations are not represented on these bodies, but will, of course, be consulted whenever appropriate.

Representing the consumers of health care services continues to be the role of health authority purchasers, family health service authorities and community health councils. Their views will be taken fully into account.

Ms Jowell: To ask the Secretary of State for Health what is the estimated cost of servicing the London implementation group in the year 1993-94; and whether this cost is included in the £43·5 million additional money set aside for investment in primary care.

Dr. Mawhinney: The support costs of the London implementation group (LIG) will not be financed from the £43·5 million announced in "Making London Better", which is additional money for primary care in London. LIG is operating through, and being serviced by, the existing health agencies wherever possible. The cost of any additional support will be met by the Department and the four Thames regions.

Accident and Emergency Services

Ms Jowell: To ask the Secretary of State for Health what consideration has been given to the desirability of locating obstetric, gynaecology and children's services on site so that they are readily accessible by hospital accident and emergency services.

Mr. Sackville: Accident and emergency departments should only be located in major hospitals, supported by a range of specialties on site and have good communications with specialties which are not on site. It is for purchasers and provider units to determine the most effective configuration of local provision for paediatric, obstetric and gynaecology services, which take full account of the needs of the local population and ensures that timely support is available to the accident and emergency service where appropriate.

Prescription Charges

Mrs. Anne Campbell: To ask the Secretary of State for Health what plans she has to phase out the exemption of prescription charges for the conditions that are currently listed as benefiting from free prescriptions.

Dr. Mawhinney: The Government's policy is that people who can afford to do so should contribute towards the cost of national health service pharmaceutical services by paying prescription charges. Help with such charges is directed towards those likely to have the greatest difficulty in paying. The way in which the extensive exemptions on grounds of health or status may best contribute to this policy is kept under review.

Drug Prescribing

Mrs. Lait: To ask the Secretary of State for Health, pursuant to her answer of 17 March, *Official Report*, column *303*, when she expects the Advisory Committee on National Health Service Drugs to specify which existing products in the 10 new categories to be covered by the selected list regulations it will formally consider; and on what basis the selection will be made.

Dr. Mawhinney: The Advisory Committee on National Health Service Drugs has set up sub-groups to undertake preliminary consideration, in the light of the committee's terms of reference, of the range of drugs within each of the new therapeutic categories. These sub-groups will report to the full committee, which will decide which drugs should be formally considered. The committee has not set dates for the reviews of particular categories, but relevant manufacturers will be informed in advance.

Mrs. Lait: To ask the Secretary of State for Health if she will place in the Library a list of the names of each product in each of the 10 therapeutic categories to be considered for inclusion in the selected list by the Advisory Committee on NHS Drugs.

Dr. Mawhinney: I cannot add to my reply to the hon. Member on 17 March at column *303*.

Dentists

Mr. Simon Coombs: To ask the Secretary of State for Health how many dentists are now being employed directly by family health service authorities.

Dr. Mawhinney: At 31 December 1992 there were 71 salaried dentists employed by family health service authorities.

Bowel Cancer

Mr. Blunkett: To ask the Secretary of State for Health what plans she has made for the establishment and funding of a national sigmoidoscopy screening programme for bowel cancer.

Mr. Sackville: There are no current plans to establish and fund a screening programme for bowel cancer.

Mr. Blunkett: To ask the Secretary of State for Health what evidence has been received by her Department of the effect on public health and economic benefits of a national sigmoidoscopy screening programme for bowel cancer.

Mr. Sackville: The value of screening for colorectal or bowel cancer is uncertain. The Department is considering initiatives, including progress of a trial being undertaken at Nottingham on faecal occult blood testing; the potential for flexible sigmoidoscopy as compared to faecal occult blood testing; and other possible screening options.

Counterfeit Drugs

Mr. Chisholm: To ask the Secretary of State for Health what steps are taken to reassure patients that dispensed drugs are authentic rather than counterfeit drugs.

Dr. Mawhinney: All dispensed medicines are strictly controlled by the Medicines Act 1968. Compliance with the requirements of this Act by those who manufacture, import, wholesale and dispense medicines in the United Kingdom is continuously monitored and enforced by the Medicines Control Agency and the Royal Pharmaceutical Society of Great Britain.

The Medicines Control Agency also operates a round-the-clock service by which any suspected defective medicinal product, including counterfeits, can be reported to the agency. The report is investigated with the licence holder and any other parties involved. Any necessary action can be implemented quickly. The agency is supported by laboratories equipped to investigate any suspected counterfeit products.

Mr. Chisholm: To ask the Secretary of State for Health what steps she is taking to prevent counterfeiting and reimportation of drugs.

Dr. Mawhinney: The Medicines Control Agency fully investigates all alleged reports of counterfeiting and illegal re-importation of drugs and takes prompt action, including prosecution where appropriate to stop illegal activity. The United Kingdom licensing system covering the import—sale and production—of medicinal products is continually kept under review to ensure that appropriate safeguards against counterfeit products are maintained.

Ambulance Service

Mr. Blunkett: To ask the Secretary of State for Health if she will list for each ambulance service *(a)* the proportion of ambulance service responses which are a result of doctors' urgent calls, *(b)* the average response time for such calls and *(c)* the targets she has set for response times; and if she will make a statement.

Mr. Sackville: Urgent calls for an ambulance may be made by people other than doctors—for example, expectant mothers. Information on urgent patient journeys does not distinguish between types of caller. The proportion of patient journeys classified as urgent is set out in the table for each ambulance authority in England. Information on average response times for urgent calls is not available centrally. Ninety-five per cent. of urgent responses should arrive at the hospital within 15 minutes of the time agreed between the doctor and the ambulance authority.

Ambulance services 1991-92 England
Urgent patient journeys as a proportion of all patient journeys[1]

	Total patient journeys (thousands)	*Urgent patient journeys (thousands)*	*Urgent journeys as proportion of total journeys (percentage)*
Non-metropolitan authorities			
Cleveland	216·0	24·2	11
Cumbria	250·0	14·0	6
Durham	332·6	14·4	4
Humberside	417·9	22·6	5
North Yorkshire	274·1	21·5	8
Derbyshire	318·1	23·7	7
Leicestershire	290·6	26·0	9
Lincolnshire (NHS Trust)	190·0	18·5	10
Nottinghamshire	443·0	25·3	6
Cambridgeshire	272·8	11·9	4
Norfolk (NHS Trust)	304·1	20·9	7
Suffolk	264·0	10·2	4
Bedfordshire	148·8	9·3	6
Hertfordshire	189·9	15·5	8
Essex	550·1	27·3	5
East Sussex	393·7	20·0	5
Kent	352·9	29·1	8
Surrey	437·4	18·8	4
West Sussex	267·1	15·0	6
Dorset	322·5	19·5	6
Hampshire	212·7	30·6	14
Wiltshire	276·6	16·3	6
Isle of Wight	45·8	2·8	6
Berkshire	190·1	12·8	7
Buckinghamshire	167·7	11·5	7
Northamptonshire	160·1	14·0	9
Oxfordshire	181·5	10·4	6
Avon	308·5	23·2	8
Cornwall and Isles of Scilly (NHS Trust)	107·6	13·8	13
Devon	574·8	32·8	6
Gloucestershire	185·7	14·4	8
Somerset	172·3	14·1	8
Hereford and Worcestershire	216·9	14·5	7
Shropshire	93·6	11·3	12
Staffordshire	305·6	20·4	7
Warwickshire	96·2	16·7	17
Cheshire	243·2	21·5	9
Lancashire	528·8	30·9	6
Metropolitan authorities			
Northumbria Met (NHS Trust)	764·2	53·1	7
West Yorkshire Met	1,048·3	63·5	6
South Yorkshire Met	578·5	33·1	6
London Ambulance Service	1,639·5	76·6	5
West Midlands Met	762·8	86·4	11
Mersey Met	701·5	38·4	5
Greater Manchester Met	1,067·6	70·0	7

[1] Figures are provisional

NHS Administration

Sir Michael Grylls: To ask the Secretary of State for Health what are the total numbers of staff employed in each of the various management/administrator grades of the national health service; and what were the comparable numbers and grades of administrators employed in each year since 1975.

Dr. Mawhinney *[holding answer 10 March 1993]:* The information is not available centrally in the form requested. The total numbers of staff employed in administrative and clerical grades and the total numbers of general and senior managers are given in the table. Management still accounts for less than 1·7 per cent. of the national health service work force.

	Administrative and clerical[1]	*General/Senior managers*[2]
1975	91,870	—
1976	98,510	—
1977	99,040	—
1978	100,300	—
1979	102,960	—
1980	105,430	—
1981	108,800	—
1982	108,800	—
1983	109,970	—
1984	110,300	—
1985	110,940	110
1986	110,840	510
1987	113,900	700
1988	114,720	1,240
1989	116,840	4,610
1990	120,040	9,680
1991[3]	127,370	13,340

[1] All figures are for England, are in whole-time eqivalents and are rounded to the nearest 10.
[2] General and senior managers were introduced in phases from 1985 following the Griffiths report (1983).
[3] Includes staff in the NHS trusts.

DEFENCE

Redundant Personnel (Rents)

Mr. Battle: To ask the Secretary of State for Defence what is the average level of rents payable in England by redundant service personnel remaining in married quarters.

Mr. Archie Hamilton: Redundant service personnel pay the appropriate quartering charge for the type and grade of quarter occupied until they leave the service. After leaving the service they pay a market rent appropriate to the size of the property and the locality. Calculating the average amount payable could be done only at disproportionate cost.

Departmental Properties

Mr. Battle: To ask the Secretary of State for Defence how many of his Department's former properties have been leased by local authorities for each year from 1979 to 1993.

Mr. Archie Hamilton: Details of married quarters leased to other organisations have only been collected centrally since 1986. As at 31 March of each year the following properties were on lease to local authorities.

	Number
1986	497
1987	405
1988	378
1989	508
1990	595
1991	616
1992	848
1993	832

In addition to the properties on lease to local authorities, a further 112 are on lease at present to other organisations or individuals and additional leases are under negotiation.

Mr. Battle: To ask the Secretary of State for Defence, pursuant to his answer of 8 March, *Official Report*, column *452*, how many of his Department's properties sold under the discount scheme in 1990, 1991, 1992 and 1993 were purchased *(a)* by housing associations, *(b)* under do-it-yourself shared ownership schemes, *(c)* under shared ownership schemes and *(d)* by private developers.

Mr. Archie Hamilton: None. Only service personnel are eligible to purchase property under the discount scheme.

Mr. Battle: To ask the Secretary of State for Defence how many applications have been received from service personnel for do-it-yourself shared ownership schemes in the current financial year.

Mr. Archie Hamilton: As of 24 March, 408 applications from service personnel had been submitted through the joint service housing advice office in the current financial year.

Mr. Battle: To ask the Secretary of State for Defence if he will give the number of his Department's residential properties which have been sold as a proportion of *(a)* those which are unoccupied and *(b)* those which are occupied by redundant service personnel remaining in married quarters.

Mr. Archie Hamilton: The information is not available in the form requested. My Department has a rolling programme to dispose of all properties that are surplus to its long-term requirements.

Maternity Units

Mrs. Wise: To ask the Secretary of State for Defence if he will list his Department's hospitals *(a)* in the United Kingdom and *(b)* abroad which have maternity units; and how many maternity beds and special and intensive care baby cots were available in each of those hospitals in the most recent available year.

Mr. Archie Hamilton: My noble Friend the Under-Secretary of State for Defence will write to the hon. Member.

Mrs. Wise: To ask the Secretary of State for Defence (1) how many women delivered in maternity units in his Department's hospitals in the most recent available year *(a)* in the United Kingdom and *(b)* elsewhere; and what was the percentage in each case of women whose deliveries were (i) spontaneous, including abnormal presentation of head and breech spontaneous, (ii) instrumental including forceps, vacuum and breech extractions and (iii) by Caesarean section;

(2) what percentage of women delivering in maternity units in his Department's hospitals in the most recent available year *(a)* in the United Kingdom and *(b)* elsewhere has episiotomies;

(3) what was the percentage of women delivering in maternity units in his Department's hospitals in the most recent available year *(a)* in the United Kingdom and *(b)* elsewhere (i) whose labours were induced, (ii) whose labours were of spontaneous onset and (iii) who had elective Caesarean sections;

(4) how many babies were born in his Department's hospitals *(a)* in the United Kingdom and *(b)* elsewhere in the most recent available year; and what were the numbers of live births, still births, deaths at 0 to six days after live birth and deaths at seven to 27 days after live birth of babies weighing (i) under 1,500g, (ii) 1,500g to 2,499g, (iii) 2,500g and over and (iv) babies whose birthweight was unstated *(y)* in the United Kingdom and *(z)* abroad.

Mr. Archie Hamilton: This information is not held centrally and could be provided only at disproportionate cost.

Advance of Pay Scheme

Mr. Ancram: To ask the Secretary of State for Defence what estimate he has made of the cost of extending the Royal Navy's long service advance of pay scheme to the Army and RAF.

Mr. Archie Hamilton: An estimate was prepared in 1991-92. Although the figures were never fully refined, the cost over a 10-year period was held to be of the order of £6.6 million for the Army and £12.8 million for the RAF.

Yugoslavia

Dr. David Clark: To ask the Secretary of State for Defence what consideration he has given to increasing the size of the British contribution to UNPROFOR II; and if he will make a statement.

Mr. Archie Hamilton: The size and composition of the British contribution to the Bosnia-Herzegovina command is determined by its role and tasks within the overall UNPROFOR deployment and by conditions in-country. The overall size of the battalion group and its supporting elements was reviewed as part of our roulement planning process.

Dr. David Clark: To ask the Secretary of State for Defence what consideration he has given to changing the rules of engagement for British forces deployed with UNPROFOR II; and if he will make a statement.

Mr. Archie Hamilton: Rules of engagement under which British troops and other UN troops operate in the former Yugoslavia enable them to defend themselves and to carry out their mission. Rules of engagement would be reviewed if there was any significant change in the circumstances of the deployment.

Dr. David Clark: To ask the Secretary of State for Defence what decisions he has made about the length of tours of duty for British service personnel deployed with UNPROFOR Bosnia-Herzegovina command; and if he will make a statement.

Mr. Archie Hamilton: The length of tour for British personnel deployed with the UN protection force in the former Yugoslavia is six months. This length of tour is consistent with the practice of other UNPROFOR troop contributors.

Dr. David Clark: To ask the Secretary of State for Defence, pursuant to his answers of 26 February, *Official Report*, column *739*, what are the reasons for the reduction in the number of British service personnel deployed with UNPROFOR Bosnia-Herzegovina command after the current units are replaced; and if he will make a statement.

Mr. Archie Hamilton: The reduction in numbers between the strength currently deployed and the planned strength after roulement is due mainly to the withdrawal of the Royal Engineer surge capability required to establish the United Kingdom forces in the region. That task will have been compelted by the time of the roulement.

Trucks

Dr. David Clark: To ask the Secretary of State for Defence what plans he has to order trucks or truck spare parts over the next three years.

Mr. Aitken: Our existing contracts for trucks and truck spare parts, worth approximately £165 million, will continue until well into 1995. Thereafter, my Department's long-term costing contains further provision for additional orders for truck spares and replacement vehicles. It is not our practice to disclose specific details of future programmes.

Ex-RAF Pilots

Dr. David Clark: To ask the Secretary of State for Defence, pursuant to his answer of 20 January, *Official Report*, column *307*, what steps he is taking to increase the current numbers of ex-RAF pilots participating in the Royal Auxiliary Air Force and the Royal Air Force Volunteer Reserve.

Mr. Archie Hamilton: I have nothing to add to the answer I gave to the hon. Member on 20 January, *Official Report*, column *307*.

NATO Defence Force

Dr. David Clark: To ask the Secretary of State for Defence how many and what type of RAF assets will be assigned to the NATO main defence force.

Mr. Archie Hamilton: All front-line aircraft are assigned to NATO or could be made available in support of NATO operations. Our contribution to the NATO main defence force will comprise most of the RAF assets not assigned to the reaction force (air). It will thus include strike/attack and reconnaisance assets, a comprehensive air defence capability and, to reflect the increased emphasis on flexibility of deployment, comprehensive transport, air-to-air refuelling and support helicopter forces. RAF regiment assets will also be assigned.

Matrix Churchill

Dr. David Clark: To ask the Secretary of State for Defence what information he had, at the time of signing public interest certificates on the Matrix Churchill case on *(a)* work undertaken on behalf of Her Majesty's Government by defendants in the case, *(b)* previous work

carried out by his officials relating to export licence applications by Matrix Churchill and *(c)* policies relating to the export of military equipment to Iraq prior to 2 August 1990; and if he will make a statement.

Mr. Aitken: These are matters for Lord Justice Scott's inquiry to consider.

Dr. David Clark: To ask the Secretary of State for Defence whether any of the official documents relating to the Scott inquiry have been lost or destroyed; and if he will make a statement.

Mr. Aitken: It is my Department's policy routinely to review and, where appropriate, destroy documents, usually after five years. Following the announcement of Lord Justice Scott's inquiry, instructions were issued prohibiting the destruction of any relevant papers. I am advised there are very few documents requested by the inquiry which my Department has been unable to provide.

Dr. David Clark: To ask the Secretary of State for Defence what documents his Department has been asked to provide to Lord Justice Scott; what documents his Department has supplied; and if he will make a statement.

Mr. Aitken: Lord Justice Scott has asked for a wide range of documents, held by my Department and relevant to this inquiry. The papers supplied to the inquiry to date amount to more than 18,000 pages.

Naval Bases

Dr. David Clark: To ask the Secretary of State for Defence, pursuant to his answer of 8 February, *Official Report*, column *498*, if he will list each of the reasons for not publishing the details of the various proposals which could have implications for naval bases.

Mr. Archie Hamilton: It is not our practice to publish details of the many proposals examined as part of MOD's internal planning process. To announce at the outset details of every proposal which might affect one or more naval bases would create uncertainty for civilian MOD employees and their families, others working at the base, local communities and service personnel. Such uncertainty could also affect the efficiency of the establishment. In addition, there may be security or commercial sensitivities attached to particular proposals.

Nuclear Submarines

Dr. David Clark: To ask the Secretary of State for Defence, pursuant to his answer of 8 February, *Official Report*, column *498*, what estimates have been made of the cost of final disposal for nuclear submarines.

Mr. Aitken: The policy for the final disposal of decommissioned nuclear submarines remains under consideration; the cost of disposal is one of the factors which will be taken into account.

NATO Rapid Reaction Corps

Dr. David Clark: To ask the Secretary of State for Defence what progress has been made in the development of the NATO rapid reaction corps; and if he will make a statement.

Mr. Archie Hamilton: The headquarters of the Allied Command Europe rapid reaction corps was established on 3 October 1992 and full operational capability will be achieved by 1995.

Dr. David Clark: To ask the Secretary of State for Defence, pursuant to his answer of 20 January, *Official Report*, column *306*, what is the minimum number of aircraft that the RAF will be contributing to the reaction force (air).

Mr. Archie Hamilton: The RAF will be making a contribution of up to 80 aircraft to the reaction force (air). There is no minimum as such; the number of aircraft deployed in any given situation will depend on the operational requirements at the time.

Dr. David Clark: To ask the Secretary of State for Defence what information he has received from his German, Dutch and Belgian counterparts relating to their contributions to the rapid reaction corps; and if he will make a statement.

Mr. Archie Hamilton: The German, Dutch and Belgian MODs have provisionally agreed to assign forces to the ACE rapid reaction corps and these are most welcome. Details of national contributions have yet to be finalised.

Defence Expenditure

Dr. David Clark: To ask the Secretary of State for Defence what discussions he has had with his NATO counterparts regarding their plans for defence expenditure; and if he will make a statement.

Mr. Archie Hamilton: NATO Defence Ministers last considered the spending plans of alliance nations at the defence planning committee meeting on 11 December 1992, as part of the annual review of national defence planning.

Leyland DAF

Dr. David Clark: To ask the Secretary of State for Defence if he will provide details of all of the current orders he has with Leyland DAF.

Mr. Aitken: The Department has 36 current contracts with Leyland DAF. Thesee are as follows:

(1) Five vehicle contracts comprising DROPS MMLC, four tonne 4×4 truck cargo, 4 tonne 4×2 truck cargo, eight-tonne 4×2 truck cargo, and 21-tonne truck cargo;
(2) 24 spares contracts;
(3) Two post-design services contracts for DROPS and four tonne;
(4) Five general contracts e.g. running contracts and testing.

It is not our policy to disclose prices as these are commercially confidential.

Surplus Married Quarters

Mr. David Clark: To ask the Secretary of State for Defence what is the amount and value of surplus married quarters that have been bought by housing associations in the last three years.

Mr. Archie Hamilton: Six hundred and twenty-five surplus married quarters have been sold direct to housing associations over the last three years at a total value of £24·171 million. Two further sales involving 150 properties are expected to be completed before the end of this month and sales of a further 561 properties to housing associations are under negotiation.

Iraq

Dr. David Clark: To ask the Secretary of State for Defence what changes he has made to his policy relating to the release of information concerning the export of military equipment to Iraq in the last three years; if he will now change his policy relating to the release of such information; and if he will make a statement.

Mr. Aitken: It has been the policy of successive Administrations to treat information about the export of specific equipments as commercially confidential. There are no plans to change this policy. In the special circumstances of Iraq, information which is not commercially sensitive has exceptionally been made public since the Gulf conflict. Since the conflict our policy has been to support the United Nations embargo on exports to Iraq.

Redundancies

Dr. Reid: To ask the Secretary of State for Defence how many officers on short service commissions have been isssued with compulsory redundancy notices since the start of 1993.

Mr. Archie Hamilton: A total of 109 Army officers serving on short service (late entry) commissions were notified on 25 February 1993 that they had been selected for compulsory redundancy under phase 2 of the Army's redundancy programme. No short service officers in either the Royal Navy or the Royal Air Force have been issued with compulsory redundancy notices since the start of 1993.

HOME DEPARTMENT

Fire Officers

Sir John Wheeler: To ask the Secretary of State for the Home Department if he will update the information provided in his answer of 13 March, *Official Report*, columns *507-9*; and if he will rank the annual pay rates of all grades of fire officer and retained fire officer and the arrangements and value of pensions and London weighting allowances; and if he will make a statement.

Mr. Jack: The National Joint Council for Local Authorities' Fire Brigades has provided the following information relating to pay scales for all ranks of whole-time and retained firefighter, which updates the information contained in the reply given on 13 March 1991.

The annual pay rates of chief fire officers are determined at the discretion of the employing authority, but are normally determined in relation to the population within the brigade area. The table gives details of population ranges and corresponding salary ranges:

Annual pay rates for Chief Fire Officers by population range

	Salary range		Higher maximum for metropolitan brigades[1]
	Minimum	Maximum	
Population range	£	£	£
Up to 240,000	38,385	51,849	—
240,001 to 360,000	39,384	53,934	—
360,001 to 460,000	40,815	56,025	—
460,001 to 600,000	42,336	57,438	—
600,001 to 760,000	43,878	59,484	—
760,001 to 940,000	45,414	62,040	—
940,001 to 1,200,000	46,116	63,705	66,600
1,200,001 to 1,700,000	48,372	65,163	68,124
1,700,001 to 2,300,00	49,932	67,116	70,170
2,300,001 and over	51,642	69,075	72,213
London	59,388	79,431	83,046

[1] At the discretion of the employing authority.

The annual pay rates for assistant chief officers except those appointed as deputy chief fire officers, are determined in the same way as those for chief fire officers. The salary ranges are set at 75 per cent. of those for chief fire officers for the equivalent population ranges, subject to an underpinning minimum of £38,139. Salary ranges for those appointed as deputy chief fire officers are set at 80 per cent. of those for chief fire officers for the equivalent population ranges, subject to an underpinning minimum of £38,997.

The annual rates of whole-time ranks from firefighter up to senior divisional officer are set out in the table:

Annual pay rates of whole-time ranks: Firefighter up to and including Senior Divisional Officer

Rank	Minimum £	Maximum £
Senior Divisional Officer	28,896	[1]31,173
Divisional Officer I	26,844	[1]28,776
Divisional Officer II	24,306	[1]26,940
Divisional Officer III	22,890	[1]24,540
Assistant Divisional Officer	21,369	[1]23,364
Station Officer	20,274	[1]21,864
Sub-officer	17,478	18,852
Leading Firefighter	17,046	17,745
Firefighter	12,531	[2]15,921

[1] Ranks at station officer and above may attract a flexible duty supplement of 20 per cent.
[2] Subject to being fully qualified.

The annual retainers for retained firefighters are set out in the table:

Annual retainers for retained firefighters

Rank	One to three years' service £	More than three years' service £
Station Officer and above	1,902	2,154
Sub-officer	[1]1,563	[1]1,683
Leading firefighter	1,521	1,563
Firefighter	1,392	1,521

[1] Enhanced payments are made to Sub-officers in charge of fire stations. In addition, retained firefighters are paid fees for attendance at incidents, attendance at drill nights and extra duties. Retained firefighters are also eligible for payments under the long service bounty scheme.

All staff employed by the London Fire and Civil Defence Authority receive a London weighting allowance of £2,511 per annum.

The arrangements for the payment of pensions are as set out in the reply given on 13 March 1991, with the

exception that the pension contribution rate has increased to 11 per cent. following the introduction of a lump sum death grant in respect of firefighters who die in service.

Child Abduction

Mr. Olner: To ask the Secretary of State for the Home Department if he will make a statement about the grant for Reunite, the National Council for Abducted Children.

Mr. Jack *[holding answer 25 March 1993]:* Reunite has been funded by the Home Office voluntary services unit since November 1989 at an annual rate of around £23,000. This arrangement was due to end on 31 March 1993 as indicated, but I am pleased to say that agreement has now been reached with my right hon. Friend the Secretary of State for Foreign and Commonwealth Affairs on a joint funding scheme to apply beyond that date. We will maintain Reunite's grant at its existing level in 1993-94 and we are prepared to consider the possibility of continued funding, subject to satisfactory discussions but on a tapering basis, for the two following years.

Metropolitan Police

Mr. Keith Hill: To ask the Secretary of State for the Home Department if he will list the divisions of the Metropolitan police service by borough, together with the number of police officers working in each division and the population served by each division.

Mr. Charles Wardle *[holding answer 25 March 1993]:* The information in respect of the London boroughs is as follows:

London borough	*Number of officers*	*Population of borough*
INNER LONDON		
Camden		170,444
Holborn	248	
Hampstead	262	
Kentish Town	214	
Hackney		181,248
Stoke Newington	330	
Hackney	285	
Hammersmith and Fulham		148,502
Fulham	202	
Hammersmith	337	
Haringey		202,204
Tottenham	286	
Hornsey	267	
Westminster		174,814
Belgravia	358	
West End Central	372	
Charing Cross	422	
Paddington Green	283	
Marylebone	257	
Harrow Road	219	
OUTER LONDON		
Barking and Dagenham		143,681
Dagenham	292	
Barnet		293,564
Golders Green	211	
West Hendon	240	
Bexley		215,615
Bexleyheath	278	
Brent		243,025
Wembley	248	
Kilburn	378	
Bromley		290,609
Orpington	213	
Bromley	260	
Croydon		313,510
Croydon	280	
South Norwood	310	
Islington		164,686
Islington	290	
Holloway	268	
Kensington/Chelsea		138,394
Chelsea	185	
Kensington	221	
Notting Hill	223	
Lambeth		244,834
Brixton	299	
Kennington	181	
Clapham	229	
Streatham	261	
Newham		212,170
Newham	582	
Southwark		218,541
Southwark	283	
Peckham	300	
Carter Street	237	
Tower Hamlets		161,064
Bethnal Green	188	
Leman Street	202	
Limehouse	308	
Wandsworth		252,425
Battersea	230	
Tooting	233	
Wandsworth	209	
Ealing		275,257
Ealing	346	
Southall	281	
Enfield		257,417
Edmonton	251	
Greenwich		207,650
Plumstead	282	
Greenwich	262	
Harrow		200,100
Harrow	271	
Havering		229,492
Havering	372	
Hillingdon		231,602
Hillingdon	460	
Hounslow		204,397
Chiswick	191	
Hounslow	263	
Kingston on Thames		132,996
Kingston	380	
Merton		168,470
Merton	293	
Redbridge		226,218
Ilford	247	

London borough	Number of officers	Population of borough
Richmond on Thames		160,732
Twickenham	304	
Waltham Forest		212,033
Leyton	234	
Chingford	247	

Gambling

Mr. Riddick: To ask the Secretary of State for the Home Department if he will outline the statutory or licensing restrictions which apply to gambling in pubs or other licensed premises; and what consideration is being given to amending them.

Mr. Peter Lloyd *[pursuant to his reply, 18 March 1993, c. 319]:* Section 6 of the Gaming Act 1968 permits, in public houses and hotels licensed for the sale of liquor, the playing of dominoes, cribbage and any other form of equal chance game authorised by the appropriate liquor licensing authorities. To prevent abuse, the justices are empowered as a safeguard to impose conditions that forbid play for high stakes or stop the gaming from becoming a primary inducement to custom; and people under 18 are debarred from play.

Under section 34 of the 1968 Act, the holder of a justices' on-licence may also apply to the justices for a permit to provide one or more amusements-with-prizes machines offering prizes up to £3 in cash or £6 in tokens against a maximum stake of 20p.

There are at present no plans to amend these restrictions.

Weapons Advertising

Mr. McFall: To ask the Secretary of State for the Home Department pursuant to his answer of 22 March, *Official Report*, column *450*, whether he is willing to receive a deputation led by the hon. Member for Dumbarton on the publication and distribution of the magazine referred to in relation to public safety.

Mr. Charles Wardle: My right hon. and learned Friend will consider this if the hon. Member for Dumbarton writes to him with details of the purpose of the proposed deputation.

EDUCATION

Departmental Contracts

Mr. Ronnie Campbell: To ask the Secretary of State for Education if he will list, for each of the last five years, the duration, value and nature of contracts awarded by his Department to Arthur Andersen, Andersen Consulting, KPMG Peat Marwick McLintock, Touche Ross, Ernst and Young and Price Waterhouse.

Mr. Boswell: The information in the form requested is available only for the years 1991-92 and 1992-93.

For the three previous years, no central records of the duration of contracts were held.

Contract Description	Value £
1988-89 Financial Year	
Peat Marwick McLintock	
Study of Requirements for an integrated Vote and Management accounting system	81,304
Ernst and Young	
Management System for HMI travelling and subsistence	26,141
1989-90 Financial Year	
Peat Marwick McLintock	
Financial Survey of SERC	18,055
Financial Computer System	49,910
Student Loans	244,493
1990-91 Financial Year	
Touche Ross	
Advice on extension of LMS to special schools	40,000
Management Consultancy Survey of NERC	23,800
Ernst and Young	
Financial Management Review of CCPR	35,420
KPMG	
Pensions Administration System	102,476
Commercial Funding of Workshop Materials	55,192
IS Branch Annual Business Plan	22,902
Review of Teachers Superannuation scheme	74,587
Training Needs Analysis for TPA	11,873
Price Waterhouse	
Financial Controls for NCC	47,000

Contract description	Value £	Duration Days
1991-92 Financial year		
Touche Ross		
Assistance in preparing colleges for independence from Local Authority control	62,000	105
Provision of operational research assistance	58,595	172
Tender budgeting and accounting methods	24,000	40
Ernst and Young		
Study of telecommunications and distance working for the Department	25,565	26
Financial management survey of Purchasing procedures	25,200	40
FEFC relocation study	15,000	34
KPMG Peat Marwick McLintock		
Customer Survey for the Teachers Pensions Agency,	19,000	14
Review of a Data Collection Processing System	21,500	35
Identification of a Market Testing Programme	29,325	35
Commercial funding of workshop materials	12,338	1—
Price Waterhouse		
Capital equipment survey	52,954	108
Financial management survey	13,120	15
1992-93 Financial year		
Touche Ross		
Assistance on file storage, file retrieval and document retention	23,522	34
Provision of operational research assistance	31,820	93

Contract description	Value £	Duration Days
KPMG Peat Marwick McLintock		
Follow up work to the Customer Survey for the Teachers Pensions Agency	19,500	26
Financial Management Review of Research Council contracts with other Government Department	28,000	34
Project Audit of the Pensions Administration System (PAS) for the Teacher Pensions Agency	16,250	20
Study on Payments made to GM Schools	9,500	15
Price Waterhouse		
Financial consultancy review	14,000	17
Accountancy review	8,500	12

[1] Extension of previous contract.

University Students

Mr. Steinberg: To ask the Secretary of State for Education how many students have taken part in the Erasmus scheme to study at EC universities; which students are eligible; and what is the total number of places in the scheme.

Mr. Boswell: Approximately 120,000 students, including 19,000 from the United Kingdom, have taken part in the Erasmus programme during the first five years of its existence—1987-88 to 1991-92. Eligibility extends to students at higher education institutions which, together with partner institutions in other participating countries, have made a successful application to the European Commission to form an inter-university co-operation programme (ICP). Selection of individual students to take part in a student exchange is a matter for the home institution. The level of student mobility within an ICP is decided by the institutions involved.

London Education Bodies

Mr. Dowd: To ask the Secretary of State for Education how many bodies, elected or appointed organisations or groups currently deal with responsibilities previously discharged by the Inner London education authority; and if he will list each with its area of activity.

Mr. Forth: The Department does not maintain a central record of the detailed information requested.

SOCIAL SECURITY

Domestic Violence

Ms Mowlam: To ask the Secretary of State for Social Security how many women requested social fund loans, community care grants and crisis loans, as a result of escaping a violent partner, for the last two years for which figures are available; what was the average amount granted for each of the above; and what was the number of domestic violence victims whose applications were refused.

Mr. Scott: The information requested is not readily available and could be obtained only at disproportionate cost.

Pensioners

Mr. Burns: To ask the Secretary of State for Social Security how many pensioners in *(a)* the Chelmsford constituency and *(b)* the United Kingdom are in receipt of income support.

Mr. Burt: The administration of income support is a matter for Mr. Michael Bichard, the chief executive of the Benefits Agency. He will write to my hon. Friend with such information as is available and a copy will be placed in the Library.

Letter from Michael Bichard to Mr. Simon Burns, dated 25 March 1993:

As Chief Executive of the Benefits Agency it is my responsibility to answer questions about relevant operational matters. I am therefore replying to your recent Parliamentary Question to the Secretary of State for Social Security asking how many pensioners in *(a)* the Chelmsford constituency and *(b)* the United Kingdom are in receipt of Income Support.

The constituency of Chelmsford is covered by the Benefits Agency's Essex and South East District, which consists of Southend-on-Sea and Chelmsford offices. The information is not available in the format requested because the boundaries of the district do not correspond exactly with those of the constituency. Additionally, for Income Support purposes all customers are classified as pensioners at age 60.

However, as at 28 February 1993, the latest date for which information is available, 11,144 customers aged 60 or over in the Benefits Agency's Essex South East District office were claiming Income Support. The equivalent figure for the United Kingdom as a whole is 1,630,511.

I hope you find this reply helpful. A copy of this letter will appear in the *Official Report* and a copy will be placed in the Library.

Chronic Bronchitis and Emphysema

Mr. Dewar: To ask the Secretary of State for Social Security when he will respond to the report by the Industrial Injuries Advisory Council on chronic bronchitis and emphysema.

Mr. Scott: We hope to announce our response shortly.

Benefits (Overpayment)

Mr. O'Hara: To ask the Secretary of State for Social Security what is the maximum length of time in arrears after which overpayment of state benefits may be recovered.

Miss Widdecombe: The law prescribes no time limit for the calculation or recovery of overpaid benefits.

Income Support

Mr. Dewar: To ask the Secretary of State for Social Security what income support rates were in each year since 1988-89.

Mr. Burt: The information is in table A2.36 on page 41 of "Social Security Statistics 1992", published by HMSO. A copy of which is in the Library.

Retirement Pension

Mr. O'Hara: To ask the Secretary of State for Social Security what is the maximum length of time in arrears after which the state retirement pension may be claimed.

Miss Widdecombe: Arrears of state retirement pension may be paid for a maximum period of 12 months before the date of the claim.

Automated Credit Transfer

Mr. Madden: To ask the Secretary of State for Social Security what representations he has received about advice being given to those about to retire about pensions being paid through automated credit transfer; and if he will make a statement.

Miss Widdecombe: We have received a number of representations on this subject both from hon. Members and outside interests. All representations are being given full and due consideration.

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PARLIAMENTARY DEBATES

OFFICIAL REPORT

SIXTH SERIES **VOLUME 221**

SESSION 1992–93

15th March, 1993—26th March, 1993

SCOPE OF THE INDEX, ARRANGEMENT AND ABBREVIATIONS

This index is derived from the House of Commons Library's Parliamentary On-Line Information System (POLIS), and the subject terms used are based on those used in POLIS. There are often changes in column numbering, etc, between the daily part or weekly Hansard (which simply collects together the daily parts without revision) and the bound volume. The index for the bound volume is revised to take account of these changes and cannot therefore, be used in connection with the daily part or weekly Hansard. For these versions use the Fortnightly Index.

Scope and arrangement of the Index

Oral and Written Parliamentary Questions are indexed under subject headings and the names of Members asking and Ministers replying to them. Questions are not listed under the names of Departments replying. Departmental listings can be arrived at indirectly by looking under the names of the Minister(s) of that Department. There are, however, the headings 'Northern Ireland', 'Scotland', and 'Wales' under which one can find not only most Questions answered by the Northern Ireland Office, Scottish Office, Welsh Office but also Questions about these areas of the United Kingdom which are answered by other Departments. Ministerial statements are indexed under subject headings, under 'Ministerial statements' and the names of Ministers making them and Members speaking on them. General debates are indexed under broad subject headings and under the names of all Members and Ministers taking part. Debates on legislation (Bills, Orders, Regulations etc.) are indexed under the name of the Bill, Statutory Instrument etc, under subject headings and under the names of those taking part.

Rulings and Statements by Speaker and deputies are brought together under the heading Speaker's rulings and statements.

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Opposition Day Debates, Estimates Day Debates and Standing Order No. 10 applications are listed under those respective headings and under subject headings too.

The date of each item except Parliamentary Questions is inserted immediately before the reference.

Members' names are given in the form by which they prefer to be known and are printed in bold italics. Under their names, entries are arranged under one of the two headings *Debates etc* (to include interventions on statements, points of order and so on) or *Questions*.

Abbreviations

Bills 1R = first reading, 2R = second reading, Money res = money resolution, Com = Committee stage, Rep = Report stage, 3R = third reading, amendt/amendts = amendment/amendments, * = matter taken formally, without debate.

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